

REF: CHEMFAB/SEC/2025-2026

Date: 20th August 2025

BSE Limited

Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001.

BSE – Scrip Code: 541269

National Stock Exchange of India Limited

The Manager, Listing Department
“Exchange Plaza”
Bandra - Kurla Complex, Bandra (E)
Mumbai - 400 051

NSE Symbol: CHEMFAB

Sub: Regulation 34 of SEBI (LODR) Regulations, 2015, as amended - Submission of Annual Report of the Company for Financial Year 2024-25

We wish to inform you that the 16th Annual General Meeting (“AGM”) of the Company is scheduled to be held on Friday, 12th September 2025 at 10:00 AM (IST) through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”).

In accordance with Regulation 34 and other applicable regulations of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, we are submitting herewith Annual Report of the Company for the Financial Year 2024-2025. The Annual Report has been uploaded on the website and it is available at <https://chemfabalkalis.com/investors/>.

Kindly take above information on records.

Thanking You,

Yours Faithfully,

For CHEMFAB ALKALIS LIMITED

Bharatraj Panchal

Company Secretary & Compliance officer



▶▶▶ Leading
the Change
Shaping
What's Next

▶▶▶ Leading the Change Shaping What's Next

Progress is defined by the ability to anticipate, shape, and lead change. At Chemfab Alkalys, we have consistently envisioned and delivered solutions that set new benchmarks, acting as early originators, industry pace-setters, and partners in India's industrial transformation.

As pioneers in the chlor alkali sector, we have remained at the forefront of technological innovation and sustainable business practice. Chemfab's adoption of advanced technology, resource-efficient manufacturing, and robust environmental protocols have reinforced a decades-long record of recognised "India-first" and "global-first" achievements. Our drive to integrate backward and forward linkages, embrace renewable energy solutions, and lead in process safety standards has established Chemfab as a reference point in both efficiency and reliability.

This philosophy of leadership and proactive adaptation extends into our OPVC pipes business, where we have identified growth opportunities ahead of the market and executed with discipline and vision. Leveraging our technological capability and strong partnerships, Chemfab has built one of the country's most advanced manufacturing bases in high-performance pipeline solutions.

Here as well, we remain focused on shaping emerging markets, driving sector evolution, setting standards, and supporting infrastructure growth for a water-secure nation.

We continue to build on our legacy of leading the change and shaping what is next for our customers, our partners, and the communities we serve.



Forward-looking statements

This document includes forward-looking statements pertaining to anticipated future events and the financial and operational outcomes of Chemfab Alkalys Limited ('Chemfab' or 'Company'). Given their nature, these forward-looking statements necessitate our Company to make assumptions and are inherently susceptible to risks and uncertainties. There exists a prominent risk that the assumptions, predictions, and other forward-looking statements may not prove to be precise. Readers are advised against placing undue reliance on these forward looking statements, as various factors could lead to disparities between assumptions and actual future results and events. Consequently, this document is subject to a disclaimer and is qualified in entirety by the assumptions, qualifications, and risk factors outlined in our company's Annual Report.



To view our report online, please visit:

<https://chemfabalkalis.com>



Scan QR code to see this Annual Report online

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Dr C.H.Krishnamurthi Rao

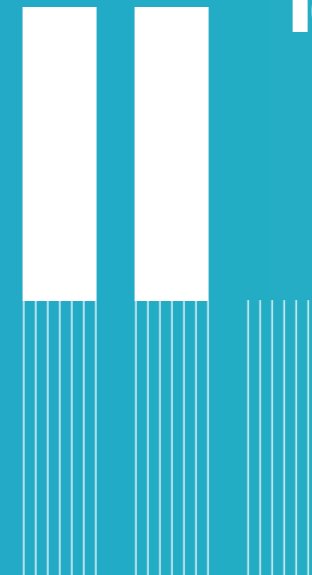
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Founder Chairman–
Chemfab Team Group of Companies
Dr Rao Holdings Pte Ltd., Singapore

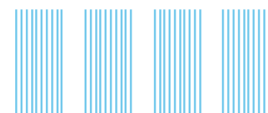


A tribute to one
of the greatest
Technocrats,
**Innovators
and Visionaries
of our times**

We at CCAL pledge **to
carry forward your
legacy and fulfil your
cherished dreams.**



Building Leadership in Complex **Chemistry** **and Innovation**



Chemfab Alkalis Limited is an integrated industrial manufacturer engaged in the manufacture of products that serve both industrial processes and infrastructure development in India.



With a foundation built on technical capability and a focus on sustainable operations, the company manages two distinct and independent business divisions, each driven by its own set of opportunities and growth drivers.

The chlor-alkali division, based in Puducherry, is an integrated chemical manufacturing operation supported by captive salt fields and in-house utilities. This business supplies essential products such as caustic soda, hydrochloric acid, and liquid chlorine to a range of industries including aluminium, textiles, and pharmaceuticals. It operates on a cost-efficient model shaped by vertical integration, process innovation, and a strong focus on environmental compliance.

In parallel, Chemfab has built a high-growth Oriented Poly Vinyl Chloride (OPVC) pipes business at Sri City in Andhra Pradesh. These products play a critical role in water distribution networks and are increasingly adopted in public infrastructure projects across India. Guided by advanced technology and precision manufacturing, this division is positioned to meet the growing demand for durable, efficient water pipeline systems.



Our Vision

To achieve leadership through highly efficient operations, best practices and environment-friendly technology, thereby generating significant value to all stakeholders.



Our Moto

Technological dynamism with environmental commitment.



02

Manufacturing units across India

251

Team members across all operations

65,700 TPA

Chlor alkali installed capacity (in TPA)

14,000 TPA

OPVC pipes capacity as of FY25 (TPA)

59%

FY25 revenue from chlor alkali segment

41%

FY25 revenue from OPVC pipes segment

Pushing Boundaries in Industry and Infrastructure

Chlor-Alkali Business

With a legacy spanning four decades, the chlor-alkali division has shaped Chemfab's identity as a trusted, integrated manufacturer of essential chemicals. Leveraging in-house salt fields and stringent process control, this business has pioneered energy efficiency, environmental responsibility, and industry-first operational standards.

1980s–2000s: Foundations and Firsts

1985: First in India to implement membrane cell technology for caustic soda production, eliminating mercury and improving efficiency with a pilot capacity of 6,250 TPA.

1997: Capacity enhanced the capacity to 33,000 TPA

2003: Became the first company globally to introduce ultrafiltration for brine clarification, offering major environmental benefits.

2005: Developed an eco-friendly process to separate sodium sulphate from brine, eliminating the need for barium chloride as a chemical input

2010s: Leadership in Sustainability

2011: Patented the world's first fully enclosed negative pressure system to contain chlorine gas safely.

2012: Patented a process to produce soda ash from flue gas

2013: First Indian plant to conduct a carbon footprint study, leading the sector in low-carbon operations.

2014: Upgraded to BiTAC® electrolyzers, implemented all fourteen OSHAS elements for process safety, and became the first chlor-alkali plant in India certified to ISO 14001 and ISO 45001 management systems.

Late 2010s–Present: Advanced Circularity and Modernisation

2017: Patented zero-waste process, converting brine sludge to usable bricks.

2022: Enhanced caustic soda capacity from 45,600 TPA to 65,700 TPA and installed an advanced recycled water plant

2023: Patented a technology to remove trace iodide from brine

2024: Transitioned to LNG, migrated to SAP S/4 HANA for digital integration, and commercially stabilised brine sludge-based brick production.

OPVC Pipes Business

Since its entry in 2018, Chemfab's OPVC pipes division has established itself at the forefront of India's water infrastructure transformation. Drawing on best-in-class technology and advanced automation, this business delivers high-strength, durable piping to support major public projects.

2017–2020: Market Entry and Establishment

2017: Bureau of Indian Standards issued IS 16647:2017 for OPVC pipes, paving the way for formal adoption and local manufacturing.

2018: Chemfab commissioned its first OPVC pipes line at Sri City, Tada with a capacity of 3,000 TPA, collaborating with Molecor Tecnología S.L. of Spain.

2020: A second OPVC line doubled installed capacity to 6,000 TPA, positioning the company among India's leading OPVC producers.

2021–2024: Expansion and Product Leadership

2021: Company became the first Indian manufacturer of OPVC pipes up to 630 mm in diameter and received a BIS certificate of appreciation for zero failures.

2024: Company commissioned Lines 3 and 4, expanding capacity from 6,000 TPA to 14,000 TPA and extending the product range from 110 mm to 630 mm diameters.

Sectoral Impact and Market Expansion

OPVC is now approved in 13 states, with a significant role in government water projects under Jal Jeevan Mission and AMRUT 2.0.

Plans for further capacity addition up to 23,000 TPA by FY26.

Powering Industry Through Essential Chemistry

Chlor Alkali vertical is the foundation of Chemfab Alkalies Limited’s diversified operations, delivering essential chemical products vital to the functioning of numerous industry sectors.



The business operates as a fully integrated platform, leveraging in-house resources, seamless process controls, and advanced environmentally conscious technologies. This division has been central to building Chemfab’s reputation for dependable supply, high-quality output, and sectoral leadership.

Its portfolio addresses the most critical requirements of modern industry, facilitating efficient production for clients in aluminium processing, textiles, paper, water treatment, pharmaceuticals, and beyond. The vertical’s commitment to continuous improvement, adherence to exacting safety protocols, and pursuit of green chemistry advancements enables Chemfab to adapt to evolving regulatory landscapes and customer demands. By consistently providing indispensable inputs, the Chlor Alkali business secures Chemfab’s role as a strategic enabler of sustainable industrial growth and innovation.

Product Portfolio and End-Use Applications

A Applications E End-Use Industries

Caustic Soda Lye

A Used as a neutralising agent, cleaning agent, and pH regulator.

E Aluminium manufacturing, paper and pulp, and the soaps and detergents sector.

Caustic Soda Flakes

A Integral to chemical synthesis and soap manufacturing.

E Serves chemical manufacturing, pharmaceuticals, and food processing.

Liquid Chlorine

A Essential for disinfection, bleaching, and chemical synthesis.

E Utilised in water treatment, vinyl manufacturing, production of inorganic chemicals, paper and pulp, and pharmaceuticals.

Hydrochloric Acid

A Functions as a pickling agent, pH regulator, and for priming.

E Adopted by steel, water treatment plants, effluent treatment facilities, pharmaceuticals, and the oil and gas sector.

Hydrogen Gas

A Deployed for hydrogenation and as a fuel source.

E Applied in hydrogenation of oils and fats, chemical industry, and fuel cells.

Sodium Hypochlorite

A Used extensively for bleaching and disinfection.

E Textiles, water treatment, and pharmaceuticals.

BUSINESS SEGMENT 1 – CHLOR ALKALI

Integrated Value Chain Driving Efficiency and Resilience

Chemfab Alkalies Limited's Chlor Alkali operations are structured around a robust integrated value chain that ensures both security of supply and optimal resource utilisation. By controlling key upstream and downstream segments, the Company achieves market resilience, cost competitiveness, and enhanced sustainability.

Certifications and Awards

First plant in India to implement all fourteen elements of Process Safety Management as per OSHA guidelines



Among the first Indian chemical facilities to achieve ISO 14001 (environmental management) and ISO 45001 (occupational health and safety) certifications



Recognised as the greenest chlor-alkali plant in India



Plant Highlights

65,700 TPA

Installed caustic soda capacity

NABL- accredited

Quality assurance laboratory overseeing stringent product and process validation

70%+

Of the campus is maintained as a green belt

Location

Within a Puducherry government-promoted industrial area

Backward Integration

Captive Salt Operations

Chemfab owns and manages extensive salt fields across Kanthadu, Chunampet, and Mariyur, totalling over 2,370 acres. These fields use natural solar evaporation, guaranteeing a continuous, high-quality salt supply while minimising environmental footprint.

Raw material is sourced less than 40 km from the plant, reducing logistics costs and ensuring just-in-time delivery.

The backward integration shields plant operations from market price volatility, enables better control over input specifications, and upholds strong environmental stewardship.



Forward Integration

Downstream Product Development

The Company utilises chlorine and other co-products from core caustic soda production to develop value-added chemicals such as aluminium chloride.

Forward integration supports cost optimisation by ensuring captive consumption of chlorine, reducing dependency on external off-take agreements.

Expansion into product segments like aluminium chloride (10,000 TPA) diversifies the revenue base and addresses negative realisation cycles in the chlor-alkali market.

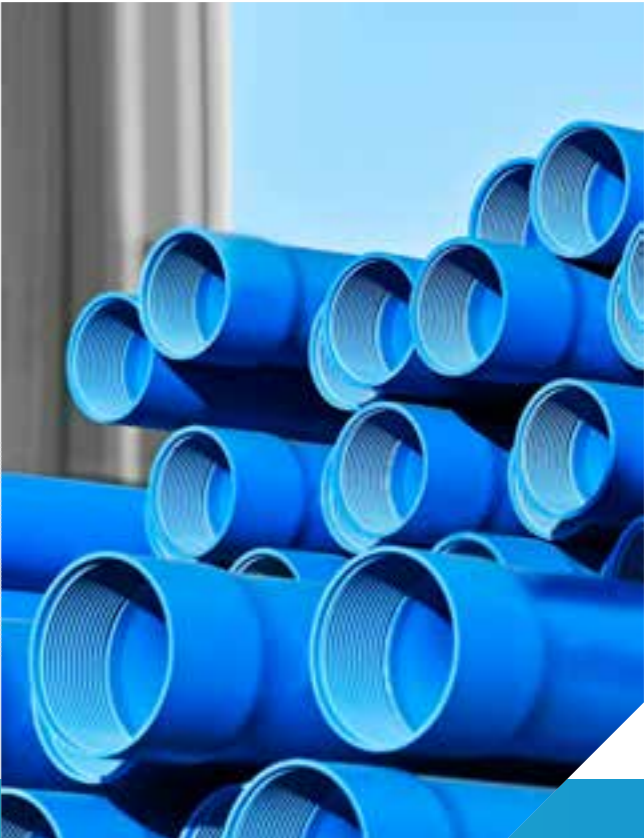


Transformative Solutions for Water Infrastructure

In 2018, Chemfab Alkalix Limited strategically diversified into the manufacturing of Oriented Polyvinyl Chloride (OPVC) pipes, marking a significant advancement within India’s water infrastructure sector.



Oriented Polyvinyl Chloride (OPVC) pipes represent a new generation of high-performance polymer piping, specifically engineered to meet the requirements of modern water infrastructure as a superior substitute for ductile iron (DI) pipes. They are designed for superior strength, extended durability, and enhanced cost-efficiency compared to conventional piping materials. Their precise formulation and advanced orientation technology provide outstanding resistance to corrosion, significantly reducing long-term maintenance and operational costs.



Superior Value Proposition

	OPVC	DI Pipes
Lifespan	100+ years	75 years
Weight	6–12 times lighter than DI pipes	Heavier, requires heavy machinery for handling
Hydraulic Capacity & Energy Efficiency	Up to 30% higher flow; lower pumping costs	Lower flow, higher pumping costs
Corrosion Resistance	Immune to corrosion	Requires protective coating, prone to corrosion
Installation Cost	Lower, fewer handling challenges	Higher installation and handling costs
Size Range	110 mm to 630 mm diameter	Wide range
Environmental Impact	A Lower carbon footprint	Higher carbon footprint

Rapid Market Adoption and Expanding Opportunity

The recognition of OPVC pipes’ superior value proposition is translating into widespread adoption across India’s water infrastructure projects. Since their formal standardisation in 2017, OPVC pipes have transitioned from an emerging technology to a critical component of government-led initiatives, supported by evolving standards, intensifying budget allocations, and sustained policy focus. The pace of acceptance has accelerated, with a growing number of states officially approving OPVC pipes for public water supply schemes and large-scale rural infrastructure.

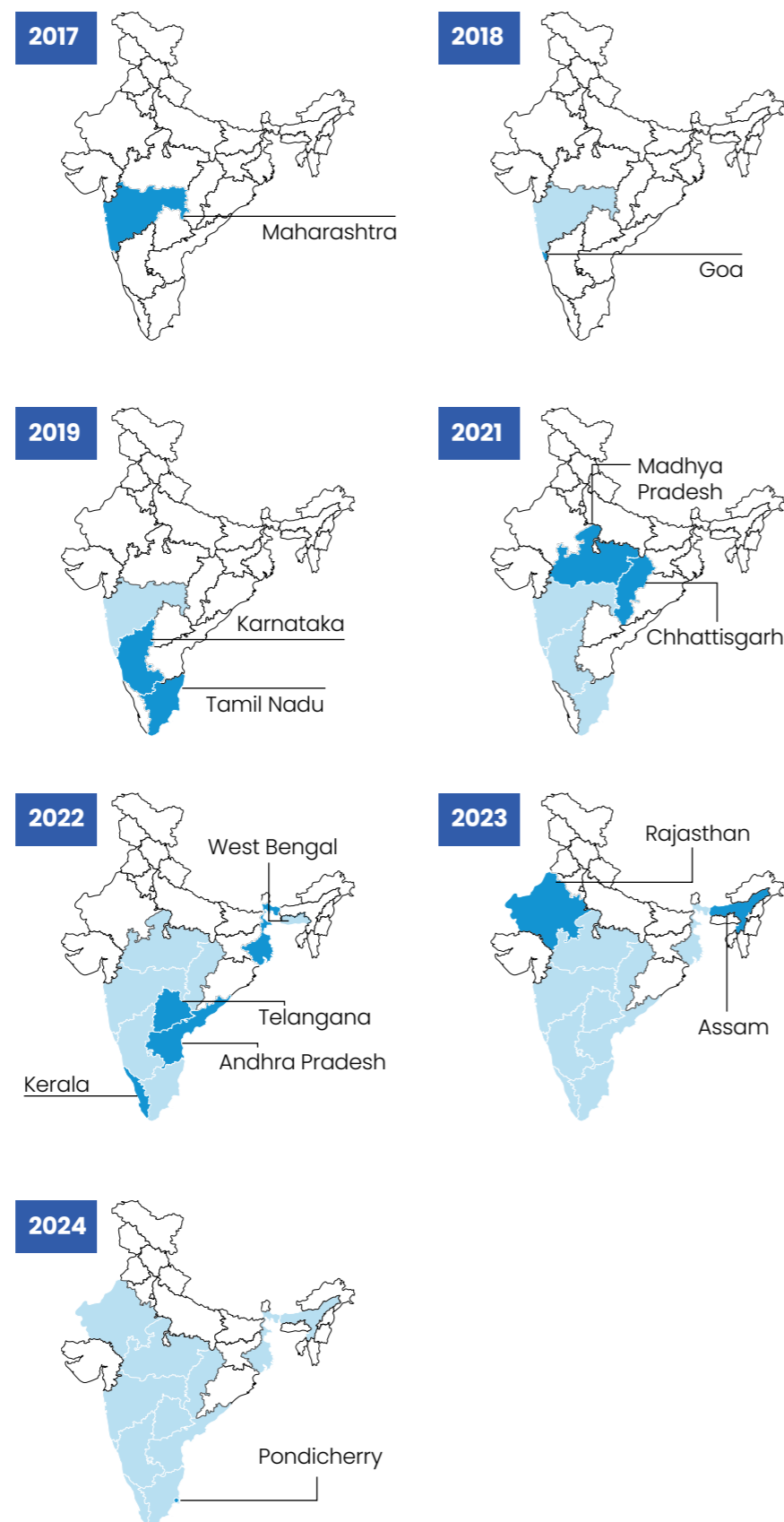
A Burgeoning Opportunity

The OPVC pipes market is estimated at ₹275 crore in FY25, with projections indicating growth to approximately ₹1,400 crore by FY28.

Extension of the Jal Jeevan Mission through 2028, with a budgetary allocation of ₹67,000 crore for 2025–26, is expected to further accelerate adoption of OPVC pipes across new and existing water infrastructure projects.

Increasing approval of OPVC pipes by multiple state governments for large-scale public infrastructure works is broadening the market base and supporting nationwide acceptance.

State-wise year of acceptance



Capitalising on the Opportunity

Chemfab Alkalix Limited’s OPVC Pipes facility at Sri City, Andhra Pradesh stands as India’s largest and most advanced plant for OPVC pipes, operational since December 2018. Designed for scale, innovation and efficiency, the site produces a full range of OPVC pipes from 110 mm to 630 mm diameter, supporting national water infrastructure with superior product quality and reliability.

Purpose-built for scalability and reliability, the plant leverages a continuous two-stage extrusion process and advanced molecular orientation techniques through a technology partnership, ensuring exceptional pipe strength and consistent quality across every diameter.

Key Highlights

Largest and most advanced OPVC pipes plant in India

Plug-and-play design enables rapid capacity expansion

BIS and ISO certified with full batch traceability and in-house lab

Powered by global technology partnership for world-class standards



14,000 TPA

Installed OPVC pipes capacity

#1

First Indian OPVC plant with BIS Zero Failures Certification

4

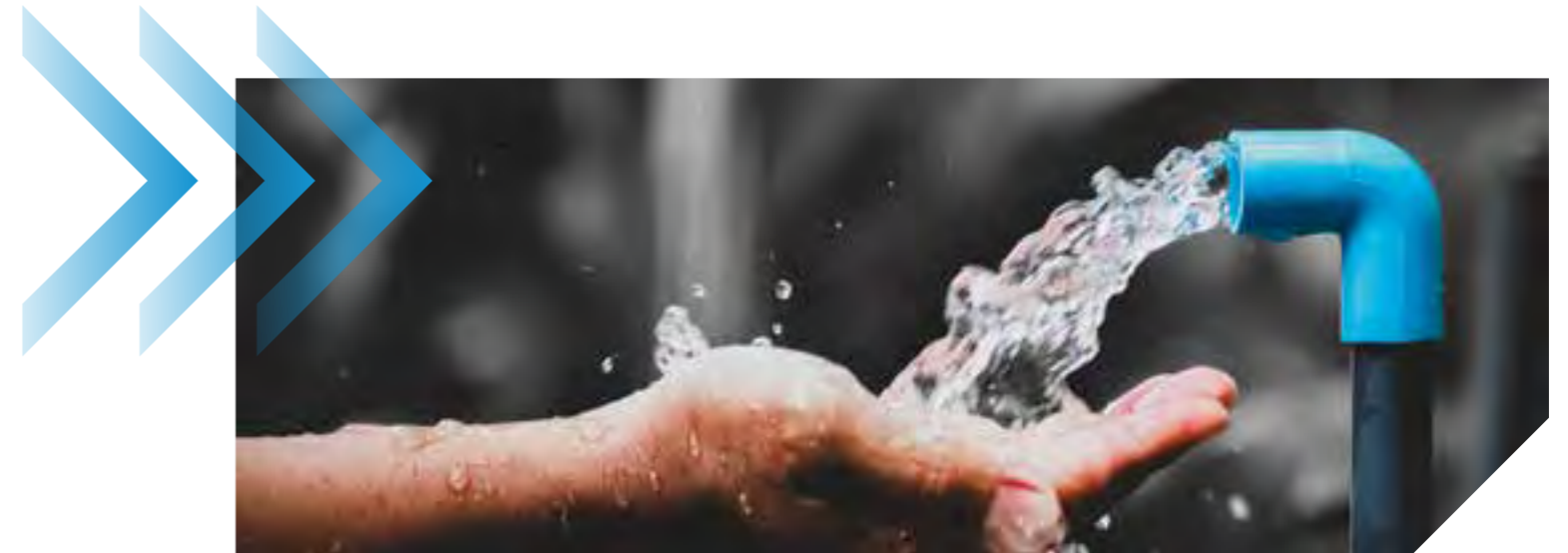
Operational lines as of FY25



GROWTH DRIVERS

Policy Led Growth Pathways

Ambitious government programmes such as the Jal Jeevan Mission and AMRUT 2.0 are fundamentally reshaping India's water infrastructure landscape. With continued focus on urban and rural water connectivity, these initiatives are set to drive sustained, long-term demand for OPVC pipes.



Jal Jeevan Mission

The Jal Jeevan Mission is driving a fundamental shift in India's approach to rural drinking water access, creating an enduring growth platform for OPVC pipe manufacturers. With the Mission's extension through 2028, demand visibility for reliable, high-quality piping remains exceptionally strong.

The Mission's phased roll-out prioritises both infrastructure creation and long-term maintenance, with fresh collaboration planned between states and the central government to ensure sustained water service standards. As states move closer to universal coverage, focus is also shifting to system upgrades and service quality, supporting consistent investment in advanced pipeline solutions.

This national focus positions Chemfab Alkalix strongly to participate in the next phase of water infrastructure expansion, reinforcing the role of OPVC pipes in India's rural transformation.

₹ 22,694 crore

FY25 budgeted allocation for Jal Jeevan Mission

₹ 67,000 crore

FY26 budgeted allocation for Jal Jeevan Mission



AMRUT 2.0

AMRUT 2.0 acts as a significant driver for sustained demand in the OPVC pipes sector, anchored in India's ambitions for universal urban water supply and improved urban sanitation. Launched in 2021 with a five-year horizon through FY26, the programme envisions 100% percent functional tap connections in all statutory towns alongside comprehensive sewerage and septage management across 500 targeted cities. This dual focus on both water delivery and waste management increases the need for durable, high-quality piping solutions.

By prioritising water body rejuvenation and supporting the circular water economy through an emphasis on water recycling and conservation, AMRUT 2.0 not only extends demand but also drives adoption of technologically advanced materials such as OPVC pipes.

2,99,000 crore

Total outlay for AMRUT 2.0 including central share

5 years

Programme duration from FY22 to FY26



CAPACITY EXPANSION PLANS

Powering Progress Through Focused Investments

Chlor Alkali Segment

The Company has initiated a comprehensive technology modernisation programme aimed at replacing legacy electrolyser systems with state-of-the-art equipment. This investment is aimed at enhancing operational efficiency, significantly reducing power consumption and achieving higher levels of process automation. The transition to newer technologies is expected to deliver substantial energy savings, optimise production cycles and support sustainability goals through lower carbon intensity.

Concurrently, a parallel investment is being undertaken to improve power efficiency through the commissioning of a hybrid renewable energy project under a Special Purpose Vehicle structure. This forward-looking approach seeks to reduce dependency on grid power, mitigate the impact of external fluctuations in energy costs and enable direct annual savings to the business. Collectively, these capital commitments are aligned with Chemfab's broader priorities of risk mitigation, resource self-sufficiency and margin enhancement in a competitive industry setting.

Capital Expenditure Highlights

Replacement of 1994-based electrolyser technology with a modern plant for improved efficiency and lower power costs

Expected to enhance profitability through measurable power savings

Scheduled for commissioning in the second quarter of FY26

Implementation will require a planned shutdown of 15 days and is anticipated to have no lasting adverse effects on overall output

₹60 crore

Total investment

Power Efficiency Project

Commissioning of a hybrid power project to directly supply renewable energy under an SPV structure

Direct annual cost savings of ₹15 crore due to reduced power outlays

Scheduled for commissioning in the second quarter of FY26

No operational disruption is envisaged during implementation

₹15 crore

Total investment

OPVC Pipes Segment

India's sustained focus on providing potable water access, upgrading urban water networks and modernising irrigation has generated significant demand for high-strength, corrosion-resistant pipes. By increasing capacity, Chemfab aims to capture incremental market share, serve a diversified client base and build deeper partnerships with public and private sector stakeholders.

The Company's capital expenditure programme is centred around plug-and-play modular lines that enable rapid commercialisation and scalability. Enhanced capacity is expected to strengthen Chemfab's ability to participate actively in major tender-driven projects, ensure timely deliveries and support evolving specifications for quality and reliability.

Capital Expenditure Highlights

Progressive increase to seven operational lines at the Sri City facility by FY26

Cumulative capacity targeted to reach 23,000 tonnes per annum by the fourth quarter of FY26

Additional investment considered for expanding into new regions based on emerging market demand

Capital Commitment

Capex outlay of ₹70 crore in FY25 for installation of Line 4, with further investments of ₹27 crore, ₹28 crore and ₹30 crore allocated for Lines 5, 6 and 7 respectively as per commissioning schedules in FY26

Strategic Benefits

Accelerated scaling to address growth in public sector pipelines driven projects

Flexible line additions ensure capacity meets demand optimism from flagship government missions

Enhanced product portfolio to address both rural and urban requirements for long-life, high-performance pipes

Strengthened competitive positioning through technology adoption and manufacturing reach

Timeline and Impact

Operational Line 4 was commissioned in FY25. Lines 5, 6, and 7 are scheduled for commissioning in Q2 FY26, Q3 FY26, and Q4 FY26 respectively

Rapid ramp-up minimises downtime and accelerates realisation of revenue and margin contributions

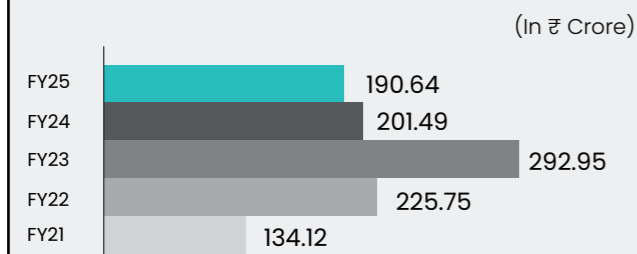
Capacity additions anticipated to improve market share, brand recall and stakeholder engagement across priority segments

KEY PERFORMANCE INDICATORS

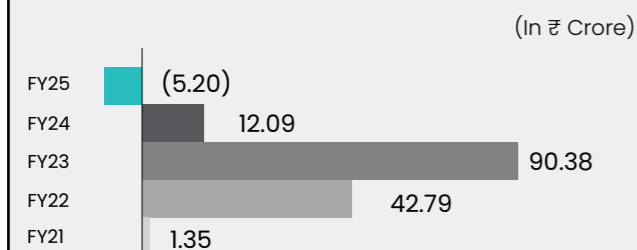
Measuring our Performance Over the Years

Chlor Alkali Segment

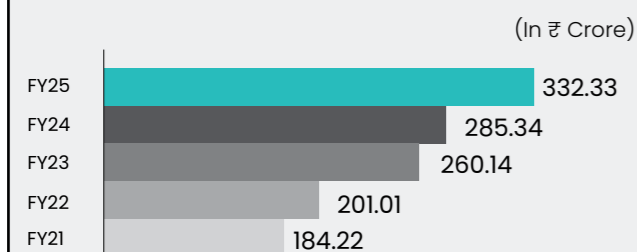
Revenue From Operations



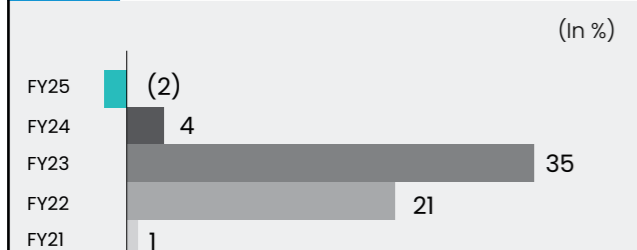
EBIT



Capital Employed

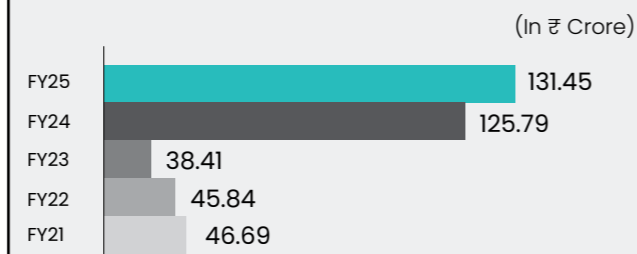


ROCE

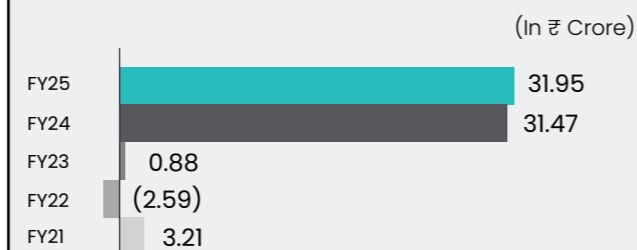


OPVC Segment

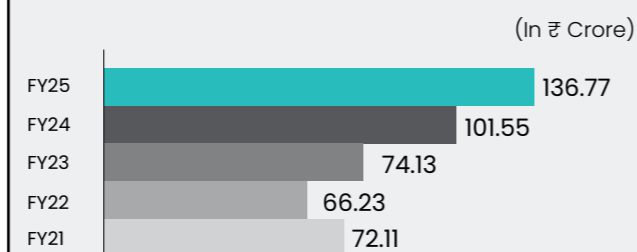
Revenue From Operations



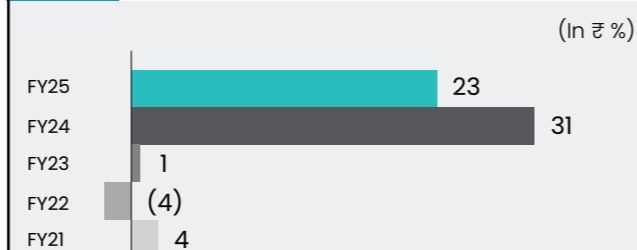
EBIT



Capital Employed

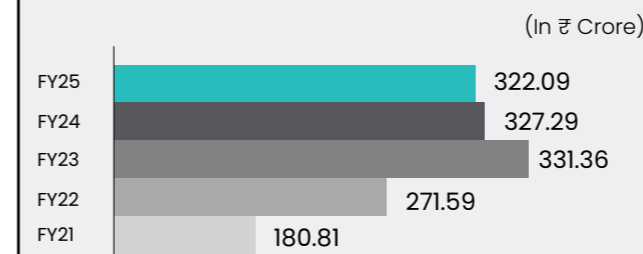


ROCE

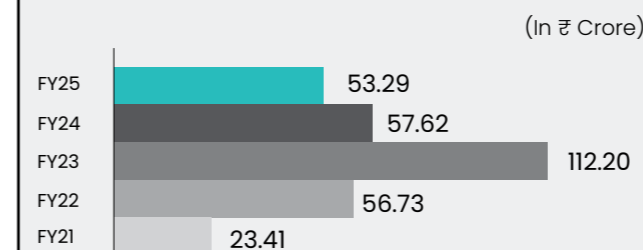


Financial Highlights

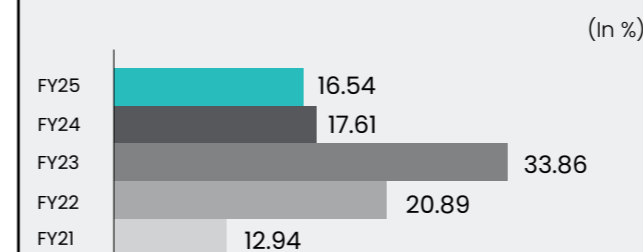
Revenue From Operations



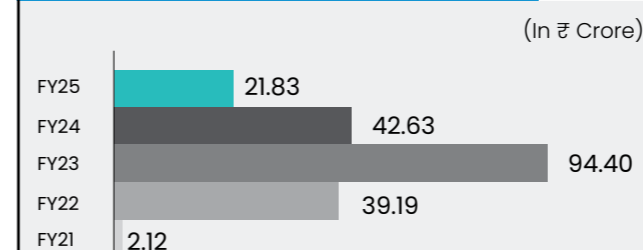
EBITDA



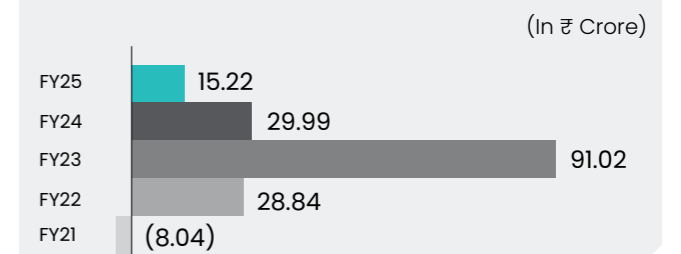
EBITDA Margin



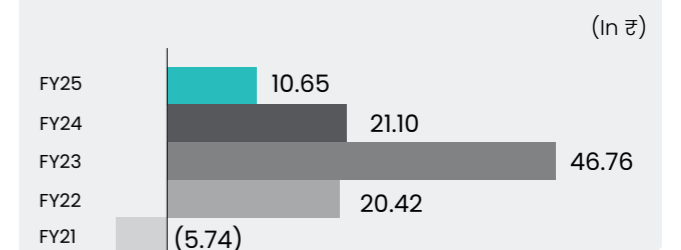
Profit Before Tax & Exceptional Item



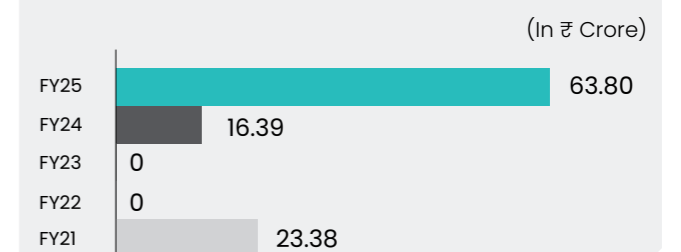
Profit After Tax



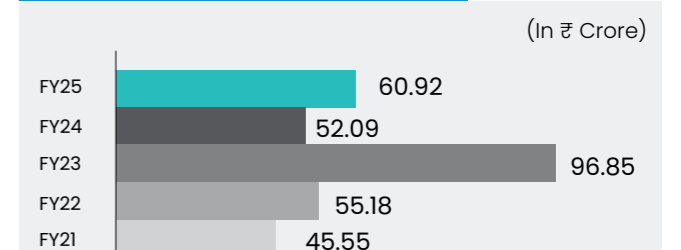
Earning Per Share



Long Term Borrowings



Cash from Operating Activities



Navigating Market Challenges with Resilience

Dear Shareowners,

It is my privilege to address you once again as we present the Annual Report for the financial year ended 31 March 2025.

The period under review was marked by Volatility in global commodity markets with soft Caustic Soda prices and delays in domestic infrastructure spending which slowed the growth momentum of our Oriented Poly-Vinyl Chloride (OPVC) Pipes division. Despite these headwinds, the Company remained steadfast in its long-term strategic ambitions, preserved operational discipline, and advanced the capital investment agenda that underpins our future trajectory

We view our business portfolio through the lens of strategic independence. The Chlor Alkali and OPVC Pipes divisions operate as structurally distinct verticals, each addressing entirely different end markets, driven by separate value levers, and following their own operational cadence. There is no overlap or interdependence between the two businesses. Each stands on its own merit, scale, and strategic trajectory.

We approach the Chlor Alkali business as a commoditised segment, where our primary focus is on operational efficiency and continued integration within the value chain. This business is characteristically volatile, aligned with global price movements, and other cyclical factors that influence commodity markets. While this may result in earnings variability over the short term, our track record and integrated structure provide a foundation for sustainable value over the long term.

On the other hand, we see the OPVC Pipes division through a high growth lens, where the market opportunity is only beginning to unfold. Since entering this segment in 2018, we have become one of the largest and technologically advanced manufacturers of OPVC pipes in India. The product category is finding growing acceptance, particularly in water supply projects and has huge potential.

Market Dynamics in FY25

In the Chlor Alkali segment, the operating environment was defined by a sharp decline in Global Caustic soda prices. This trend was reflected in domestic markets as well, with average ECU realisations under pressure for the first three quarters. There was a modest recovery in the final quarter, but was not sufficient to offset the cumulative impact of earlier softness.

In the OPVC Pipes segment, while we had a good year both in terms of Revenue as well as Profitability, the growth in Market size for the product was below expected levels. The business is closely aligned with government-led water infrastructure projects under programmes such as the Jal Jeevan Mission and AMRUT 2.0. During FY25, project execution timelines were disrupted by delays in government fund releases, particularly in the lead-up to the general election cycle impacting fund flows.

Capital Deployment

Our capital allocation decisions are guided by long-term strategic intent rather than short-term operating volatility. While FY25 presented cyclical and external challenges across both segments, the fundamental competitiveness of our businesses and the opportunity landscape remain intact. The Company has outlined significant capital expenditure plans across both its businesses, reflecting our conviction in the underlying growth potential and competitive positioning of each vertical.

Chlor Alkali segment:

In the Chlor Alkali segment, our capital outlay is directed towards improving cost structures, technological efficiency, and operational reliability. As a commoditised business operating in a globally traded environment, caustic soda manufacturing is inherently exposed to market cycles and price fluctuations. In such a context, cost competitiveness becomes the defining variable in ensuring consistent value delivery. Power costs represent a significant share of our input expenses, and reducing energy cost is therefore a structural imperative for long-term competitiveness.

We are pursuing two key initiatives to support this strategic goal. The first is the replacement of a legacy

electrolyser system installed in 1994 with a modern, energy efficient new age Electrolyser, which will maintain existing capacity while substantially lowering energy consumption. The second is sourcing hybrid renewable energy through a dedicated special purpose vehicle, aimed at lowering dependence on grid based power and enhancing cost predictability as well as competitiveness.

Both these initiatives, will structurally improve our long term competitiveness and thereby our operating margins. We expect benefit from these initiatives to accrue from Q3/FY 25-26.

OPVC Pipes segment:

In the OPVC Pipes segment, our confidence stems from the strong and growing market momentum. Over the past five years, we have closely engaged with government agencies, standard setting bodies, and project developers to build knowledge, create product acceptance, and demonstrated consistent quality. This groundwork has now resulted in multi-state adoption, with OPVC pipes being increasingly preferred in government led water infrastructure programmes including the Jal Jeevan Mission and AMRUT 2.0.

OPVC business, we believe is at an inflection point with more states adopting OPVC pipes, and the product thereby gaining market visibility. We are very confident about the growth prospects for OPVC pipes and foresee significant increase in Market size over the next few years.

We are market leaders in this Product segment and enjoy good brand equity. During FY 25 we expanded our capacity from 6000 TPA to 14000 TPA. We will be further enhancing capacity to 23000 TPA during FY 26. Apart from increasing capacity, we also have enhanced our product portfolio to cater to customer requirements upto 630

mm. We are the only player in the country with wide range of product starting from 110 mm and going upto 630 mm.

With our substantially enhanced production capacity as well as broad range of product offering, we are well poised to meet the anticipated surge in demand for OPVC pipes.

Sustainability

Sustainability for CCAL has been a key focus area and we believe in integrating our business goals with our Sustainability objectives.

With our initiative to enhance our Renewable energy portfolio, from Q3/FY26 almost half of our energy needs will be met by renewable energy largely replacing Coal based energy.

Last year, I had also referred to our initiative, converting our non-hazardous sludge to Bricks. We have stabilised our operations and also have gained good market acceptance for our Bricks. We are now well and truly on our way to achieve Full recycle and achieve ZERO Solid waste. We will be the First in the country to achieve this feat.

I wish to express my sincere gratitude to the Government, our committed CCALmates and all our stakeholders for the continued support, valuable contribution and trust you have placed in our Company.

The Board of Directors provided valuable guidance and oversight throughout the year. I would like to place on record my sincere appreciation for their contribution.

Wishing you the best of health and abundance in all things good,

Warm Regards,

Yours faithfully,
Suresh Krishnamurthi Rao
Chairman



STRATEGIC FOCUS AREAS

Blueprint for Sustainable Progress and Market Leadership

Chemfab Alkalies strategy is centred on scaling capacity, deepening technology, and pursuing operational excellence across both business segments. With targeted investments in OPVC pipes and modernisation of the chlor alkali platform, the Company aims to build on demand visibility, market penetration, and cost leadership, positioning itself for sustained performance and future-ready growth.

Key Focus Areas

Scaling Capacity in OPVC Pipes

The company is intensifying investments to expand OPVC pipes production capacity from 14,000 TPA in FY25 to 23,000 TPA by FY26, with new lines at Sri City. The Company is also actively evaluating an additional facility in Central India to address projected demand beyond current expansion. This capacity augmentation is aligned with a strategic vision to position Chemfab as a leading supplier within India's emerging water infrastructure sector, enabling timely fulfilment of large orders and capturing incremental market opportunities as the segment matures.



Technological Excellence in Manufacturing

The focus on technological advancement underpins Chemfab's approach to product consistency and operational resilience in OPVC pipes. Leveraging a strategic manufacturing partnership with Molecor, the Company deploys advanced extrusion and orientation technologies, ensuring superior pipe strength and durability. Ongoing investments in infrastructure, automated testing, and full compliance with BIS standards reinforce Chemfab's commitment to quality assurance and regulatory reliability, supporting its reputation as a trusted partner for demanding applications across water supply projects.



Expanding Market Penetration and Demand Visibility

The company continues to widen its market footprint with OPVC pipes. The business strategy emphasises close alignment with government initiatives such as the Jal Jeevan Mission and AMRUT 2.0, capitalising on long-term programme extensions and rising demand visibility. Sustained penetration into new geographies is expected to drive growth, ensuring a robust demand pipeline and strengthening the Company's competitive position nationwide.



Driving Lean Operational Efficiency

Operational excellence remains a central pillar at Chemfab, with specific focus on cost control and efficiency in the OPVC pipes division. High automation levels and lean manufacturing practices support low operating expenditure, allowing the Company to target rapid financial payback on each new line. This results in optimised capital allocation, higher asset utilisation, and enhanced margins, all contributing to a more resilient and scalable business platform as capacity expands.



Accelerating Chlor Alkali Business Optimisation

In the chlor alkali segment, the company is deploying a sixty-crore-rupee investment programme focused on technology modernisation to boost power efficiency. Parallel investment in a hybrid power project is intended to reduce exposure to grid-based tariffs, improve profitability, and support a lower carbon footprint. Evaluations are ongoing regarding additional opportunities in specialty chemicals, signalling a continued commitment to both resilience and innovation in the company's legacy division.



Strategic Investment for Future Readiness

The Company maintains a disciplined approach to strategic capital allocation, ensuring that all investments serve long-term competitiveness and emerging sectoral trends. By scaling production, strengthening market access, and adopting state-of-the-art technology in both core verticals, Chemfab Alkalies is building operational agility and readiness to meet the evolving requirements of India's industrial and infrastructure landscape.



Creating Shared Value Through Responsible Citizenship

Our Corporate Social Responsibility (CSR) initiatives are rooted in the belief that sustainable development must be inclusive, equitable, and community-driven. In FY25, our interventions spanned four key focus areas of safe drinking water, education and digital inclusion, healthcare, and sports development, touching lives across Puducherry and neighbouring districts.



Promoting Access to Safe Drinking Water

We continued to prioritise access to clean drinking water through targeted infrastructure support:

- In the aftermath of Cyclone Fengual, we responded to the emergency relief efforts led by the Puducherry District Administration by donating 5,000 bottles of drinking water for residents displaced to relief camps.
- We installed a 500 LPH fully automatic Reverse Osmosis (RO) water plant at the Government Higher Secondary School in Kottakuppam Village, directly benefitting over 400 students and teaching staff.
- Similarly, a 500 LPH RO facility was commissioned at the Primary Health Centre in Chunampet Village, supporting improved sanitation and healthcare outcomes for patients and medical personnel.

5,000

Water bottles distributed in cyclone relief

1,000

Litres per hour RO capacity installed



Strengthening Educational Infrastructure and Digital Inclusion

To bridge the resource and technology gap in public education, we undertook several projects to improve access, equity, and learning quality:

- Over 3,500 educational kits were distributed to students in the Kalapet constituency, ensuring that children from economically weaker sections are equipped with the learning materials they need to participate in school education.
- At the Government Primary School in Kanagachettikulam, we introduced BenQ Smart Board Interactive Panels, transforming traditional classrooms into digital learning environments for approximately 150 to 200 students annually.
- Furthering our commitment to modern learning tools, we set up three smart classrooms at the Government Primary School in Kalapet, reaching over 350 students from LKG to Class 5. This initiative was executed through Altruistic Business Solutions with a CSR outlay of ₹6.00 lakh.

3,500

Educational kits given to students

550

Students reached through smart classrooms



Supporting Public Health Infrastructure and Disease Management

Our healthcare-related CSR efforts focused on enhancing institutional capacities and improving health outcomes in underserved communities:

- We contributed critical maternal and child health infrastructure to the Indira Gandhi Medical College & Research Institute in Puducherry. This included foetal monitors and labour delivery beds to support safe childbirth and improved neonatal care.
- The Ophthalmology Department was equipped with a slit lamp integrated with a monitor and camera, augmenting both diagnostic capability and student training resources.
- Under the Pradhan Mantri TB Mukd Bharat Abhiyaan, we continued our support for tuberculosis eradication by sponsoring the nutritional and medical needs of 700 patients in Puducherry. As part of Phase II of the Nikshay Mitra programme, we disbursed ₹4.90 lakh in partnership with the National Tuberculosis Elimination Programme.

700

TB patients supported under Nikshay Mitra



Fostering Youth Development through Sports

We launched a structured volleyball development programme aimed at nurturing both athletic and life skills among youth. This initiative provides training, upgraded facilities, and mentorship to nearly 200 participants, promoting discipline, teamwork, and physical well-being. The programme targets individuals aged 12 to 45, with total outreach expected to exceed 1,000 beneficiaries.

200

Youth trained in volleyball programme

1,000

Total beneficiaries across all age groups



Advancing Science Education Through Hands-On Learning

As part of our commitment to advancing education, Chemfab Alkalies Limited has established a Mini Science Centre at Chevalier Sellane Government Higher Secondary School, Kalapet, Puducherry. The project was implemented in collaboration with STEM Learning Private Limited, Mumbai, and its CSR partner NGO, Samabhavana.



Creating Environmental Value Beyond Compliance

At Chemfab Alkalys Limited, environmental sustainability forms an integral part of our corporate purpose. During FY25, we undertook a series of targeted initiatives aimed at ecological conservation, biodiversity enhancement, water resource management, and community engagement.



Supporting Sustainable Agriculture and Rural Livelihoods

In partnership with the Annapradokshana Charitable Trust, we continued our efforts to enhance the livelihoods of farmers facing financial hardship.

During the year, financial assistance was extended to support seeding operations across 26.80 acres of farmland. This initiative benefitted 30 smallholder farmers who were previously unable to cultivate due to limited access to working capital. By enabling timely agricultural operations, the programme has contributed meaningfully to rural economic resilience.



Afforestation through Miyawaki Forest Development

As part of our green cover expansion strategy, we collaborated with M/s Annapradokshana to develop dense native forests using the Miyawaki method.

Two such plantations were completed during the year:

- At the MSME Centre in Pillaichavadi, Puducherry, over 1,500 square feet were planted with indigenous tree species
- At VVR Technical School, Lawspet, Puducherry, a further 2,000 square feet were converted into green zones

These forests serve as micro-habitats that promote biodiversity, sequester carbon, and act as community awareness zones for ecological restoration.



Restoring Water Ecosystems through Pond Rejuvenation

Responding to a request from Oulgaret Municipality, we undertook the rejuvenation of a community pond near the Government Law College in Periakalpet.

The project, executed by a qualified PWD contractor, included vegetation removal, desilting, embankment strengthening, and the construction of a structured inlet. With an outlay of ₹3.95 lakh, the project was designed to support groundwater recharge and improve water availability for the surrounding community.



Rainwater Harvesting and Irrigation Support at Chunambad Village

We supported the desilting of the Ramar Odai channel in Chunambad Village Panchayat at the request of the local administration.

The initiative helped improve groundwater levels, enhanced irrigation access, and directly benefitted over 100 farmers in the region. This project aligns with our broader focus on sustainable water management and agriculture-oriented community development.



Promoting Coastal Cleanliness on World Ocean Day

On 3rd July 2024, we participated in a coastal clean-up drive at Kalapet beach in association with the Swachh Bharat team and Oulgaret Municipality.

Conducted as part of the World Ocean Day observance, the initiative focused on promoting public awareness on marine pollution and contributed to maintaining the ecological integrity of the Puducherry coastline.

Empowering Our People for a Sustainable Tomorrow

In FY25, Chemfab Alkalies Limited advanced its commitment to human capital through structured people initiatives aimed at workforce development, engagement, and inclusivity. These efforts reflect the Company's belief that a future-ready organisation is built on a foundation of capable and motivated teams across all levels.

39th Annual Day Celebrations

The 39th Annual Day was celebrated in June 2024 with distinct events held for employees and contract workmen. The engagement brought together team members and leadership for a unified commemoration of shared achievements. Employees were recognised through formal awards and prize distributions, reinforcing commitment and morale. Contractors and workmen were celebrated through a dedicated function, where senior management acknowledged their essential contributions to plant operations. Sport event winners received mementoes, underlining the importance of participation and recognition across the extended workforce.



Townhall Engagement

Townhall meetings were conducted regularly, facilitating direct interactions between leadership and employees across operational sites. These forums enabled the Company to convey strategic direction, while employees received clarity on objectives and performance expectations. The open dialogue supported alignment at all levels and promoted a culture of transparency and collaboration.



Training and Development

Chemfab implemented a structured training programme across four focus areas: awareness, safety, technical, and behavioural development. Programmes during the year included sessions on various health awareness program, safety programs to reinforce the PSM, technical program for enhance the technical and problem-solving capability and behavioural program like personal excellence focusing on CCAL code. A notable initiative was the health awareness session conducted by Dr Indra Srinivasan, which addressed gynaecological health and preventive care, highlighting Chemfab's attention not only to employee wellbeing but also to their family members.



Inclusive Approach to Workforce Recognition

The Company extended milestone recognition and training access to contract workers, reinforcing inclusive organisational culture. Collective participation in development programmes and recognition events reflected Chemfab's overarching commitment to engaging every contributor to its operations.



Excellence in Workplace Culture

Chemfab proudly achieved "Great Place to Work" certification for the second time in a row, a recognition validating our commitment to fostering an exceptional workplace environment. The certification was based on comprehensive employee feedback and rigorous workplace assessment, which reflects our dedication to creating a culture where employees thrive both professionally and personally.



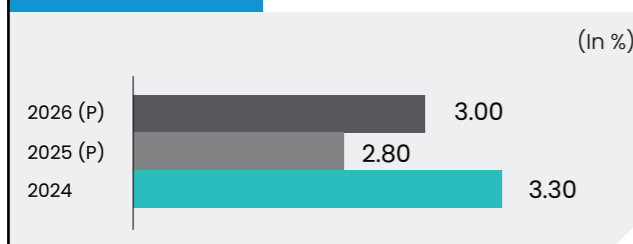
Management Discussion and Analysis

Global Economy

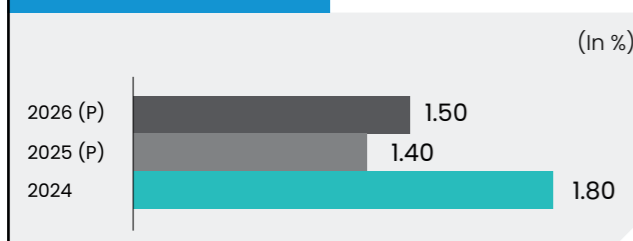
During 2024 and 2025, the global economy entered a period of measured transition, influenced by stabilising inflation trends, prudent policy actions, and continued adaptations to circumstances established in the wake of the pandemic. According to estimates issued by the International Monetary Fund, global output growth is forecast at 3.3% for 2024. Growth is projected to ease marginally to 2.8% in 2025, with a slight recovery to 3% anticipated in 2026.

Real GDP growth projections

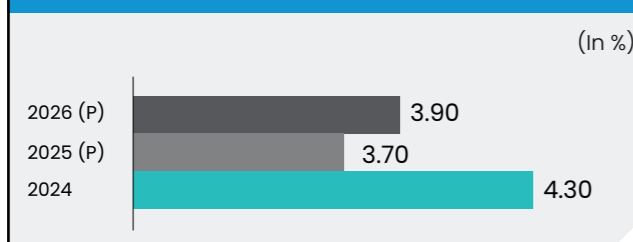
Global Economy



Advanced Economies



Emerging Markets and Developing Economies



(P): Projected

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

1.4%

In advanced economies, real GDP growth is expected to reduce from 1.8% in 2024 to 1.4% in 2025

The anticipated moderation in growth is a global phenomenon, affecting both advanced economies and emerging markets. In advanced economies, real GDP growth is expected to reduce from 1.8% in 2024 to 1.4% in 2025. Emerging Markets and Developing Economies (EMDEs) are predicted to experience a similar trend, with growth softening from 4.3% in 2024 to 3.7% in 2025. Key factors influencing this outlook include evolving demand patterns, investment recalibration, and persistent headwinds in both goods and services sectors.

The world trading system has continued to evolve in response to heightened protectionism. Trade tensions intensified throughout 2024 and into 2025. This was marked by new tariffs imposed by the United States. Subsequent countermeasures were adopted by major trading partners, which introduced specific tariffs on United States exports. These developments have influenced sectoral export dynamics, particularly for economies closely integrated with the United States.

Central banks internationally have largely taken a cautious stance, opting for differentiated monetary approaches that reflect domestic circumstances. Global headline inflation is set to decline from 6.8% in 2023 to 4.5% in 2025, according to the IMF. However, core inflation rates are forecast to decrease at a slower pace, given persistent pricing pressures in services and wage-intensive industries, especially within EMDEs. Prospects for global growth in 2026 remain steady, with expansion forecast at 3%. The European region is expected to report modest growth of 1.2%. The United States economy is anticipated to slow further, growing by 1.7%. G20 inflation is projected to ease from 3.8% in 2025 to 3.2% in 2026.

Indian Economy

India's economy recorded a growth rate of 6.5% in FY25, moderating from 9.2% in the previous year. This performance reflects a recalibration amid global trade uncertainties, and a slowdown in private investment activity. Despite these external pressures, the economy remained stable, supported by strong domestic consumption, improved agricultural output owing to favourable monsoons, and sustained momentum in the services sector.

Headline inflation eased significantly, with the Consumer Price Index standing at 3.34% in March 2025, the lowest in five years. Food inflation declined to 2.69%, while inflation in housing and fuel also moderated. In response to the favourable inflationary environment, the Reserve Bank of India implemented two consecutive repo rate cuts, reducing the benchmark policy rate to 6.0%. These moves were intended to support growth while maintaining inflation within the target band and ensuring macroeconomic stability.

India's manufacturing sector displayed signs of recovery, benefiting from improved capacity utilisation and a more supportive policy landscape. Although global trade challenges and margin pressures persisted, domestic demand remained a key driver of manufacturing activity. Logistics improvements, incentives for value-addition, and government-led infrastructure development contributed to improved performance, particularly in consumer-focused and light manufacturing segments. The services and infrastructure sectors continued to maintain positive momentum, guided by steady demand and supportive pricing trends. Increased infrastructure investment and fiscal support contributed to elevated business sentiment. The resilience in both rural and urban demand is expected to provide continued impetus for growth across sectors. Goods and Services Tax collections reached ₹22.08 lakh crore in FY25, marking a 9.4% increase over the previous year. This reflects strong consumption patterns and improved compliance, particularly in categories with greater immunity to fluctuations in discretionary spending.

The Reserve Bank of India has retained its GDP growth forecast at 6.5% for FY26. Early projections for FY27 suggest an improvement to 6.7%, driven by an anticipated global recovery, stronger private sector investment, and continued progress in diversifying supply chains. While external risks remain, India's core strengths, including favourable demographics, increasing formalisation, and sustained policy reforms, are expected to support a stable and balanced growth trajectory over the medium term.



Industry Overview

India's chemical industry remains a critical component of the country's manufacturing sector, contributing approximately 7% to the national gross domestic product. The industry operates as a foundational supplier to key downstream sectors including agriculture, pharmaceuticals, textiles, automotive and construction. India is currently the sixth-largest chemical producer globally and ranks third in Asia.

In 2023, the domestic chemical market was valued at approximately USD 220 billion. The sector is projected to grow steadily, reaching between USD 400 and 450 billion by 2030, and potentially achieving a range of USD 850 to 1,000 billion by 2040, subject to policy continuity and infrastructure development. Despite this growth outlook, India's current share in global chemical consumption remains relatively modest at 3 to 3.5%.

The sector has benefited from broad-based policy reforms such as the introduction of the Goods and Services Tax, liberalisation of foreign direct investment, and flagship national programmes. These efforts have improved competitiveness and facilitated manufacturing growth through initiatives including the Production-Linked Incentive scheme. However, structural challenges persist.

High dependency on imports, particularly for petrochemical intermediates and speciality chemicals, has resulted in a significant trade deficit. Limited backward integration and concentration in commodity-grade products have restricted value chain advancement. Additionally, infrastructure limitations, such as feedstock constraints and logistical inefficiencies, continue to affect production costs and operational efficiency.

The domestic market remains robust, underpinned by demographic trends, rising incomes and demand from end-use sectors. With targeted investment, regulatory alignment and emphasis on sustainability, the Indian chemical industry is well positioned to strengthen its participation in global supply chains over the long term.

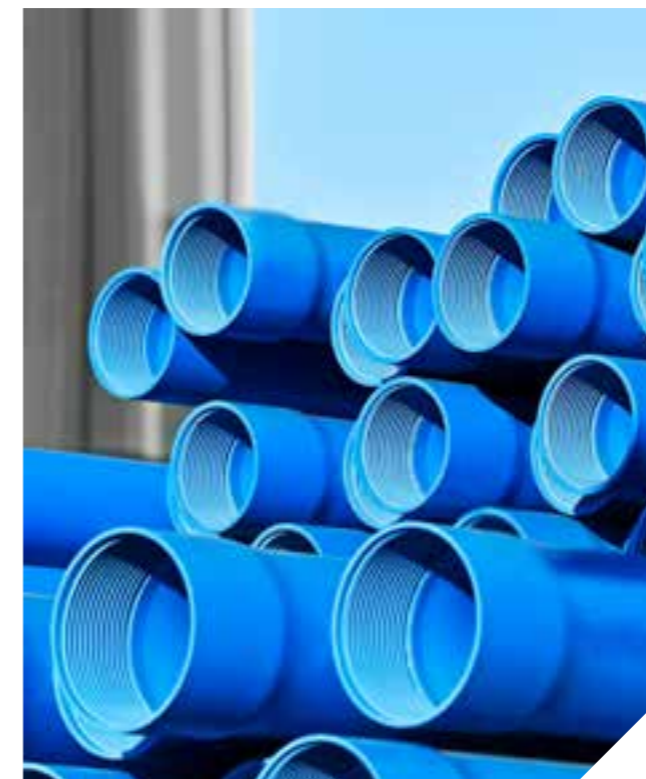
USD 450 billion

The sector is projected to grow steadily, reaching between USD 400 and 450 billion by 2030, and potentially achieving a range of USD 850 to 1,000 billion by 2040, subject to policy continuity and infrastructure development.

Chlor Alkali Industry

The chlor alkali industry forms an integral part of India's industrial landscape, supplying essential inputs such as caustic soda, chlorine and hydrogen. Caustic soda is widely used across key sectors including alumina, textiles, pulp and paper, chemicals and the soap and detergent industry. Chlorine is critical for the production of PVC and other downstream derivatives such as chloromethanes and chlorinated paraffin wax. With an installed annual capacity of 5.7 million tonnes, India ranks as the third-largest producer of caustic soda globally, after China and the United States.

Over the past decade, the industry has shown steady growth, supported by increasing demand across end-use sectors. From FY23 to FY28, overall capacity in the Indian chlor alkali sector is projected to grow at a compounded annual growth rate of 9.9%, while domestic demand is expected to grow at 4.8%. This divergence has resulted in greater export volumes and a sustained trade surplus over the past three years. The industry's long-term growth outlook is supported by robust offtake in consumer-linked and industrial applications, favourable demographics and increasing infrastructure-led consumption.



OPVC Pipes Industry

India's water resources remain under pressure from rising demand, continued urbanisation and swift industrial growth. Freshwater availability is limited, while dependence on groundwater continues to grow. Declining water tables and seasonal shortages highlight persistent risks for long-term water security.

To address these challenges, the Government of India has committed significant resources to enhance water supply and sustainable management. The current investment framework includes ₹1.1 Lakh Crore towards new infrastructure and modernisation projects. The focus of these initiatives extends across improving water availability, promoting conservation measures, and ensuring efficient distribution networks.

Flagship programmes such as the Jal Jeevan Mission and AMRUT 2.0 aim to provide universal access to clean drinking water for both rural and urban populations. Major river interlinking projects including Ken Betwa and Par Tapi Narmada are designed to balance water distribution between surplus and deficit regions. The business potential generated by interlinking initiatives is substantial, with several projects worth ₹2.6 Lakh Crore currently in the implementation phase.

Recent budget allocations reinforce this commitment. The Department of Drinking Water and Sanitation received ₹74,226 Crore for FY25, while the Jal Jeevan Mission alone was allocated ₹67,000 Crore. Additional funding supports river rejuvenation and the AMRUT 2.0 initiative, which targets complete tap water and sewage coverage for urban areas. These programmes stimulate demand for robust and durable pipeline solutions. DI and HDPE pipes are well established, while newer materials now play a pivotal role in large infrastructure projects.

Growing Role of OPVC Pipes

Oriented Polyvinyl Chloride, or OPVC, pipes have emerged as a preferred choice in government-led water supply projects. These pipes demonstrate high strength, superior hydraulic performance and a long service life, meeting the requirements of urban and rural water transmission, drainage and sewage systems. OPVC pipes are corrosion-resistant and provide a reliable solution under varying pressure and climatic conditions. The expansion of flagship missions and rising replacement demand for legacy pipelines present a favourable environment for OPVC market growth. OPVC pipes are increasingly specified for potable water networks, large-scale infrastructure, and advanced irrigation projects.

Company Overview

Chemfab Alkalies Limited operates as an established player in India's chlor alkali and advanced polymer piping sectors.

The chlor alkali segment encompasses the production of caustic soda, chlorine and associated value-added chemicals. Operating with a fully integrated value chain and advanced manufacturing facilities, this division supplies critical materials to sectors including aluminium, paper, soaps and detergents, textiles, pharmaceuticals and water treatment. The Company maintains strong process safety standards and environmental compliance, leveraging backward integration for security of raw materials and a stable cost structure.

OPVC pipes division addresses the evolving needs of India's water management and infrastructure sectors. With a state-of-the-art facility located at Sri City, the business produces a comprehensive range of OPVC pipes that are widely used in major water supply and irrigation projects under national programmes. The division remains focused on quality assurance, supporting the country's infrastructure transformation while strengthening its position in the growing market for advanced pipeline solutions.

Performance Review

Chemfab Alkalies Limited faced a challenging operating environment in FY25, shaped by external macroeconomic pressures and muted industrial activity across key end-use sectors. In the chlor alkali segment, the Company was impacted by a global surplus in caustic soda, subdued demand in downstream markets and persistent pricing pressure. Average realisations for caustic soda remained under strain for most of the year, and the segment reported a modest EBIT loss despite stable utilisation and cost discipline. Rising power costs also weighed on overall profitability, offsetting incremental gains from operational efficiency and integrated raw material sourcing.

23,000 TPA

The commissioning of new OPVC lines, with capacity set to reach 23,000 TPA, is expected to strengthen the Company's leadership in the sector.

The performance of the OPVC pipes division was significantly influenced by developments in government-led infrastructure projects during FY25. While long-term demand fundamentals for advanced piping solutions remain robust, the year was characterised by several headwinds:

- Slowdown in Project Execution**
The rollout of major water infrastructure programmes, including those under the Jal Jeevan Mission and AMRUT 2.0, was impeded by slower-than-expected project execution. Administrative delays and protracted approval cycles across states resulted in extended timelines for many large-scale contracts.
- Delayed Fund Releases**
Funding constraints hampered project progress. The release of central and state funds to implementing agencies was slower than in the prior year. This delay affected the pace of tendering and the award of new orders for OPVC pipes, directly impacting order inflows for industry players.
- Order Flow Challenges**
The combination of project slowdown and delayed funding contributed to a subdued order environment for OPVC pipes. Companies experienced gaps in demand visibility and a more protracted conversion cycle for government procurement. This, in turn, led to longer inventory holding and the need for greater flexibility in production planning.

Looking forward, the Company expects a more supportive external environment and improved demand visibility in both business lines for FY26. The commissioning of new OPVC lines, with capacity set to reach 23,000 TPA, is expected to strengthen the Company's leadership in the sector. In the chlor alkali segment, planned investments in technology upgrades and hybrid power sources are targeted to enhance profitability and environmental performance. Strategic business diversification, increased process automation and a disciplined approach to capital allocation position the Company to capture opportunities arising from infrastructure investment, water management initiatives and the gradual recovery of industrial demand.

Key Financial Ratios

Ratios	2024-25	2023-24	Variance %	Reason for Variance
Current Ratio (In Times)	1.65	1.09	51%	Increased mainly due to increase in current investments under the head current assets.
Debt-Equity Ratio (In Times)	0.22	0.05	327%	There is an increase in debt equity ratio on account of increase in borrowings in the current year.
Debt Service Coverage Ratio (In Times)	-3.58	-35.10	-90%	There is an improvement in the ratio due to reduction in repayment of loan during the year.
Return On Equity Ratio (In %)	-1.81%	7.03%	-126%	There is decrease in ratio due to decrease in profitability mainly due to decrease in realisation of products.
Inventory Turnover Ratio (In Times)	15.48	19.86	-22%	No major variance.
Trade Receivables Turnover Ratio (In Times)	15.93	15.24	5%	No major variance.
Trade Payables Turnover Ratio (In Times)	9.77	9.95	-2%	No major variance.
Net Capital Turnover Ratio (In Times)	7.09	37.55	-81%	There is a decrease in the ratio mainly due to increase in current investments under the head current assets.
Net Profit Ratio (In %)	-2.08%	8.04%	-126%	There is decrease in ratio due to decrease in profitability mainly due to decrease in realisation of products.
Return On Capital Employed (In %)	1.05%	10.51%	-90%	There is decrease in ratio due to decrease in profitability mainly due to decrease in realisation of products.
Return On Investment (In %)	1.93%	8.45%	-77%	Decreased due to lower average amount invested in Current Investments during the period.

MANAGEMENT DISCUSSION AND ANALYSIS



Risks and Concerns

The chlor alkali business functions within a global commodity environment where price cycles are influenced by external variables including international supply trends, input cost dynamics, and trade flows. Any material decline in global caustic soda prices, driven by oversupply or macroeconomic pressures, can directly impact segment profitability. A significant portion of cost structure in this segment is attributable to energy consumption. Escalating power costs may compress margins and adversely affect cost competitiveness, particularly when external pricing remains weak. Investments in hybrid power sourcing are underway to reduce dependency on grid-based electricity and ensure cost stability. The company also will be replacing one of its old electrolyzers with a new generation INEOS Electrolyser. This will lead to better operational efficiency as well as Plant reliability. The integrated business model also provides critical support. Backward integration through captive salt fields mitigates raw material risk while forward integration into aluminium chloride ensures internal chlorine offtake and value realisation.

To address these risks, the Company is pursuing business diversification through strategic investments in the value-added OPVC pipes segment. In addition, investments in hybrid power sourcing are underway to reduce dependency on grid-based electricity and ensure cost stability. The integrated business model also provides critical support. Backward integration through captive salt fields mitigates raw material risk while forward integration into aluminium chloride ensures internal chlorine offtake and value realisation.

For the OPVC segment, project execution timelines are linked closely to government infrastructure cycles. Delays in fund release, slower-than-expected project rollout, or postponement in tender activity present near-term risks. Capacity investments ahead of demand realisation may lead to underutilisation and negatively impact operating efficiency.

These risks are being addressed through a phased expansion approach, prudent capital deployment, and strategic alignment with priority government programmes. Engagement with multiple state-level stakeholders and sustained effort toward diversified offtake streams support improved order visibility. The Company also maintains financial discipline and operational flexibility to navigate variability while remaining focused on medium-term sectoral opportunities.

Internal Control Systems and Processes

The Company has established a structured and comprehensive internal control framework that is appropriate to its scale of operations and complexity of activities. These systems are designed with adequate segregation of duties to provide reasonable assurance regarding the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

Internal audits are conducted on a quarterly basis, enabling timely identification and mitigation of potential risks. These reviews are undertaken by qualified professionals and cover critical operational and financial processes across both business divisions. The Audit Committee of the Board, comprising Non-Executive Directors, provides oversight of the internal control environment, monitors audit findings, and ensures appropriate remedial action is implemented where necessary.

Chemfab Alkalis Limited is certified under ISO 14001 for environmental management and OHSAS 18001 for occupational health and safety.

These certifications reflect adherence to global standards across operational areas. In addition, the Company has implemented Process Safety Management protocols and engages external consultants to continuously evaluate and strengthen its control mechanisms. Sustainability reporting is also undertaken to reinforce the Company's long-term commitment to responsible operations and stakeholder accountability.

Disclaimer

The statements made in this Report on Management Discussion and Analysis, describing the Company's views may be forward looking statements within the meaning of the applicable security regulations and laws. These statements are based on certain expectations on demand, imports, availability, and cost of power, etc. and any change in Government laws and the economic situation in the country would have its impact on the Company's operations. The Company assumes no responsibility in respect of the forward-looking statements herein, which may undergo changes in the future for reasons beyond its control.

Notice of the 16th Annual General Meeting

Notice is hereby given that the Sixteenth Annual General Meeting of the Company will be held on Friday, the 12th September, 2025 at 10:00 AM (IST), through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements:

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

"RESOLVED THAT the Audited Standalone and Consolidated Financial Statements of the Company i.e., Balance Sheet of the Company as at 31st March 2025 and the Statement of Profit and Loss A/c (incl. Comprehensive income), Statement of Cash Flow and Statement of Changes in Equity for the year ended on that date, together with the Reports of the Board of Directors ("the Board") and the Auditors thereon as presented to this Annual General Meeting, be and are hereby approved and adopted".

2. Retirement by Rotation:

To consider and if thought fit, to pass with or without modifications, the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. R. Mahendran (DIN: 07451058), Director, who retires by rotation and being eligible, offers himself for reappointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. Dividend:

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

"RESOLVED THAT a Dividend at the rate of Rs. 1.25 per Equity Share (12.50%) be and is hereby declared, on the fully paid-up Equity Shares of Rs.10/- each in the Paid-up Capital of the Company, to those Members whose names appear in the Register of Members of the Company as on the date of the Book Closure."

SPECIAL BUSINESS:

4. Ratification of Cost Auditor's Remuneration

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 148 and read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof), the decision to pay a Remuneration of Rs. 190,000/- to Mr. A. Madhavan, Mohan & Associates (Firm Registration No. ICAI Firm No - 003483), the Cost Auditors of the Company

for the year 2025 - 26, as recommended by the Audit Committee and as approved by the Board of Directors, be and is hereby ratified".

5. Payment of Commission to Non - Executive Directors of the Company

To consider and if thought fit, to pass the following Resolution as an **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 197, 198 of the Companies Act 2013 ("Act") and rules made thereunder, consent of the Company be and is hereby accorded for payment of Commission to Directors, including the payment of Commission to Independent Directors and the reimbursement of expenses for participation in the Board and Board's Committees' Meetings, out of the net profits of the Company within the ceiling of 11% of the net profits of the Company as prescribed under Section 197 (1) and such other applicable provisions, if any, of the Companies Act, 2013".

"RESOLVED FURTHER THAT the commission be divisible among the Directors in such proportion as the Board of Directors may decide."

"RESOLVED FURTHER THAT pursuant to Regulation 17(6) (ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment thereof the consent of the members of the Company be and is hereby accorded for the payment of commission to a single non-executive director, if it exceeds fifty per cent of the total annual remuneration payable to all non-executive directors of the Company for the Financial Year 2024-25."

"RESOLVED FURTHER THAT the Company Secretary of the Company or any one of the directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the foregoing resolutions."

6. Appointment of Mr. Satish Narain Jajoo (DIN: 07524333) as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under and read with Schedule IV of the Act and Regulation 17 and 25 and other applicable provisions of the Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and such other approval(s), consent(s) or permission(s), as may be required, and on the basis of recommendation of the Nomination and Remuneration Committee and that of the Board of Directors of the Company, Mr. Satish Narain Jajoo (DIN: 07524333), who was appointed as an Additional Independent Director of the Company by the Board of Directors on 30th May, 2025 effective from 30th May, 2025, whose term of office expires at this Annual General Meeting ('AGM') and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, be and is hereby appointed as an Independent Director of the Company to hold office for first term of 5 (Five) consecutive years commencing from 30th May, 2025 to 29th May, 2030.

"RESOLVED FURTHER THAT any of the Directors or the Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as may be necessary to give effect to this resolution."

7. Approval for Amendment to Chemfab Alkalies Employee Stock Option Scheme ("Caesos 2020")

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

"RESOLVED THAT in accordance with the provisions of section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Regulations 6 & 7 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the relevant rules, notifications, circulars, and guidelines made thereunder, the provisions of Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (which term includes the Compensation Committee and shall hereinafter be referred to as "the Board"), consent of the Members be and is hereby accorded to, inter alia, increase the total number of Options that may be granted under the Chemfab Alkalies Employees Stock Option

Scheme 2020 ("CAESOS 2020"), and for modification of the said ESOP Scheme CAESOS 2020 in the manner and to the extent laid out herein below:

(i) Article 4.1 of the ESOP Scheme CAESOS 2020 is substituted by the following:

"4.1 The total number of Options granted under CAESOS 2020 shall not exceed 5,00,000 (Five Lakhs) Options convertible into equivalent number of equity shares of face value of ₹ 10/- each."

(ii) Article 7.1 of the ESOP Scheme CAESOS 2020 is substituted by the following:

"7.1 (a) Upon the Employee continuing in the employment of the Company and upon compliance with the terms of this Scheme, the Options granted by the Company, up to the date of the special resolution passed by the shareholders at the annual general meeting held on 12th September, 2025, would continue to vest with the employees over the vesting period as set out below:

- 25% of the Options – at the expiry of One year from the date of grant
- 25% of the Options – at the expiry of Two years from the date of grant
- 25% of the Options – at the expiry of Three years from the date of grant
- 25% of the Options – at the expiry of Four years from the date of grant

(b) Upon the Employee continuing in the employment of the Company and upon compliance with the terms of this Scheme, the Options granted by the Company after the date of special resolution passed by the shareholders at the annual general meeting held on 12th September, 2025, would vest with the employees over the vesting period as set out below:

- 100% of the Options – at the expiry of One year from the date of grant."

(iii) Article 9.1 of the ESOP Scheme CAESOS 2020 is substituted by the following:

"9.1 (a) The Exercise price per share for all Options granted by the Company up to the date of the special resolution passed by the shareholders at the annual general meeting held on September 12, 2025 shall be calculated as below:

Market Price minus 30% (thirty percent) of the Market Price.

(b) The Exercise price per share for all Options granted by the Company after the date of the special resolution passed by the shareholders at the

annual general meeting held on September 12, 2025 shall be calculated as the lower of the following:

- (i) Market Price minus 50% (fifty percent) of the Market Price or
- (ii) INR 500."

(iv) Article 18.1 of the ESOP Scheme CAESOS 2020 is substituted by the following:

The Company may, at any time at its discretion, change the terms and conditions of the CAESOS 2020.

"RESOLVED FURTHER THAT the abovementioned amendment in the ESOP Scheme CAESOS 2020 will not affect any Options granted earlier under the original ESOP Scheme CAESOS 2020, as amended from time to time."

"RESOLVED FURTHER THAT all other terms and conditions of the original ESOP Scheme CAESOS 2020, as amended from time to time, and all subsisting consents, authorizations and approvals granted from time to time, including resolutions passed by the members and/or the Board, with regard to implementation and administration of the ESOP Scheme CAESOS 2020, remain unchanged and continue to be in force."

"RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done, are hereby specifically approved and ratified."

"RESOLVED FURTHER THAT the Board be and is hereby further authorised to issue and allot equity shares upon exercise of the Options from time to time in accordance with the Scheme and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company."

"RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or other re-organisation, and others, if any additional equity shares are required to be issued by the Company to the Shareholders ("Additional Shares"), the ceiling as aforesaid of 5,00,000 (Five Lakhs) Options and equity shares respectively, to be issued and allotted shall be deemed to increase in proportion of such Additional Shares issued to facilitate making a fair and reasonable adjustment."

"RESOLVED FURTHER THAT in case the Equity Shares or other relevant securities of the Company are either sub-divided or consolidated, then the number

of shares to be allotted and the price of acquisition payable by the Option grantees under the Scheme shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- (Rupees Ten) per Equity Share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees."

"RESOLVED FURTHER THAT the Board of Directors (which expression includes the Compensation Committee) be and is hereby also authorised at any time to modify, change, vary, alter, amend, suspend or terminate CAESOS 2020 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Shareholders and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of CAESOS-2020 and do all other things incidental and ancillary thereof."

"RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and any other applicable laws and regulations to the extent relevant and applicable to CAESOS 2020."

"RESOLVED FURTHER THAT the Board be and is hereby also authorised to take necessary steps for obtaining in-principle approval of the stock exchange(s) where the equity shares of the Company are listed and listing of the equity shares allotted under CAESOS 2020 as per the provisions of the Listing Regulations and other applicable laws, guidelines, rules and regulations."

"RESOLVED FURTHER THAT the Board be and is hereby further authorised to do all such acts, deeds and things, as it may in its absolute discretion, deem necessary as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals and sign and submit all the necessary letters, undertakings, declarations, certificates, forms and applications and all other documents required to be filed in this connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard."

"RESOLVED FURTHER THAT the Board be and is hereby also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this Resolution."

8. To appoint M/S. M Damodaran & Associates LLP, practicing Company Secretaries, (Firm Registration Number: L2019TN006000) as the Secretarial Auditors of the Company for a term of Five Consecutive Years:

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

"RESOLVED THAT pursuant to Section 204 and other applicable provisions of Companies Act, 2013 read with rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015, and based on the recommendation of Audit Committee and Board of Directors of the Company, M/s. M Damodaran & Associates LLP practising Company Secretaries (Firm Registration Number: L2019TN006000) (Peer Review No. 3847/2023) be and are hereby appointed as Secretarial Auditors of the Company for the first term of five consecutive years (audit period), commencing from Financial year 2025-2026 till Financial year 2029-2030, to hold office till conclusion of the Annual General Meeting to be held during the year 2030 at a remuneration plus applicable taxes and other out-of-pocket expense as may be mutually agreed between the Secretarial Auditors and the Board of Directors.

RESOLVED FURTHER THAT approval of the members is hereby accorded to the Board to avail or obtain from the Secretarial Auditors, such other services or certificates or reports which the Secretarial Auditors may be eligible to provide or issue under the applicable laws at a remuneration to be determined by the Board of Directors.

By order of the Board of Directors
For Chemfab Alkalies Limited

Place: Chennai
Date: 31st July, 2025

Bharatraj Panchal
Company Secretary and Compliance Officer

Notes:

1. The Ministry of Corporate Affairs ('MCA') has vide its General Circular no. 2/2022 dated 05th May, 2022, General Circular no. 21/2021 dated 14th December, 2021 read with General Circular No. 02/2021 dated 13th January 2021, General Circular No. 14/2020 dated 08th April 2020, General Circular No. 17/2020 dated 13th April 2020 and General Circular No. 20/2020 dated 05th May 2020, Circular No. 2/2022 dated 5th May 2022, Circular No. 3/2022 dated 5th May 2022, General Circular No. 10 & 11/2022 dated 28th December, 2022, General Circular No. 9/2023 dated 25th September 2023 and the latest being General Circular No. 9/2024 dated 19th September, 2024 (collectively referred to as 'MCA Circulars') and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024 respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars') permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members at a common venue upto 30th September, 2025. Accordingly, in compliance with the said Circulars, the AGM of the Company is being held through VC/OAVM. Further, in terms of the Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, the deemed venue of 16th (Sixteenth) AGM shall be deemed to be the Registered Office of the Company situated at "TEAM House", GST Salai, Vandalur, Chennai – 600048.

The MCA Circulars read with the Securities and Exchange Board of India ("SEBI") Circular: SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/83 dated 5th June 2025 ("SEBI Circular") and other circulars issued from time to time by the regulators, has dispensed with the requirement of sending the physical copies of the AGM Notice and Annual Report to the members. Accordingly, in compliance with MCA Circulars and SEBI Circulars, the Annual Report for FY 2024-25, the Notice of the 16th AGM and the Instructions for e-voting are being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company/respective Depository Participants and a letter providing the web-link, including the exact path, where complete details of the Annual Report is available will be sent to the members whose e-mail addresses are not registered with Company / Depository Participants/Registrar and Share Transfer Agent(RTA)

2. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Institutional/Corporate Shareholders (i.e., other than individuals/HUF, NRI, etc.) are required to send a

scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM and vote on its behalf. The said Resolution/Authorization can be sent to the Company at ccalcosecy@ccal.in not before the 48 hours of the meeting. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members of body corporates can attend the AGM through VC/OAVM and cast their votes through e-Voting.

3. The facility to appoint a proxy to attend and cast vote for the members is not available for this AGM. In the case of joint holders attending the Meeting, only such joint holder who is higher in the order of names in the Register of Members will be entitled to vote.
4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business set out in the Notice is annexed hereto.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

Pursuant to the provisions of Section 107 and 108, read with the Companies (Management and Administration) Rules, 2014 read with notification GSR 207(E) dated March 19 2015, and as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8,2020, Circular No.17/2020 dated April 13, 2020, and Circular No. 20/2020 dated May 05, 2020, Circular No.20/2020 dated January, 13, 2021 ,Circular No.2/2022 dated May 5,2022 & Circular No. 10/2022 dated 28th December 2022 and Circular No. 09/2023 dated 25th September 2023 and in terms of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Company is providing the option of remote and AGM E-Voting facility to all the Members of the Company. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL). The Members can vote electronically through remote e voting either during the e-voting period ("remote e-voting") or at the AGM.

6. The details as required under Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect to brief resume of Directors proposed to be reappointed, nature of their expertise in specific functional areas, names of listed companies in which they

hold directorships and the Memberships of Board Committees, shareholding and relationships between directors inter-se, are provided in the Annexure to the explanatory statement attached to this Notice.

7. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,

For shares held in electronic form: to their Depository Participants (DPs)

- b. For shares held in physical form: to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Company has sent letters for furnishing the required details.

- c. 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; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's website at <https://chemfabalkalis.com> and on the website of the Company's Registrar and Transfer Agents, Company at <https://chemfabalkalis.com>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

- d. As per Regulation 40 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI notification dated January 24, 2022, has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company for assistance in this regard.

- e. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

- f. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website <https://chemfabalkalis.com>. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to Company in case the shares are held in physical form.

8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act and all the information/documents mentioned in this notice shall be available for inspection through electronic mode.

9. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during financial year 2024-2025 does not exceed Rs. 5,000 and also in cases where members provide Form 15G/Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. PAN is mandatory for members providing Form 15G/15H. The shareholders are requested to update their valid PAN with the DPs (if shares held in dematerialized form) and the Company (if shares are held in physical form).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to 05-09-2025.

Shareholders are requested to note that in case their PAN is not registered, or having invalid PAN or Specified Person as defined under section 206AB of the Income-tax Act ("the Act"), the tax will be deducted at a higher rate prescribed under section 206AA or 206AB of the Act, as applicable.

Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose, the shareholder may submit the above documents (PDF/JPG Format) by e-mail to ccalcosecy@ccal.in.

The aforesaid declarations and documents need to be submitted by the shareholders by 05-09-2025.

10. The members of the Company, whose names appear in the Register of Members/List of Beneficial Owners as on Friday 05-09-2025 ("Cut-off date") and who are otherwise not barred to cast their vote, are entitled to vote electronically either through remote e-voting or e-voting during AGM, on the Resolutions set forth in this Notice of the AGM. A person who is not a member on the Cut-off date should treat this notice for information purpose only.
11. The register of members and transfer books of the Company will remain closed from Saturday 06-09-2025 to Friday 12-09-2025 both days inclusive, and the members whose name appear in the register of members as on Friday 05-09-2025 (Record Date) shall be entitled for the payment of dividend.
12. Under section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. Accordingly, unclaimed dividend amounts up to final dividend 2017-18 have been transferred to the said fund. The shareholders are advised to forward all unencashed dividend warrants from interim dividend 2017-18 to the registered office of the Company for revalidation and encash the same before the respective due date of transfer to IEPF.
13. The shareholders are requested to claim the unpaid dividend amount(s) immediately, failing which their shares shall be transferred to the demat account of the IEPF Authority as per Section 124 of the Act, read with applicable IEPF rules as amended from time to time. The Members / claimants whose shares, unclaimed dividend,

sale proceeds of fractional shares etc. have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on www.mca.gov.in) along with requisite fee as decided by it from time to time. The Member / claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

CDSL E-VOTING SYSTEM – FOR E-VOTING AND JOINING VIRTUAL MEETINGS

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-Voting as well as the e-Voting system on the date of the AGM will be provided by CDSL.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.
3. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-Voting.
4. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.chemfabalkalis.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com

respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-Voting system during the AGM) i.e. www.evotingindia.com.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

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

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) (i) The voting period begins on Tuesday 9th September, 2025 at 9:00 A.M (IST) and ends on Thursday 11th September, 2025 at 5:00 PM (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday 05.09.2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

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

- (iv) 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 and joining virtual meetings 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	<ol style="list-style-type: none"> 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.

- (iii) Pursuant to SEBI Circular **No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-Voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-Voting service providers (ESPs) providing e-Voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-Voting to **all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below: **(Contd.)**

Type of shareholders	Login Method
	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	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>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.</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>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</p>
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 or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding 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.

(v) Login method for e-Voting and joining virtual meetings 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:

Login type	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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)	<p>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.</p> <ul style="list-style-type: none"> 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.

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

(vii) 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.

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

- (ix) Click on the EVSN for the relevant <Chemfab Alkalis Limited> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **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 mandatory 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; ccalcosecy@ccal.in (designated email address by Company) , if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for e-Voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-Voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at ccalcosecy@ccal.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **seven days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at ccalcosecy@ccal.in. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-Voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-Voting during the meeting is available only to the shareholders attending the meeting.

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 CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

General Instructions :

- i) The Company has appointed Mr. S.A Inbavadivu, Advocate, as the Scrutinizer to scrutinize the e-Voting process of the 16th Annual General Meeting in a fair and transparent manner.
- ii) The Scrutinizer shall after the conclusion of voting at the annual general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, within 2 working days of conclusion of the meeting a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The resolutions will be deemed have been passed on the AGM date subject to receipt of the requisite number or votes in favour of the resolutions.
- iii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.chemfabalkalis.com and on the website of CDSL www.evotingindia.com immediately. The Company shall simultaneously forward the results to BSE & NSE Limited, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

In terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard 2 on General Meetings, a brief resume of the Directors proposed to be re-appointed in the forthcoming Annual General Meeting, nature of expertise in specific functional areas, disclosure of relationships between directors inter-se, other Directorships, Committee memberships, shareholdings in the Company are given below:

ITEM NO. 3

The details of Mr. R Mahendran as required under Secretarial Standard - 2 and Regulation 36 of the SEBI Listing Regulations, as applicable, are provided in 'Annexure I' to the Notice. Save and except Mr. R Mahendran and his relatives,

None of the Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

This Statement may be regarded as disclosures under Secretarial Standard – 2 and Regulation 36 of the SEBI Listing Regulations, as and when applicable.

Name of the Director	Mr. R. Mahendran
Director Identification Number	07451058
Nationality	Indian
Date of Birth	09/02/1960
Age	65
Qualifications	BSc
Expertise in Specific Function areas	Management
Date of First appointment to the Board	14 th March 2016
Number of Board meeting attended during the Financial Year 2024-25	Five
List of Directorship held in other Companies	Chemfab Alkalies Karaikal Limited
Relationship with other Directors	Not Applicable
Terms and Condition of Re – Appointment	Non-Independent & Non – Executive Director
Shareholding in the Company as on 31 st March, 2025	Nil

EXPLANATORY STATEMENT RELATING TO THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO: 4 – Ratification of Cost Auditor's Remuneration

At the Board Meeting held on 14th May 2025, after considering the recommendation of the Audit Committee, the Directors appointed M/s. Madhavan, Mohan & Associates, Cost Accountant, as the Cost Auditor of the Company for carrying out the Cost Audit of the Company for the Financial Year 2025-2026 on the remuneration of Rs 1,90,000/- (Rupees One Lakhs Ninety Thousand Only) including the reimbursement of the out-of-pocket expenses. Further, in compliance to Section 148 read with the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration approved by the Board of Directors is required to be ratified by the Shareholders.

Accordingly, the Board commends passing of said resolution as set out in Item No.4 of the Notice for approval of the members as Ordinary Resolution.

None of the Directors or the Key Managerial Personnel and their relatives are interested or concerned in the passing of the Resolution.

ITEM NO: 5 Payment of Commission to Non-Executive Directors of the Company

The Non-Executive Directors play a pivotal role in business strategy, financial and corporate governance of the Company, adding their expertise and rich

experience. The insight of Non-executive Directors in Company's governance and performance is very important for sustainable growth of the Company.

During the year, the Company has conducted the performance evaluation and benchmarking the commission payable to Non-Executives Directors. The evaluation was done on the basis of overall performance, Directors individual assessment and with the recommendation of the members of the Nomination and Remuneration Committee and Board of Directors at their meeting held on 14th May 2025, recommended the proposal to the members of the Company for payment of Commission to Non-executive Directors for the financial year 2024-2025 calculated in accordance with the provisions of the Companies Act, 2013 and the rules framed thereunder. The payment of such commission shall be in addition to the sitting fees for attending the Board and Committee meeting.

The Board commends the passing of the resolution as set out in Item No.5 of the Notice for the approval of the members as a Special Resolution.

Expect the Key Managerial Personnel of the Company and their relatives, all the Non-executive Directors along with their relatives are deemed to be concerned or interested, financially or otherwise, in the resolution set out in Item No.5 of the accompanying Notice.

ITEM No.: 6 Appointment of Mr. Satish Narain Jajoo (Din: 07524333) as an Independent Director

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company on May 30, 2025 have appointed Mr. Satish Narain Jajoo (DIN: 07524333) as an Additional Director in the capacity of Independent Director of the Company.

The Board of Directors at their Meeting held on May 30, 2025 have appointed Mr. Satish Narain Jajoo as the Independent Director for a period of 5 (Five) years w.e.f. May 30, 2025 subject to the approval of the Shareholders of the Company. Mr. Satish Narain Jajoo has also confirmed that he is not debarred from

holding the office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority and he meets the criteria of independence as provided under Section 149 of the Companies Act, 2013.

Mr. Satish Narain Jajoo is a top management executive with long and rich experience in diverse industry segments of Aditya Birla Group of Industries.

Since August 2021, he is associated as Independent Director with Kesoram Industries Limited and holds position(s) of Chairman – Risk management committee, Non-Executive Chairman and Member of Audit Committee. He also serves as Independent Director of Cygnet Industries Limited, a subsidiary of Kesoram Industries Limited.

This Statement may be regarded as disclosures under Secretarial Standard – 2 and Regulation 36 of the SEBI Listing Regulations, as and when applicable.

Name of the Director	Mr. Satish Narain Jajoo
Director Identification Number	07524333
Nationality	Indian
Date of Birth	30/06/1959
Age	66 years
Qualifications	B.Com, FCA, Post Graduate Program in Artificial Intelligence For Leaders by The University of Texas at Austin
Expertise in Specific Function areas	Management
Date of First appointment to the Board	30 th May, 2025
Number of Board meeting attended during the Financial Year 2024-25	Nil
List of Directorship, Membership & Chairmanship held in board and committees of other Companies	<p>No. of Directorship:</p> <ol style="list-style-type: none"> 1. Cygnet Industries Limited – Public Company 2. Kesoram Industries Ltd – Listed Company <p>No. of Membership & Chairmanship in Board or Committee of other companies:</p> <p>a) Kesoram Industries Ltd:</p> <ul style="list-style-type: none"> • Chairman and Independent Director • Member of Audit committee • Member and Chairman of Risk Management Committee
Relationship with other Directors	Not Applicable
Terms and Condition of Re – Appointment	Non – Executive & Independent Director
Shareholding in the Company as on 31 st March, 2025	Nil

ITEM NO.: 7 Approval for Amendment to Chemfab Alkalies Employee Stock Option Scheme ("CAESOS 2020")

The Company has proposed to increase the number of Options that may be granted under the existing Chemfab Alkalies Employees Stock Option Scheme 2020 ("CAESOS 2020") of the Company from the existing 4,00,000 Options to 5,00,000 Options convertible into equivalent number of Equity Shares.

Further, it is also proposed to modify the vesting conditions and exercise price in the manner and to the extent laid out in the resolution above. It may be noted that no other change in the CAESOS 2020 is sought except above.

Key variations proposed in the CAESOS 2020

The following key variations are proposed in the existing CAESOS 2020:

1. To increase the number of Options that may be granted under the existing CAESOS 2020 to 5,00,000 Options convertible into equivalent number of Equity shares of Rs. 10/- each.
2. The vesting period in respect of the Options to be granted after the date of this proposed amendment shall be:
 - 100% of the Options – at the expiry of One year from the date of grant
3. The Exercise price per share for all the Options granted after the date of this proposed amendment shall be lower of the following:
 - (a) Market Price minus 50% (fifty percent) of the Market Price or
 - (b) INR 500.
4. The Company may, at any time at its discretion, change the terms and conditions of the CAESOS 2020.

Rationale for variation of the CAESOS 2020

The amended CAESOS 2020 would help the Company in suitably incentivizing, hiring and retaining the critical human resources. It further enhances the possibility of granting more Options to the existing grant-holders and other eligible Employees.

The proposed amendment will not be prejudicial to the interests of the existing Option holders as it does not interfere with the terms of Options granted to them.

Details of employees who are beneficiaries of the variation

The benefits of the CAESOS 2020, as amended herein, is for all the eligible recipients of Options without any specific employee being the beneficiary of the proposed amendment.

Disclosures

The disclosures as required under Regulation 7(3) read with Regulation 6 read and Part C of Schedule I of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are as under:

a. Brief description of the Scheme

The Chemfab Alkalies Employees Stock Option Scheme 2020 (CAESOS 2020) encourages a long term and committed involvement of the Employees in the management and future of the Company. The objective of the Scheme is to encourage ownership of the Company's equity by its Employees on an ongoing basis. The Scheme is intended to reward the Employees for their contribution to the successful operation of the Company and to provide an incentive to continue contributing to the success of the Company. It is envisaged that the Scheme will enable the Company to attract and retain the best available talent by making them partners in business and its growth.

The Scheme seeks to grant to the Employees, Options convertible into equivalent number of Equity Shares of Rs. 10/- (Rupees Ten) each of the Company. It further empowers the Board of Directors (or such Committee including the Compensation Committee or such officers of the Company to whom the Board may delegate these powers) to amend, vary or modify the terms and conditions pertaining to the grant of Options, pricing of Options, issue or allotment of Equity Shares pursuant to the Options, to make adjustments as may be required and to the extent permissible in law for dividends, bonus and other rights that may accrue in respect of the Options granted.

b. Total number of Options to be offered and granted

The total number of Options to be granted under CAESOS 2020 is being increased from existing 4,00,000 to 5,00,000 number of Options, convertible into equivalent number of shares of Rs. 10/- each.

c. Identification of classes of employees entitled to participate and be beneficiaries in the Scheme

The following classes of the Employees are entitled to participate and be beneficiaries in the Scheme:

- (i) a permanent Employee of the Company who has been working in India or outside India; or
- (ii) a director of the Company, whether a whole-time director or not but excluding an independent director; or
- (iii) an Employee as defined in clauses (i) or (ii) of a subsidiary, in India or outside India, or of a holding Company of the Company or of an associate Company but does not include:
 - (a) an Employee who is a promoter or a person belonging to the promoter group; or

- (b) a director who either himself or through his relative or through any body-corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

d. Requirements of vesting and period of vesting

For all Options granted up to the date of this proposed special resolution, the Vesting Period is as below:

- 25% of the Options – at the expiry of One year from the date of grant
- 25% of the Options – at the expiry of Two years from the date of grant
- 25% of the Options – at the expiry of Three years from the date of grant
- 25% of the Options – at the expiry of Four years from the date of grant

For all Options granted after the date of this proposed special resolution, the Vesting Period is as below:

- 100% of the Options – at the expiry of One year from the date of grant

e. Maximum period (subject to regulation 18(i) and 24(1) of these regulations, as the case may be) within which the Options shall be vested

In case of the options already granted under the CAESOS 2020, the maximum period for vesting of Options is Four years from the date of offer/grant.

In respect of the options to be granted after the amendment, the period for vesting of options is fixed as One year from the date of grant. Accordingly, the maximum period for vesting of Options is One year from the date of offer/grant.

f. Exercise price

- (a) The Exercise price per share for all Options granted by the Company up to the date of this proposed special resolution shall be calculated as below:

Market Price minus 30% (thirty percent) of the Market Price.

- (b) The Exercise price per share for all Options granted by the Company after the date of this proposed special resolution shall be calculated as the lower of the following:

- (i) Market Price minus 50% (fifty percent) of the Market Price or
- (ii) INR 500.

g. Exercise period and process of exercise

The Employee can exercise his right to convert the Options into shares either in full or in stages by addressing a communication to the Compensation Committee as per Form II of this Scheme or any other prescribed form, by specifying the number of shares that he is willing to take under CAESOS 2020.

The exercise period shall commence from the date of vesting and expire not later than 12 (Twelve) months from the last vesting date, except in the case of discontinuation of the services of an Employee, which has been discussed in the CAESOS 2020. The Compensation Committee may grant an extension upon a specific request made by the Employee concerned to this effect.

h. Appraisal process for determining the eligibility of employees for the Scheme

The Employees falling within the scope of CAESOS 2020 will be selected for grant of Options based on their performance during the year and the recommendation of their respective supervisor. The final eligibility will be decided by the Compensation Committee under CAESOS 2020.

The Compensation Committee is entitled to review the criteria and eligibility of the Employees for grant of Options.

i. Maximum number of Options to be offered and issued per employee and in aggregate, if any

The Scheme provides discretion to the Board to determine the total number of Options that may be granted to the Employees in any financial year which shall not exceed 5,00,000 (Five Lakhs) Options in aggregate.

The Board is appropriately authorized to grant Options to Employees of the Holding/Subsidiary/Associate companies of the Company in any financial year vide the Special Resolution passed at the Annual General Meeting held on 29th July 2020.

The Board is also appropriately authorized to grant Options to Employees exceeding 1% of the issued capital of the Company in any financial year vide the Special Resolution passed at the Annual General Meeting held on 29th July 2020.

j. Maximum quantum of benefits to be provided per employee under the Scheme

The Maximum quantum of benefits underlying the Options issued to an eligible employee shall depend upon the market price of the Share as on the date of sale of Share.

k. Whether the Scheme is to be implemented and administered directly by the Company or through a trust

The Scheme is to be implemented and administered directly by the Company without forming or involving any trust.

l. Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the trust or both

The Scheme involves issue of new shares against exercise of Options. There is no involvement of trust and therefore, there will not be any secondary acquisition.

m. The amount of loan to be provided for implementation of the Scheme by the Company to the trust, its tenure, utilization, repayment terms, etc.

CAESOS 2020 is to be implemented and administered directly by the Company without forming or involving any Trust. Therefore, provision of any loan to a Trust under the Scheme does not arise.

n. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the Scheme

CAESOS 2020 is to be implemented and administered directly by the Company without forming or involving any trust. Therefore, the Scheme does not envisage any secondary acquisition.

o. Statement to the effect that the Company shall conform to the accounting policies specified in Regulation 15

The Company shall follow the requirements of the 'Guidance Note on Accounting for Employee share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein.

p. The method which the Company shall use to value its Options

(a) The Exercise price per share for all Options granted by the Company up to the date of this proposed special resolution shall be calculated as below:

Market Price minus 30% (thirty percent) of the Market Price.

(b) The Exercise price per share for all Options granted by the Company after the date of this special resolution shall be calculated as the lower of the following:

(i) Market Price minus 50% (fifty percent) of the Market Price or

(ii) INR 500.

q. In case the Company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Directors' report.

r. Period of lock-in:

Not Applicable.

s. Terms & conditions for buyback, if any, of specified securities covered under these regulations.

The present Scheme CAESOS 2020 does not provide for buyback of Options. However, the shares allotted upon exercise of options shall be eligible as a usual shareholder to participate in buyback if any undertaken by the Company in accordance with applicable laws of time.

The Company does not need to appoint a Merchant Banker for the proposed amendments.

Consent of the members is being sought by way of a Special Resolution pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 7 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

A draft copy of the amended 'CAESOS 2020' is available on the Company's website www.chemfabalkalis.com.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under the Scheme.

Item No. 8

Pursuant to the Regulation 24A & other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with provisions of Section 204 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Companies Act, 2013, if any ("the Act"), the Audit Committee and the Board of Directors at their respective meetings held on 14th May, 2025 have recommended the appointment of M/s. M Damodaran & Associates LLP (MDA), Peer Reviewed Firm of Company Secretaries in Practice as Secretarial Auditors for the first term of five consecutive years commencing from FY 2025-26 till FY 2029- 2030, to the shareholders for approval.

MDA has given their consent to act as the Secretarial Auditors of the Company and confirmed that their aforesaid appointment (if approved) would be within the limits specified by the Institute of Company Secretaries of India (ICSI). Furthermore, in terms of the amended regulations, MDA has provided a confirmation that they have subjected themselves to the peer review process of the ICSI and hold a valid peer review certificate and have also confirmed that

they are not disqualified from being appointed as the Secretarial Auditors.

MDA, Practicing Company Secretaries, a peer reviewed firm is a premier business advisory firm providing holistic advisory and compliance solutions in the areas of corporate laws, statutory matters, secretarial and legal services to numerous corporates. Established in the year 2002, MDA, the ISO certified firm today, has a clientele of over 800 corporates ranging from small and midsized companies to large multinational corporations including listed companies. MDA is ably supported by a team of over 60 professionals.

MDA's key deliverables include: (i) Corporate Advisory; (ii) Insolvency and Bankruptcy; (iii) Legal Advisory & Audit; (iv) Intellectual Property Rights; (v) Mergers & Acquisitions (M&A); (vi) Secretarial Audit & Due Diligence; (vii) Start-ups; (viii) Overseas Investment Decisions & Funding; (ix) Valuations; (x) Retainership Services; (xi) Winding up.

Terms and conditions of appointment & remuneration:

a) Term of appointment:

Five consecutive Financial Years commencing from the Financial Year 2025-2026 till 2029- 2030.

b) Remuneration:

₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) per annum plus applicable taxes and other out-of-pocket expenses in connection with the Secretarial Audit for Financial Year ending March 31, 2026.

The proposed fee is based on knowledge, expertise, industry experience, time and efforts required to be put in by the Secretarial Auditor, which is in line with the industry benchmark. The payment for services in the nature of certifications and other professional work will be in addition to the Secretarial Audit fee and shall be determined by the Audit Committee and/or the Board of Directors of the Company.

Fee for subsequent year(s):

As determined by the Audit Committee and/or the Board of Directors of the Company.

Basis of recommendations:

The Audit Committee and the Board of Directors have approved & recommended the aforementioned proposal for approval of Members taking into account the eligibility of the firm, qualification, experience, independent assessment & expertise of the Partners in providing Secretarial Audit related services, competency of the staff and Company's previous experience based on the evaluation of the quality of audit work done by them in the past.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.8. The Board recommends the passing of the Resolution as set out in Item No. 8 as an Ordinary Resolution.

By order of the Board of Directors
For Chemfab Alkalies Limited

Place: Chennai

Date: 31st July, 2025

Bharatraj Panchal
Company Secretary and Compliance Officer

Board of Directors' Report

Dear Shareholders,

Your Directors have the pleasure of presenting the 16th Annual Report of Chemfab Alkalies Limited along with the Audited Standalone and consolidated financial statements for the Financial Year Ended 31st March 2025.

The summarized financial results are as under:

FINANCIAL SUMMARY

(₹ In Lakhs)

Particulars	Consolidated		Standalone	
	Year ended. 31 March 2025	Year ended. 31 March 2024	Year ended. 31 March 2025	Year ended. 31 March 2024
Summary of Profit and Loss Statement:				
Total Revenue	33,437.43	32,729.68	32,209.05	32,728.78
Profit before Finance Cost and Depreciation	5,083.86	6,243.95	5,913.59	6,540.77
Less: Finance Cost	492.50	94.22	491.58	93.08
Profit before Depreciation	4,591.36	6,149.73	5,422.01	6,447.69
Less: Depreciation and amortization	3,633.13	2,235.08	3,238.79	2,185.01
Profit Before Exceptional Items	958.23	3,914.65	2,183.22	4,262.68
Exceptional Items	(988.77)	-	-	-
Profit before Tax	(30.54)	3,914.65	2,183.22	4,262.68
Less: Tax including Deferred Tax	663.49	1,282.34	660.80	1,263.96
Profit/(Loss) after Tax	(694.03)	2,632.31	1,522.42	2,998.72
Other Comprehensive Income/(Loss)	38.43	21.94	38.43	21.94
Total Comprehensive Income/(Loss)	(655.60)	2,654.25	1,560.85	3,020.66
Summary of Retained Earnings Movement:				
Balance brought forward from last year	1,150.48	(1,320.62)	1,712.98	(1,124.53)
Add: Profit/(Loss) after Tax	(694.03)	2,632.31	1,522.42	2,998.72
Add: Other Comprehensive Income	41.19	16.20	41.19	16.20
Less: Appropriations				
Final Dividend	178.46	177.41	178.46	177.41
Tax on Dividend	-	-		-
Balance Carried to Balance Sheet	319.18	1,150.48	3,098.13	1,712.98

Performance and State of Affairs of the Company

The overall performance and more details are covered under the Management section, which forms part of the Annual Report.

Change in Nature of Business

During the year under review, there is no change in nature of business of your Company.

Change in the registered office of the Company

There was no change in the registered office of the company during the financial year 2024-2025.

Capital Structure

During the year under consideration, there is no change in authorized share capital. However, the paid-up share capital was increased due to allotment of equity shares under Company's employee stock

option scheme "CAESOS 2020". As on 31st March 2025, the authorised and paid - up capital stands as stated below:

The Authorized Share Capital of the Company is ₹ 39,14,00,000 (Rupees Thirty Nine Crores Fourteen Lakhs Only) divided into 3,91,40,000 (Rupees Three Crores Ninety-One Lakh Forty Thousand Only) Equity Shares of ₹ 10/- each.

The Paid-up Share capital of the Company stands at ₹ 14,36,37,020 (Rupees Fourteen Crore Thirty Six Lakh Thirty Seven Thousand Twenty Only) divided into 1,43,63,702 (Rupees One Crore Forty Three Lakh Sixty Three Thousand Seven Hundred Two Only) Equity Shares of ₹ 10/- each.

Dividend

Your directors recommended the payment of Dividend of ₹ 1.25/- per share for the year ended March 31, 2025, absorbing a sum of ₹ 179.55 Lakhs considering shares outstanding as on 31 March 2025, subject to the approval of the Members at the ensuing Annual General Meeting.

Transfer of profit to reserves

The Company has not proposed transferring any of its profits to reserves.

The Independent Directors are registered with the data bank as per rule 6 of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019. The Registration details are as below:

Sl. No	Name of the Director	Registration number
01.	Mr. A. Janakiraman	IDDB-DI-202002-007989
02.	Mrs. J. Sujatha Jayarajan	IDDB-DI-201912-001692
03.	Mrs. R. Drushti Desai	IDDB-DI-202002-015500
04.	Mr. Satish Narain Jajoo (Additional) (w.e.f. 30 th May, 2025)	IDDB-DI-202110-039184

Board Composition:

The Board is well balanced with the composition of four Non- Independent Directors and Four Independent Directors (including two Women Independent directors).

Category	Name of Directors
Non – Independent Directors	Mr. Suresh Krishnamurthi Rao Mr. C S Ramesh Mr. R Mahendran Mr. Nitin S Cowlagi
Independent Directors	Mr. A Janakiraman Mrs. Drushti Desai Mrs. Sujatha Jayarajan Mr. Satish Narain Jajoo (Additional) (w.e.f. 30 th May, 2025)

Thus, the composition of the Board is in line with the terms of Section 149 of the Companies Act 2013 and Regulations 17(1)(b) of the SEBI (LODR) Regulations, 2015.

Material Changes during the reporting period

No material changes have occurred, or any commitments made between the financial year ended 31st March 2025 and the date of this report, which would adversely affect the financial position of the company.

BOARD OF DIRECTORS AND ITS COMMITTEES

A. Composition of the Board of Directors

The Board of Directors of the Company comprise of total eight directors including Non- Executive Chairman who is a promoter of the Company, Non - Executive Directors and Independent Directors. The Company has two women Independent Directors. The composition of the Board of Directors is in compliance with Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 149 of the Companies Act, 2013.

The Company has received necessary declarations from the Independent Directors under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 and as per the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

B. Meetings

The number of Board Meetings held during the year along with the dates of the meetings:

(Disclosure pursuant to 134 (3)(b) of the Companies Act, 2013).

During the Financial Year 2024-2025, the Board of Chemfab Alkalies Limited met Five times as under:

Sl. No	Date of Board meetings	Quarter	No. of Directors as on the date of Meeting	Total No. of Directors attended
1.	22 nd May 2024	First	7	7
2.	08 th August 2024	Second	7	7
3.	25 th September 2024	Second	7	5
4.	04 th November 2024	Third	7	7
5.	30 th January 2025	Fourth	7	7

The meetings of the Board were held periodically, with an interval of not more than one hundred and twenty days between two consecutive meetings, as prescribed under Section 173(1) of the Act.

C. Re-appointment of Directors Retiring by Rotation

In terms of Section 152 of the Companies Act, 2013, Mr. R. Mahendran (DIN: 07451058) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee has recommended the re-appointment of Mr. R. Mahendran (DIN: 07451058) retiring by rotation.

D. Committees of the Board

The constitution and terms of reference of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, and Risk Management Committee are also aligned with the requirements of Regulations 18 to 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

A detailed note on the Committees is given in the Corporate Governance Report forming part of the Annual Report.

E. Performance Evaluation

Section 134 of the Companies Act, 2013 states that formal evaluation needs to be made by the Board, of its performance and that of its committees and the individual Directors. Schedule IV of the Companies Act, 2013 and regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 state that the performance evaluation of each Independent Director shall be done by the entire Board of Directors excluding the Director being evaluated.

Pursuant to the provisions of Section 134 (3) (p) of the Companies Act, 2013 and SEBI (LODR) regulations, 2015, the Board has carried out an evaluation of its performance, the Directors individually as well as its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report forming part of the Annual Report.

F. Directors' Responsibility Statement

As required under Section 134(5) of the Companies Act, 2013, the Board of Directors hereby confirms, that -

- In the preparation of the Annual Accounts for the financial year ended 31st March 2025, the applicable Accounting Standards and Schedule III of the Act have been followed and there are no material departures.
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the financial year 2024-2025.
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- They have prepared the annual accounts on a going-concern basis.
- They have laid down proper internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

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

G. Changes in Directors and Key Managerial Personnel

During the year under review there were no changes in Directors or Key Managerial Personnel. After the end of financial year, Mr. Satish Narain Jajoo was appointed as Additional Director (Independent) w.e.f. 30th May, 2025. Mr. B. Vignesh Ram resigned from the position of Company Secretary and Compliance Officer on 18th April, 2025 and Mr. Bharatraj Panchal was appointed as Company Secretary and Compliance Officer w.e.f. 16th July, 2025.

H. Changes in Subsidiaries, Joint Ventures, and Associates

During the financial year ended 31st March 2025, there were no changes in the subsidiaries, joint ventures and associates. The salient feature on financial statements or performance is given in **Annexure A** of this report.

I. Significant or Material Orders Passed by Regulators/Courts

There were no significant or material orders passed by any regulator/court during the reporting period.

J. Declaration by Independent Directors

The Company has received necessary declarations from Mr. A. Janakiraman, Mrs. Sujatha Jayarajan, and Mrs. Drushti Desai independent directors, under Section 149 (7) of the Companies Act 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act 2013 and regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and their Declarations have been taken on record.

K. Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25 of the SEBI Listing Regulations, a meeting of the Independent Directors of the Company was held on March 29, 2025 without the presence of Non-Independent Directors and Company's Management.

The Company Secretary was an invitee to the said meeting and acted as a facilitator to the Independent Directors.

L. Details in respect of Frauds

The Company's auditors' report does not have any statement on suspected fraud in the company's operations to explain as per Sec. 134(3) (ca) of the Companies Act 2013.

M. Fixed Deposits

During the year under review, the Company did not raise funds, by way of fixed deposits, from the public.

N. Details of contracts or arrangements with related parties

The details of contracts or arrangements entered into with related parties along with justification for entering into such contract or arrangement, referred to in sub-section (1) of Section 188 in the prescribed form no. AOC 2 is given in **Annexure B** of this report.

O. Code of Conduct for prevention of Insider Trading

The Company has a policy viz., "Code of Conduct for prevention of Insider Trading" and the same has been posted on its website www.chemfabalkalis.com. The Company also monitors insider trading activities through Structured digital database software in accordance with Regulation 5(3) of SEBI (LODR) (Amendment) Regulations 2020.

P. Development and implementation of a Risk Management Policy

The main objective of Risk Management is risk reduction and avoidance, as also identification of the risks faced by the business and optimizing the risk management strategies. The Company has put in place a well-defined Risk Management framework. The Company has constituted a Risk Management Committee even though the constitution of the same does NOT apply to the Company since it is mandatory only for the top 1000 listed Companies as per the listing regulations. The Risk Management Committee assists the Board in drawing up, implementing, monitoring, and reviewing the Risk Management Plan. The Committee lays down the Risk Assessment and Minimization Procedures and it reviews the Procedures periodically to ensure that the Executive Management controls the risks through a properly defined framework.

The Company has also obtained certification for ISO 14001 and ISO 45001 systems to take care of critical operational areas. The Company has also implemented Process Safety Management (PSM). We are the first company in our industry to implement the same.

We are continuing with the publishing of a sustainability report, enhancing our commitment to sustainable development.

Q. Technology absorption, Conservation of energy and Research and development and Foreign Exchange earning and Outgo

The detailed note on the technical absorption and conservation of energy and research and development and Foreign Exchange earning and Outgo is annexed herewith as **Annexure C**.

R. Cost Records

Your Company is maintaining cost records and reports pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

AUDIT RELATED MATTERS

A. Statutory Auditors

M/s. Deloitte Haskins & Sells LLP (Firm Registration No 117366W/W-100018) were re-appointed as Statutory Auditors of the Company for a term of 4 (four) years, to hold office from the conclusion of the 13th Annual General Meeting held on 15th September 2022 till the conclusion of the 17th Annual General Meeting on such professional fees as may be fixed by the Board of Directors as recommended by the Audit Committee in consultation with them.

There are no qualifications or adverse remarks in the Statutory Audit Report which require any explanation from the Board of Directors.

B. Cost Auditor

As per Sec. 148 (6) of Companies Act, 2013 and rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014, the applicability of Cost audit is based on the overall annual turnover of the company, from all its products and services during the immediately preceding financial year, being rupees one hundred crores or more. Under Rule 3 of the same Regulations, the maintenance of cost records applies to companies whose aggregate turnover of the individual product or products, or service or services is Rupees thirty-five crores or more.

In conformity with the said provisions of the Companies Act, 2013, the Company has appointed M/s. Madhavan, Mohan & Associates, Cost Auditors, as the Cost Auditor, for the audit of cost accounts for your Company for the year ending 31st March 2025. The remuneration to be paid to him is being ratified at this Annual General meeting.

There are no qualifications or adverse remarks in the Cost Audit Report which require any explanation from the Board of Directors.

C. Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. M Damodaran & Associates LLP, Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report in Form No. MR-3 for the financial year 2024-2025, is annexed herewith, as **Annexure 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 is annexed herewith, as **Annexure G**.

During the financial year ended 31st March, 2025, the following observations were submitted from the Secretarial Auditor of the Company that needs the response of the Board.

1. As per Regulation 17(1) (b) of SEBI LODR, where the regular non-executive chairperson is a promoter of the listed entity, at least half of the board of directors of the listed entity shall consist of independent directors.

"During the review period, the listed entity had 3 independent directors out of total 7 directors."

Response from the Board of Directors: The listed entity has complied with said regulation 17(1) (b) of SEBI LODR by appointing one more independent director in the Board as on date of Secretarial Audit Report.

2. As per Regulation 18(1) (b) of SEBI LODR, every listed entity shall constitute a qualified and independent audit committee with at least two-thirds of the members of audit committee shall be independent directors.

"The Audit Committee was not constituted with at least two-thirds of the independent directors during the period from April 01, 2024 to September 24, 2024 as required u/r. 18(1) (b) of SEBI LODR."

Response from the Board of Directors: The Company has reconstituted the Audit Committee in compliance with regulation 18 (1) (b) of SEBI LODR as on date of Secretarial Audit Report.

The Company has paid fine amounting to ₹ 3,56,000 as imposed by NSE under protest and fine of ₹ 4,20,080 as imposed by BSE is subject to protest.

Pursuant to the provisions of Regulation 24A and other applicable provisions, if any, of the SEBI Listing Regulations, read with Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and based on the recommendation of the Audit Committee, the Board of Directors, at their meeting held on May 14, 2025, approved the appointment of M/s. M. Damodaran & Associates LLP, practicing Company Secretaries (Firm Registration Number: L2019TN006000), a peer-reviewed practicing Company Secretaries, as the Secretarial Auditor of the Company for a first term of five consecutive years commencing from the Financial Year 2025-26 to Financial Year 2029-30, subject to the approval of the shareholders at the ensuing AGM.

D. Internal Financial Controls

Your Company has well-defined and adequate internal controls and procedures, commensurate with its size and the nature of its operations. This is further

strengthened by the Internal Audit done concurrently. During the year, the Company got its internal controls over financial reporting and risk management process evaluated by independent consultants.

Besides, the Company has an Audit Committee, comprising Independent and Non-Executive Directors, which monitors systems, controls, financial management, and operations of the Company.

The Audit Committee has evaluated the internal financial controls and risk management system at its meeting held on the following dates

Sl. No.	Date of Meeting
1.	22 nd May 2024
2.	08 th August 2024
3.	04 th November 2024
4.	30 th January 2025

E. Internal Auditor

The Board appointed M/s. V Sankar Aiyar & Co, Chartered Accountants, as an internal auditor for the Financial Year 2024-2025 based on the recommendations of the Audit Committee.

BOARD COMMITTEE COMPOSITION

The Board has constituted the following committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, and Risk Management Committee.

A. Audit Committee

Pursuant to regulation 18 of SEBI (LODR) Regulations 2015 and the provision of Section 177(8) read with Rule 6 of the Companies (Meeting of Board and its Powers) Rules 2014, the Company has duly constituted a qualified and independent Audit Committee. The Audit Committee of the Board consists of four "Independent Directors" and Two "Non – Independent Directors" as members having adequate financial and accounting knowledge. The composition, procedures, powers, and role/functions of the audit committee and its terms of reference are set out in the Corporate Governance Report forming part of the Boards Report.

During the period under review, the suggestions put forth by the Audit Committee were duly considered and accepted by the Board of Directors. There were no instances of non-acceptance of such recommendations.

The Audit Committee acts in accordance with the terms of reference specified by the Board of Directors in terms of Section 177(4) of the Act and in terms of Regulation 18 of the SEBI (LODR) Regulations, 2015. It also oversees the vigil mechanism and is obliged to take suitable action against the Directors or employees concerned, when necessary.

A detailed note on the Audit Committee is given in the Corporate Governance Report forming part of the Annual Report.

B. Nomination and Remuneration Committee

According to Section 178 of the Companies Act, 2013 and in terms of Regulation 19 of SEBI (LODR) Regulations, 2015, the Company has set up a Nomination and Remuneration Committee which has formulated the criteria for determining the qualifications, positive attributes, and independence of a Director and ensures that:

- 1) The level and composition of remuneration are reasonable and sufficient to attract, retain and motivate Directors having the quality required to run the Company successfully.
- 2) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 3) Remuneration to Directors, key managerial personnel, and senior management involves a balance between fixed and variable pay, reflecting short-term and long-term performance, objectives appropriate to the working of the Company and its goals.

The Nomination and Remuneration Policy of your Company is set out and available on your company website www.chemfabalkalis.com. A detailed note on the Nomination and Remuneration Committee is given in the Corporate Governance Report forming part of the Annual Report.

C. Stakeholders' Relationship Committee

A detailed note on the Stake Holders' Relationship Committee is given in the Corporate Governance Report forming part of the Annual Report.

D. Risk Management Committee

The Company has constituted a Risk Management Committee even though the constitution of Risk Management Committee does NOT apply to the Company since it is mandatory only for the top 1000 listed Companies as per the listing regulations. The Risk Management Committee assists the Board in drawing up, implementing, monitoring, and reviewing the Risk Management Plan. The Committee lays down Risk Assessment and Minimization Procedures and it reviews the Procedures periodically to ensure that the Executive Management controls the risks through the properly defined framework.

E. Corporate Social Responsibility (CSR) Committee

The Board has constituted the Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013. The Company is committed to operating in a socially responsible manner in terms of protecting the environment and conserving water resources and energy. Details of the CSR Policy drawn up by the Company and the CSR

expenditure and initiatives were taken during the year 2024-25 are given in **Annexure D** to this Report.

OTHER MATTERS

A. Particulars of loans, guarantees, or investments u/s 186 of the Companies Act, 2013

During the year under review, the details of loans, guarantees or investments u/s 186 of the Companies Act 2013 forms part of the financial statements for financial year ended 31st March, 2025 which includes the Loan of ₹ 3,800 Lakhs (Principal ₹ 3,761.43 Lakhs and interest at 8.80% net of TDS ₹ 38.57 Lakhs) which was subsequently converted to Preference shares additionally the Company has invested ₹ 600 Lakhs towards subscription of 0.01% Cumulative Convertible Preference Shares and the overall investment is 4,40,00,000 shares of ₹ 10 each in Chemfab Alkalix Karaikal Limited, a Wholly Owned Subsidiary.

B. Remuneration details of Directors and Employees

The Company's policy on Directors' appointment and remuneration, including criteria for determining qualification, positive attributes and independence of a director and other matters provided under sub-section (3) of Section 178, is posted on our company's website in the following link <https://chemfabalkalis.com/investors/> and forms part of this Report pursuant to the first proviso of Sec. 178 of the Companies Act 2013.

C. Debentures

During the year under review, the Company has not issued any debentures. As of date, the Company does not have any outstanding debentures.

D. Bonus Shares

During the year under review, the Company has not issued any bonus shares.

E. Borrowings

The Company has outstanding borrowings including IND AS accounting adjustment entries and interest accrued of ₹ 8,101.34 Lakhs during the financial Year ended March 31, 2025.

F. Deposits

The Company has not accepted any deposits in terms of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014, during the year under review and as such, no amount on account of principal or interest on public deposits was outstanding as of the balance sheet date.

G. Transfer to Investor Education and Protection Fund

The details of the transfer of unclaimed dividends and the shares for seven consecutive years to the Investor Education and Protection Fund are given

in the Corporate Governance Report forming part of the Annual Report, which is also available on the company's website.

H. Credit Ratings

India Ratings has assigned initial rating of "IND A-/Stable" for Long term Bank facilities; and "IND A2+" for Short term Bank facilities.

I. Code of Corporate Governance

In compliance with the requirement of regulations 24 to 27 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, a detailed report on Corporate Governance is annexed to this report as **Annexure H** along with a Certificate from M/s. M. Damodaran & Associates LLP, Practicing Company Secretaries, Chennai affirming compliance with the said Code which is appended as **Annexure I**.

J. Code of conduct for Directors and Senior Management

The Board of Directors had adopted a code of conduct for the Board Members and employees of the company. This Code helps the Company to maintain the standard of Business Ethics and ensure compliance with the legal requirements of the Company.

The Code is aimed at preventing any misconduct and promoting ethical conduct at the Board level and by employees. The Compliance Officer is responsible to ensure adherence to the Code by all concerned.

The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the workplace, in business practices, and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

K. Management Discussion and Analysis Report

In accordance with the requirement of the Listing Regulations, the Management Discussion and Analysis Report is presented in a separate section, which forms an integral part of this Annual Report.

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

The Company has in place a Sexual Harassment Policy in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Compliant Committee (ICC) has been set up to redress the complaints received in connection with sexual harassment in any form.

All employees (permanent, contractual, temporary, trainees) are covered under this policy.

- a. Number of complaints filed during the financial year: **NIL**
- b. Number of complaints disposed of during the financial year: **NIL**
- c. Number of complaints pending as of the end of the financial year: **NIL**

M. Vigil Mechanism

The Company has established a vigil mechanism, also called the Whistle Blower Policy, which has been adopted by the Board, applicable to Directors and employees, to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. It provides adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. The confidentiality of Whistle Blower shall be maintained to the greatest extent possible. Details of the vigil mechanism are available on our Company's website.

N. Annual Return – MGT – 7

As per the provisions of Section 134(3)(a) of the companies Act, 2013, the Annual Return of the Company is available on our website at www.chemfabalkalis.com/investors

O. Employees' Stock Option Scheme

The Company has adopted two **Employees' Stock Option Schemes**:

- i. Chemfab Alkalies Employees' Stock Option Scheme – 2015 ("**CAESOS -2015**") and
- ii. Chemfab Alkalies Employees' Stock Option Scheme – 2020 ("**CAESOS -2020**").

Your Company has received a certificate from the Secretarial Auditors of the Company that ESOP Schemes viz., CAESOS -2015 and CAESOS -2020 has been implemented in accordance with Regulation 13 of the SEBI (Share Based Employee Benefits) Regulations, 2014 and the resolution(s) passed by the Members of the Company

i. Chemfab Alkalies Employees' Stock Option Scheme 2015

The Shareholders of the Amalgamated entity Chemfab Alkalies Limited had approved the Employees' Stock Option Scheme titled "CAESOS – 2015" through Postal Ballot on March 05, 2016. "CAESOS-2015" complies with SEBI (Share Based Employee Benefits) Regulations, 2014. The details as required under the SEBI regulations is part of the financial statements of this Annual Report.

During the year under review, there were no ESOPs granted or equity allotted upon conversion of option under said Plan.

ii. Chemfab Alkalies Employees' Stock Option Scheme 2020

At the 11th Annual General Meeting held on 29th July 2020, the Shareholders approved Employee Stock Option Scheme ('CAESOS -2020') covering 4,00,000 equity shares. There have been no material changes to the Scheme during the year under review. The relevant disclosures pursuant to Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 is forming part of the financial statements of this Annual report.

Your Company has received a certificate from the Secretarial Auditors of the Company that ESOP Schemes viz., CAESOS -2015 and CAESOS -2020 has been implemented in accordance with Regulation 13 of the SEBI (Share Based Employee Benefits) Regulations, 2014 and the resolution(s) passed by the Members of the Company is given in **Annexure J**.

During the Financial Year 2024-2025 the Company has allotted 1,37,100 equity shares under 'CAESOS -2020' scheme.

P. Green initiatives

Pursuant to the Ministry of Corporate Affairs (MCA) circulars dated April 08, 2020, April 13, 2020, and May 05, 2020, and other circulars issued from time to time, the Company is providing the facility of remote e-voting to its members in respect of the business to be transacted at the AGM. Electronic copies of the Annual Report 2024-2025 and Notice of the fourteen (16th) Annual General Meeting are sent to all the members whose email addresses are registered with the Company/Depository Participant(s). Further, the soft copy of the Annual Report (in pdf format) is also available on our website <https://chemfabalkalis.com/investors/>

Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, and Listing Regulations, the Company is providing an e-voting facility to all members to enable them or their nominees to cast their votes electronically on all resolutions outlined in the notice. The instructions for e-voting are provided in the notice.

Q. Statement on Secretarial Standards

The Company is adopting compliances of applicable secretarial standards and other secretarial standards to ensure good governance.

R. Human Resources

Employee relations continue to be cordial and harmonious at all levels and in all the divisions of the

Company. The Board of Directors would like to express their sincere appreciation to all the employees for their continued hard work and dedication.

The number of Direct employees as of March 31, 2025, was 213. The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure E** to the Board's Report.

S. Details of application made or proceedings under IBC 2016 during the year

The Company has not applied any application under Insolvency and Bankruptcy code, 2016.

Place: Chennai
Date: 31st July 2025

T. Details of one-time settlement and the valuation done while taking loan from Banks and Financial Institutions

The company has not entered into a one-time settlement with any Banks & Financial Institutions during the Financial Year 2024-25.

ACKNOWLEDGMENT

The Directors thank the Shareholders, Customers, Dealers, Suppliers, Bankers, Financial Institutions and all other business associates for their continued support to the Company and the confidence reposed in its Management. The Directors also thank the Government authorities for their co-operation. The Directors wish to record their sincere appreciation of the significant contribution made by the CCAL mates at all levels to its successful operations.

By Order of the Board of Directors
For **Chemfab Alkalies Limited**

Sd/-
Suresh Krishnamurthi Rao,
Chairman
DIN: 00127809

Annexure – A

FORM NO. AOC.1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES (PURSUANT TO THE FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

Part “A”: Subsidiaries

(Information in respect of subsidiary to be presented with amounts in ₹ In Lakhs.)

Name of the Subsidiary	Chemfab Alkalies Karaikal Limited
Date of Incorporation and Nature of business	19.12.2019 (Manufacturing of Aluminium Chloride)
The reporting period for the subsidiary concerned, if different from the holding company's reporting period	2024-2025
Reporting Currency and Exchange rate as of the last date of the relevant financial year in the case of foreign subsidiaries	NA
Equity Share capital	532.00
Other Equity	(2767.49)
Total Assets	14,071.59
Total Liabilities	16307.08
Investment	147.25
Turnover	1,174.17
Profit before taxation	(2202.29)
Provision for taxation	2.69
Profit after taxation	(2204.98)
Proposed Dividend	–
% of shareholding	100%

Part “B”: Associates and Joint Ventures

There are no associates and JVs to your company during the reporting period.

Place: Chennai
Date: 31st July 2025

sd/-
Suresh Krishnamurthi Rao,
Chairman
DIN: 00127809

Annexure – B

AOC 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in subsection (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements, or transactions entered during the year ended March 31, 2025, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis

There were no material contracts or arrangements, or transactions entered during the year ended March 31, 2025.

Place: Chennai
Date: 31st July 2025

Sd/-
Suresh Krishnamurthi Rao,
Chairman
DIN: 00127809

Annexure – C

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

A. Conservation of Energy

Particulars	Details
(i) The steps taken or impact on conservation of energy	VFD operation, Conversion of conventional AC with Inverter based AC unit and other operational controls has resulted in savings of ₹ 12.34 Lakhs of Units during FY 2024-25
(ii) The steps taken by the company for utilising alternate sources of energy	<ol style="list-style-type: none"> Existing 220 KWp Roof Top Solar has resulted in Generation of 246955 Units. Solar power procurement through LTOA has been carried out through PED grid for 18919557 Units.
(iii) The capital investment on energy conservation equipments	Capital investment on Energy conservation initiatives was ₹ 7.02 Lakhs for FY2024-25.

B. Technology Absorption

Particulars	Details
(i) The efforts made towards technology absorption	-
(ii) The benefits derived like product improvement, cost reduction, product development, or import substitution	<p>The Company has also manufactured bricks using the sludge from the clarifier. We have manufactured about 50,000 bricks during the year.</p> <p>Brine Quality improvement meeting international standards. Expected improvement longer membrane life and improved anode life.</p>
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	Not applicable
a) the details of technology imported	
b) the year of import.	
c) whether the technology been fully absorbed.	
d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	

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.

Particulars	Amount
Foreign exchange earnings	₹ 94.93 Lakhs
Foreign Exchange outgo	₹ 6341.32 Lakhs

Place: Chennai

Date: 31st July 2025

Sd/-
Suresh Krishnamurthi Rao,
Chairman
DIN: 00127809

Annexure – D

REPORT ON CSR ACTIVITIES FOR THE FY 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 on CSR Policy of the Company:

A brief outline of the company's CSR Policy, including an overview of projects or programs proposed to be undertaken and a reference to the Web-link to the CSR Policy and Projects or Programs.

The Company will take up community and socially focused activities, with Particular emphasis on the following activities, hereinafter referred to as "CSR activities"

- I. Promoting preventive and general health care, sanitation including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and provision of safe drinking water.
- II. Promoting education by providing financial assistance to deserving educational institutions, meritorious students, including special education and employment enhancing vocation skills especially among children, women, elderly, and differently-abled, promoting livelihood

enhancement projects and road safety projects with special emphasis on driver training programmes.

- III. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, daycare centers, and such other facilities for senior citizens.
- IV. Ensuring environmental sustainability, ecological balance, protection of Flora and Fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining the quality of soil, air, and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of the Ganga.
- VII. Contributing to rural development projects; and
- VIII. Such other activities and projects are covered in Schedule VII to the Companies Act, 2013 and notifications made by the Ministry from time to time.

2. Composition of CSR Committee:

Sl. 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. C.S. Ramesh	Chairperson and Non-Independent Director	4	4
2	Mr. A. Janakiraman	Member – Non-Executive Director	4	4
3	Mrs. Sujatha Jeyarajan	Member – Non-Executive Director	4	4
4	Mr. R. Mahendran	Member – Non-Executive Director	4	4
5	Mr. Nitin Cowlagi	Member – Non-Executive Director	4	4

3. Web link:

where the Composition of the CSR committee, CSR Policy, and CSR projects approved by the board are disclosed on the website of the company.

- CSR Policy Link: <https://chemfabalkalis.com/wp-content/uploads/2019/04/policies-Policy-for-Corporate-Social-Responsibility.pdf>
- Composition of CSR Committee Link: <https://chemfabalkalis.com/wp-content/uploads/2019/04/policies-Policy-for-Corporate-Social-Responsibility.pdf>
- CSR Project Link: <https://chemfabalkalis.com/wp-content/uploads/2019/04/policies-Policy-for-Corporate-Social-Responsibility.pdf>

4. Details of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable.

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

₹ 3,19,129/-

6. Average net profit of the company as per Section 135(5):

₹ 57,87,65,100/-

7. (a) Two percent of average net profit of the company as per Section 135(5):

₹ 1,15,75,302

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

₹ 3,19,129/-

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

₹ 6,64,119/-

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

₹ 1,12,30,312/-

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

Total Amount Spent for the Financial Year.	Amount Unspent (in ₹)	
	Total Amount transferred to Unspent CSR Account as per Section 135(6).	Amount transferred to any fund specified under Schedule VII as per the second proviso to section 135(5).
₹ 1,19,20,292	-	-

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

Sl. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				state	District						Name	CSR Registration number
NIL												

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

Sl. No	Name of the Project	The item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation Direct (Yes/No).	Mode of implementation Through implementing agency.	
				state	District			Name	CSR Registration number
1	Education and Training	Schedule VII (x)	Yes	Maharashtra	Maharashtra	4,24,900	No	Samabhavana	CSR00000687
2	Education and Training	Schedule VII (i)	Yes	Puducherry/ Tamilnadu	Puducherry/ Tamilnadu	10,00,000	No	Nandalala Seva Samithi Trust	CSR00016534
3	Education and Training	Schedule VII (i)	Yes	Puducherry/ Tamilnadu	Puducherry/ Tamilnadu	29,50,901	Yes	-	-
4	Ensuring Environment Sustainability	Schedule VII (iv)	Yes	Puducherry/ Tamilnadu	Puducherry/ Tamilnadu	4,99,350	No	Annaprado-kshana Charitable Trust	CSR00067297
5	Ensuring Environment Sustainability	Schedule VII (i)	Yes	Puducherry/ Tamilnadu	Puducherry/ Tamilnadu	3,11,045	Yes	-	-
6	Eradicating Hunger, Poverty, Malnutrition	Schedule VII (ii)	Yes	Puducherry/ Tamilnadu	Puducherry/ Tamilnadu	8,99,439	No	Annaprado-kshana Charitable Trust	CSR00067297
7	Healthcare	Schedule VII (ii)	Yes	Puducherry/ Tamilnadu	Puducherry/ Tamilnadu	5,00,000	No	Rotary Club Of Madras South Charitable Trust	CSR00004990
8	Healthcare	Schedule VII (ii)	Yes	Puducherry/ Tamilnadu	Puducherry/ Tamilnadu	4,90,000	No	Lotus Foundation	CSR00021575
9	Healthcare	Schedule VII (i)	Yes	Puducherry/ Tamilnadu	Puducherry/ Tamilnadu	18,60,924	Yes	-	-
10	Safe Drinking Water	Schedule VII (i)	Yes	Puducherry/ Tamilnadu	Puducherry/ Tamilnadu	8,83,733	Yes	-	-
11	Training to promote sports	Schedule VII (i)	Yes	Puducherry/ Tamilnadu	Puducherry/ Tamilnadu	20,00,000	No	Atchaya Agro Educational Development & Charitable Trust	CSR00050594
12	Training to promote sports	Schedule VII (i)	Yes	Puducherry/ Tamilnadu	Puducherry/ Tamilnadu	1,00,000	Yes		
TOTAL						1,19,20,292			

(d) Amount spent in Administrative Overheads:

Nil

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

Nil

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

₹ 1,19,20,292/-

(g) Excess amount for set-off, if any

₹ 3,44,990/-

Sl. No	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	1,15,75,302
(ii)	Total amount spent for the Financial Year	1,19,20,292
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3,44,990
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	3,19,129
(v)	The amount available for set off in succeeding financial years	6,64,119

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer	
NIL							

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

NIL

10. In case of creation or acquisition of the capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details).

S. No.	(a) Date of creation of asset	(b) amount of CSR spend (₹)	(c) details of beneficiary	(d) details of capital assets
NIL				

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5).

Sd/-
C.S. Ramesh
(Chairman CSR Committee)

Annexure – E

REMUNERATION DETAILS

DISCLOSURE PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

The Information required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as below:

(i) the ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year

(₹ In lakhs)

Sl. No.	Director Name	Remuneration FY 2024-25	Median Remuneration of Employees FY 2024-25	Ratio
1	Mr. Suresh Krishnamurthi Rao	412.50	6.05	68.18
2	Mr. C. S. Ramesh	9.60	6.05	1.59
3	Mrs. Drushti Desai	9.30	6.05	1.54
4	Mr. Janakiraman A	9.50	6.05	1.57
5	Mr. Mahendran R	8.80	6.05	1.45
6	Mrs. Sujatha Jayarajan	9.20	6.05	1.52
7	Mr. T. Ramabadhran	7.50	6.05	1.24
8	Mr. Nitin S Cowlagi	9.00	6.05	1.49

(ii) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year.

(₹ In lakhs)

Sl. No.	Director Name	Remuneration FY 2024-25	Remuneration FY 2023-24	% Increase/ (Decrease)
1	Mr. Suresh Krishnamurthi Rao	412.50	530.00	(22.17%)
2	Mr. C.S. Ramesh	9.60	11.62	(17.38%)
3	Mrs. Drushti Desai	9.30	12.00	(22.50%)
4	Mr. Janakiraman A	9.50	11.78	(19.35%)
5	Mr. Mahendran R	8.80	11.08	(20.58%)
6	Mrs. Sujatha Jayarajan	9.20	11.48	(19.86%)
7	Mr. T. Ramabadhran	7.50	12.07	(37.86%)
8	Mr. Nitin S Cowlagi	9.00	11.47	(21.53%)
9	Mr. V.M Srinivasan, CEO	654.63	200.79	226.03%
10	Mr. Prasath S, CFO	197.51	53.57	268.70%
11.	Mr. B Vignesh Ram	16.45	17.24	(4.58%)

(iii) the percentage increase in the median remuneration of employees in the financial year

(₹ In lakhs)

Particulars	FY 2024-25	FY 2023-24	% Increase/ (Decrease)
Employees Salary	2,289.71	2,195.74	4.28%
Managerial Remuneration	475.40	611.50	(22.26%)

(iv) Number of permanent employees on the rolls of company – 213.

(viii) average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof, pointing out if there are any exceptional circumstances for increase in the managerial remuneration.

(₹ In lakhs)

Particulars	FY 2024-25	FY 2023-24	% Increase/ (Decrease)
Employees Salary	2,289.71	2,195.74	4.28%
Managerial Remuneration	475.40	611.50	(22.26%)

(xii) affirmation that the remuneration is as per the remuneration policy of the Company.

(item (v) (vi) (vii) (ix) (x) (xi) Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 Dated 30th June, 2016.

INFORMATION AS PER RULE 5(2) OF CHAPTER XIII, COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

Employee Name	Designation & Nature of Employment	Qualification and Experience (in years)	Age	Date of Joining & Previous Employment details	Remuneration (₹ In lakhs)	Percentage of equity shares held	whether the employee is a relative of any director or manager of the company
Mr. V.M. Srinivasan	CEO (Permanent Employee)	B.Sc, MBA Experience – 31 Years	59	26/04/2017 Previous Employment – CEO, the erstwhile amalgamated Company Chemfab Alkalies Limited and Floking Pipes	654.63	1.8077%	No

Top 10 Employees in Terms of Remuneration Drawn

Statement pursuant to Section 134 of the Companies Act 2013, read with rule 5(2) and 5(3) of the Companies Act (Appointment and Remuneration of Managerial Personnel) Rules 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules 2016 Statement as per rule 5(2) of the above-said rule.

Remuneration

As prescribed under Section 197(12) of the Companies Act, 2013 ("Act") and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details are given in **Annexure G**. In terms of provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing names of the employees, age, designation, drawing remuneration, nature of employment, qualification, experience, date of commencement of employment, last employment, and other particulars in terms of the said Rules is available for inspection at the Registered Office of the Company during working hours and any member who is interested in obtaining these particulars may write to the Company Secretary of the Company via email: ccalcosecy@ccal.in

Annexure – F

FORM 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 and Regulation 24A (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015])

To
The Members,
CHEMFAB ALKALIS LIMITED
(CIN: L24290TN2009PLC071563)
Team House, GST Salai, Vandalur,
Chennai – 600 048.

We, M Damodaran & Associates LLP, Practicing Company Secretaries have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHEMFAB ALKALIS 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** ('Audit Period') 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 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); including amendment/re-enactment made thereto;
 - a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - f) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015;
- (vi) The Management has identified and confirmed compliances with certain laws as specifically applicable to the Company as per **Annexure-A** which forms part of this report.

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

- i. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited; and

- ii. Secretarial Standards (SS-1) for Board Meeting and Secretarial Standards (SS-2) – for General Meeting issued by the Institute of Company Secretaries of India.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Circulars, Guidelines, Secretarial Standards, etc. mentioned above, except the following:

- a. The Audit Committee was not constituted with at least two-thirds of the independent directors during the period from April 01, 2024 to September 24, 2024 as required u/r. 18(1) (b) of SEBI LODR. Subsequently, the Company has reconstituted the committee with effective from 25th September 2024 and NSE vide its e-mail communication had levied a fine of ₹ 3,56,000 for such event under Regulation 18(1) (b) of SEBI LODR. The fine amount was paid under protest by the Company to NSE and has made review application for waiver of this fine and this application is pending with NSE for its disposal.
- b. The board of directors of the Company has comprised with 7 Directors out of which 3 Independent Directors under regulation 17(1) (b) of SEBI (LODR), 2015 during the audit period. Subsequently, the Company has complied with this regulation by appointing one more independent director in the board.

We further report that the Board of Directors of the Company is constituted with Non-executive Directors and Independent Directors and there were no changes in the composition of the Board of Directors during the audit period.

Adequate notice is given to all Directors to schedule the Board & Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice with the consent of all the Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no other specific events/actions, having a major bearing on the Company's affairs, took place in pursuance of the above referred laws, rules, regulations and standards.

For **M DAMODARAN & ASSOCIATES LLP**

KALAIYARASI JANAKIRAMAN

Partner

Membership No.: 29861

COP. No.: 19385

FRN: L2019TN006000

PR 3847/2023

ICSI UDIN: A029861G000351094

Place: Chennai

Date: May 15, 2025

(This report is to be read with my letter of even date which is annexed as **Annexure B** and forms an integral part of this report)

ANNEXURE – A

The Management has identified and confirmed compliances with following laws as specifically applicable to the Company during the Audit period 2024-25:

- | | |
|---|---|
| 1. Air (Prevention & Control of Pollution) Act 1981 and rules thereunder | 22. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 |
| 2. Batteries (Management and Handling) Rules, 2001 | 23. Shops and Commercial Establishment Acts, and |
| 3. Bio-Medical Waste Management Rules, 2016 | 24. The Environment (Protection) Act, 1986 |
| 4. Code Of Ethics for Doctors and Nurses | 25. The Explosives Act, 1884 |
| 5. Contract Labour (Regulation & Abolition) Act, 1970 | 26. The Indian Boilers Act, 1923 |
| 6. Copyright Act, 1957 | 27. The Minimum Wages Act, 1948 |
| 7. Electricity Act 2003 | 28. Trademarks Act, 1999 |
| 8. Employees' Compensation Act, 1923 | 29. Water (Prevention & Control of Pollution) Act 1974 and rules thereunder |
| 9. Employees' Provident Funds and Miscellaneous Provisions Act, 1952 | 30. Water (Prevention & Control of Pollution) Cess Act, 1977 |
| 10. Employers State Insurance Act, 1948 | 31. Legal Metrology Act, 2009 |
| 11. Environment Protection Act, 1986 | 32. Factories Act, 1948 |
| 12. Equal Remuneration Act, 1976 | 33. Puducherry Ground Water (control & Regulations) Act 2002 |
| 13. Food Safety and Standards Act, 2006 and Rules 2011 along with regulations. | 34. The Manufacture, Storage and Import of Hazardous Chemicals Rules 1989 (MSIHC) |
| 14. Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016 | 35. The Puducherry Municipality Act 1973 |
| 15. Industrial Disputes Act, 1947 | 36. The Puducherry Town and Country Planning Act, 1969 |
| 16. Inter-State Migrant Workers (Regulation of Employment and Conditions of Services) Act, 1979 | 37. The Puducherry (Public) Health Act, 1973 |
| 17. Fire Force Act, 1964 | 38. Andhra Fire service Act 1999 |
| 18. Minimum Wages Act, 1948 | 39. Andhra Municipality Act 1965 |
| 19. Payment of Bonus Act, 1965 | 40. Tamil Nadu Municipal Act 1920 |
| 20. Payment of Gratuity Act, 1972 | 41. Tamil Nadu Ground water (Development and Management) Act 2003. |
| 21. Payment of Wages Act, 1936 | |

For **M DAMODARAN & ASSOCIATES LLP**

KALAIYARASI JANAKIRAMAN

Partner

Membership No.: 29861

COP. No.: 19385

FRN: L2019TN006000

PR 3847/2023

ICSI UDIN: A029861G000351094

Place: Chennai

Date: May 15, 2025

'ANNEXURE B'

To
The Members,
CHEMFAB ALKALIS LIMITED
(CIN: L24290TN2009PLC071563)
Team House, GST Salai, Vandalur,
Chennai – 600 048.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on the audit conducted by us.
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 a 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 the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **M DAMODARAN & ASSOCIATES LLP**

KALAIYARASI JANAKIRAMAN

Partner

Membership No.: 29861

COP. No.: 19385

FRN: L2019TN006000

PR 3847/2023

ICSI UDIN: A029861G000351094

Place: Chennai
Date: May 15, 2025

Annexure – G

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 **CHEMFAB ALKALIS LIMITED**,
(CIN: L24290TN2009PLC071563)
Team House, GST Salai, Vandalur
Chennai, Tamil Nadu – 600 048.

We, M Damodaran & Associates LLP, Practicing Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of CHEMFAB ALKALIS LIMITED having (CIN: L24290TN2009PLC071563) and having registered office at Team House, GST Salai, Vandalur, Chennai 600 048 Tamil Nadu (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 Sub clause 10(i) of the Securities 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 us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 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.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Cittur Sundar Rao Ramesh	00019178	26/04/2017
2.	Mr. Suresh Krishnamurthi Rao	00127809	26/04/2017
3.	Mrs. Drushti Rahul Desai	00294249	26/04/2017
4.	Mrs. Sujatha Jayarajan	00633989	26/04/2017
5.	Mr. Ananthanarayanan Janakiraman	01831854	26/04/2017
6.	Mr. Nitin Cowlagi Seshgiri	06703283	04/06/2020
7.	Mr. Mahendran	07451058	14/03/2016

Ensuring the eligibility of 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 **M DAMODARAN & ASSOCIATES LLP**

Place: Chennai
Date: May 15, 2025

KALAIYARASI JANAKIRAMAN
Partner
Membership No.: 29861
COP. No.: 19385
FRN: L2019TN006000
PR 3847/2023
ICSI UDIN: A029861G000351380

Annexure – H

REPORT ON CORPORATE GOVERNANCE

For the year ended March 31, 2025

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The term 'Governance' refers to the way in which something is governed and the function of governing, and the term 'Corporate Governance' refers to how companies are governed and to what purpose. It is concerned with practices and procedures for trying to ensure that a Company runs in such a way that it achieves its mission and goals. It includes maximizing the wealth of the shareholders subject to various guidelines and constraints.

In other words, the term 'Corporate Governance' stands for a commitment to values and ethical business conduct. It is information to outsiders showing how an organization is managed. This includes its corporate structure, its culture, policies, and the way it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial performance, ownership, and material developments in respect of the Company are integral parts of Corporate Governance. Adoption of good Corporate Governance practices helps to develop a good image of the organization, attracts the best talents, and keeps the stakeholders satisfied.

Your Company has been practicing the principles of good Corporate Governance over the years and has been upholding fair and ethical business and corporate practices and transparency in its dealings, emphasizing scrupulous regulatory compliances.

Company's philosophy on code of Corporate Governance

Your Company believes that sound Corporate Governance is critical to enhance and retain investors' trust.

Accordingly, your Company seeks to achieve its goals with integrity and fairness. The Company's philosophy is based on Accountability, Ethical conduct, Compliance with statutes, Interest of all stakeholders, Transparency, and Timely disclosure. The objective is to institutionalize Corporate Governance practices that go beyond adherence to the regulatory framework.

The Company is in full compliance with the requirements under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company is committed to adhering to the norms of Corporate Governance consistently for meeting all its obligations towards the stakeholders.

2. BOARD OF DIRECTORS

The Company's Board consists of Seven Directors, all of whom are Non-Executive Directors.

Sl. No	Name of Directors	Category	Date of appointment
1	Mr. Suresh Krishnamurthi Rao	Mr. Suresh Krishnamurthi Rao	26.04.2017
2	Mr. C.S. Ramesh	Non – Independent Director	26.04.2017
3	Mr. R. Mahendran	Non – Independent Director	14.03.2016
4	Mr. Nitin S Cowlagi	Non – Independent Director	04.06.2020
5	Mr. A. Janakiraman	Independent Director	26.04.2017
6	Mrs. Drushti Desai	Independent Director	26.04.2017
7	Mrs. Sujatha Jayarajan	Independent Director	26.04.2017

The Company is Board-managed, and it has no Managing Director, Whole-Time Director, or Manager. The day-to-day affairs are managed by the Chief Executive Officer (CEO) of the Company, under the direct supervision of the Board.

The Particulars of Senior Management and Key Managerial Personnel of the Company

Name of the Personnel	Designation
V.M. Srinivasan	Chief Executive Officer
S. Prasath	Chief Financial Officer
B. Vignesh Ram (Till 18.04.2025)	Company Secretary
Bharatraj Panchal (w.e.f. 16.07.2025)	Company Secretary

The composition of the Board, the categorization of Directors, the number of Board meetings held during the Financial Year, 2024-25, attendance at the Board meetings and the last Annual General Meeting, and the number of Directorships and Memberships/Chairmanships in other public companies held by the Directors as on 31st March 2025 are given below:

A. I) Information on board of directors and attendance

Sl. No.	Name of Directors (Mr./Mrs.)	Category of Directorship	No. of Equity Shares held	No. of Board Meetings		No. of Other Directorship	No. of other Committee		Attendance of last AGM
				Held	Attended		Member	Chairman	
1	Suresh Krishnamurthi Rao	Non - Independent	14,24,423	5	5	2	0	0	NO
2	C. S. Ramesh	Non - Independent	30	5	5	1	0	0	YES
3	R. Mahendran	Non - Independent	0	5	5	1	0	0	YES
4	Nitin S Cowlagi	Non - Independent	56,142	5	4	1	0	0	YES
5	Sujatha Jayarajan	Independent	0	5	5	2	0	0	YES
6	Drushti Desai	Independent	0	5	4	5	2	5	YES
7	A. Janakiraman	Independent	0	5	5	0	0	0	YES

* The Directorships and membership in Committee held by the Directors as mentioned above do not include Chemfab Alkalies Limited, and Alternate Directorships and Directorships of Foreign Companies.

Please refer to <http://www.chemfabalkalis.com/pdf-2015/Indpdt-Directors-Famlrzn-Prog.pdf> for familiarization program imparted to Independent Directors.

Appointment of Independent Directors

The Independent Directors meeting held on 29th March 2025 reviewed the performance of Non – Independent Directors and the Board as a whole and the performance of the Chairperson – considering the view of other Non – Independent Director(s) and assessed the quality, quantity, and timeliness of the flow of information between the Company management and the Board. www.chemfabalkalis.com/investors.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI Listing Regulations and they are independent of the Management.

Details of Meeting of Independent Directors are as follows:

The Independent Directors met on 29th March 2025 and reviewed the performance of non – independent Directors and the Board of directors as a whole. They reviewed the performance of the Chairperson – considering the view of other Non – Independent Directors and assessed the quality, quantity, and timeliness of the flow of information between the Company management and the Board.

Sl. No	Name of the Director	Number of Meeting	Attended
01.	A. Janakiraman	1	1
02.	Sujatha Jayarajan	1	1
03.	Drushti Desai	1	1

II) Information on board of directors on other listed companies

Sl. No	Name of the Director	No. of the Directorship in other listed Companies	Name of the listed entities in which he/she is director	Category of Directorship
01.	Suresh Krishnamurthi Rao	-	-	-
02.	C. S. Ramesh	-	-	-
03.	R. Mahendran	-	-	-
04.	Nitin S Cowlagi	-	-	-
05.	Sujatha Jayarajan	-	-	-
06.	Drushti Desai	3	1. Amal Limited 2. Rashi Peripherals Limited 3. Navneet Education Limited	Independent Director
07.	A. Janakiraman	-	-	-

B. The number of board meetings held during the year along with the date of the meetings

During the Financial Year 2024-25, five meetings of the Board of Directors were held as under:

Sl. No.	Date of Meeting
01.	22 nd May 2024
02.	08 th August 2024
03.	25 th Sep 2024
04.	04 th November 2024
05.	30 th January 2025

C. Disclosure of relationships between Directors inter-se

There are no inter-se relationships between Directors.

D. Number of shares held by Non – Executive Directors

Sl. No	Name of the Director	Number of Shares holding by the NED
01.	Suresh Krishnamurthi Rao	14,24,423
02.	C. S. Ramesh	30
03.	R. Mahendran	0
04.	Nitin S Cowlagi	56,142
05.	Sujatha Jayarajan	0
06.	Drushti Desai	0
07.	A. Janakiraman	0

E. A chart or a matrix setting out the skills/expertise/competence of the Board of Directors

Effective Governance includes establishing robust director competency frameworks that can be used by Boards to identify director skill gaps and ensure that the skills of the current directors are being properly utilized.

Building the right Board requires an understanding of director competencies, which involves consideration of the directors' experience, skills, attributes, and capabilities. Director competencies encompass two distinct areas:

- Technical competencies and
- Behavioral competencies.

Technical competencies are a director's technical skills and experiences such as accounting or legal skills, industry knowledge, experience in strategic planning and corporate governance.

Behavioral competencies are a director's capabilities and personal attributes and include, for example, linkages to the "ownership"; an ability to positively influence people and situations; an ability to assimilate and synthesize complex information; time availability; honesty and integrity; and high ethical standards.

Thus, the Board of Directors of your Company has identified the following list of core skills/expertise/competencies required for each Director(s) in the context of its business(es) and sector(s) for it to function effectively and assessed those available with the Board.

- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets, and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and investments.

- (2) Monitoring the effectiveness of governance practices and making changes as needed.
- (3) Selecting, compensating, monitoring, and, when necessary, replacing key managerial personnel and overseeing succession planning.
- (4) Aligning key managerial personnel and remuneration of the Board of directors with the longer-term interests of the Company and its shareholders.
- (5) Ensuring a transparent nomination process to the Board of directors ensuring diversity of thought, experience, knowledge, perspective, and gender in the Board of directors.
- (6) Monitoring and managing potential conflicts of interest between the management, members of the Board of directors, and shareholders, including misuse of corporate assets and abuse in related party transactions.
- (7) Ensuring the integrity of the Company's accounting and financial reporting systems, including independent audit, and those appropriate systems of control are in place viz., systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- (8) Overseeing the process of disclosure and communications.
- (9) Monitoring and reviewing Board of director's evaluation framework.

The following matrix table details the skills/expertise/competencies identified by the Board of Directors:

Sl. No	Name of the Directors	1	2	3	4	5	6	7	8	9
1	Suresh Krishnamurthi Rao	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	C.S. Ramesh	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	R. Mahendran	✓	✓	✓	–	✓	✓	–	✓	–
4	Nitin S Cowlagi	✓	✓	✓	✓	✓	✓	✓	✓	–
5	A. Janakiraman	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Sujatha Jayarajan	✓	✓	✓	–	✓	✓	✓	✓	✓
7	Drushti Desai	✓	✓	✓	✓	✓	✓	✓	✓	✓

3. AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company was constituted in compliance with provisions of Section 177 of the Companies Act, 2013 ("the Act") and compliance with Regulation 18 of SEBI (LODR) Regulations, 2015.

Out of the total Four Members of the Audit Committee, three are Independent Directors and all the members have relevant finance exposure. The Committee is chaired by an Independent Director.

Sl. No	Name of the Member	Description
1	Mrs. Drushti Desai	Chairperson, Independent Director
2	Mr. A. Janakiraman	Member, Independent Director
3	Mrs. Sujatha Jayarajan	Member, Independent Director
4	Mr. Nitin S Cowlagi	Member, Non-Independent Director
5	Mr. C.S. Ramesh (Till 25 Sep 2024)	Member, Non-Independent Director

The Statutory Auditors, Internal Auditors, Chief Executive Officer, Chief Financial Officer, and Company Secretary attend the meetings of the Audit Committee regularly by invitation. The terms of reference and scope of the Committee include:

- (i) To recommend the appointment/removal of Auditors, fixing of audit fees, and approval of payments;
- (ii) To review and monitor the Auditor's independence, performance, and effectiveness of audit process, to examine the financial statements and auditor's report thereon, scrutiny of inter-corporate loans and investments;
- (iii) To approve or make any subsequent modification of transactions of the Company with related parties;

- (iv) To value the undertakings or assets of the Company, wherever it is necessary;
- (v) To evaluate the internal financial controls and risk management systems;
- (vi) To monitor the end-use of funds raised through public offers and related matters.

The Audit Committee also abides by the terms of reference as specified under Part C of Schedule II of the SEBI (LODR) Regulations, 2015 including amendment of SEBI (LODR) Regulation 2018. The Audit Committee of the Company met four times during the year under review as indicated below:

Sl. No.	Date of Meeting
1.	22 nd May 2024
2.	08 th August 2024
3.	04 th November 2024
4.	30 th January 2025

During the Financial Year 2024-25, the Composition and attendance of the Members at the meetings of the Audit Committee are as follows:

Name of the Member	Status	Director Category	No. of meetings attended
Mrs. Drushti Desai	Chairperson	Independent Director	4
Mrs. Sujatha Jayarajan	Member	Independent Director	4
Mr. A. Janakiraman	Member	Independent Director	4
Mr. C.S. Ramesh	Member (Till 25 Sep 2024)	Non-Independent Director	2
Mr. Nitin S Cowlagi	Member	Non-Independent Director	4

Mr. B. Vignesh Ram, Company Secretary and Compliance Officer of the Company acted as Secretary to the Audit Committee (till 18th April, 2025).

The Minutes of the meetings of the Audit Committee meetings are discussed and noted by the Board of Directors at their meetings.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board of Directors of the Company were reconstituted in compliance with provisions of Section

178 of the Companies Act, 2013 ("the Act") and terms of Regulation 19 of SEBI (LODR) Regulations, 2015.

The terms of reference of the Committee include:

1. Formulation of the criteria for determining the qualifications, positive attributes, and independence of a Director and recommend to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulation of the criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
5. Whether to extend or continue the term of appointment of an independent director, based on the report of the evaluation of the performance of the independent directors.

The Nomination and Remuneration Committee also abides by the terms of reference as specified under Part D of Schedule II of the SEBI (LODR) Regulations, 2015:

Sl. No	Name of the Member	Directors Category
1	Mrs. Drushti Desai	Chairperson, Independent Director
2	Mr. A. Janakiraman	Member, Independent Director
3	Mr. C.S. Ramesh	Member, Non-Independent Director

Mr. B. Vignesh Ram, Company Secretary and Compliance Officer of the Company acted as Secretary to the Committee (till 18th April, 2025).

During the Financial Year 2024-25, the Nomination and Remuneration Committee of the Company met four times as indicated below:

Sl. No.	Date of Meeting
1.	22 nd May 2024
2.	08 th August 2024
3.	04 th November 2024
4.	30 th January 2025

The attendance of the members is as follows:

Name of the Member	Status	Directors Category	No. of meetings attended
Mrs. Drushti Desai	Chairperson	Independent Director	4
Mr. A. Janakiraman	Member	Independent Director	4
Mr. C.S. Ramesh	Member	Non - Independent Director	4

The Remuneration Policy of your Company is available on the website of the Company in the link www.chemfabalkalis.com. There are no pecuniary relationships or transactions between the Company and the Non – Executive Directors except Mr. Suresh Krishnamurthi Rao, who is a promoter.

Non-Executive Directors' compensation and disclosures

Details of the sitting fees paid to the Non-Executive Directors and Commission paid to them with the approval of the shareholders during the year are given below:

Sl. No	Name of the Director	Sitting Fees	Commission	Total (₹ In Lakhs)
01.	Suresh Krishnamurthi Rao	–	412.50	412.50
02.	C. S. Ramesh	2.10	7.50	9.60
03.	R. Mahendran	1.30	7.50	8.80
04.	Sujatha Jayarajan	1.70	7.50	9.20
05.	Drushti Desai	1.80	7.50	9.30
06.	A. Janakiraman	2.00	7.50	9.50
07.	T. Ramabadhran	–	7.50	7.50
08.	Nitin S. Cowlagi	1.50	7.50	9.00

Disclosure of Remuneration

A.	All elements of remuneration package of individual Directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension, etc	NIL
B.	Details of a fixed component and performance-linked incentives along with the performance Criteria	NIL
C.	Service contracts, notice period, severance fees	NIL
D.	Stock Option details, if any – and whether issued at a discount as well as the period over which accrued and over which exercisable	NIL

Performance evaluation criteria for Independent Directors:

Performance of Independent Directors are assessed, based on their Attendance, preparedness, and active participation in the discussions at the Meetings, valuable suggestions provided by them for improvement of business decisions and Statutory Compliances, visit the Factory, attending Seminars and in-house programs on familiarization, etc.,

Criteria for making payments to Non-Executive Directors:

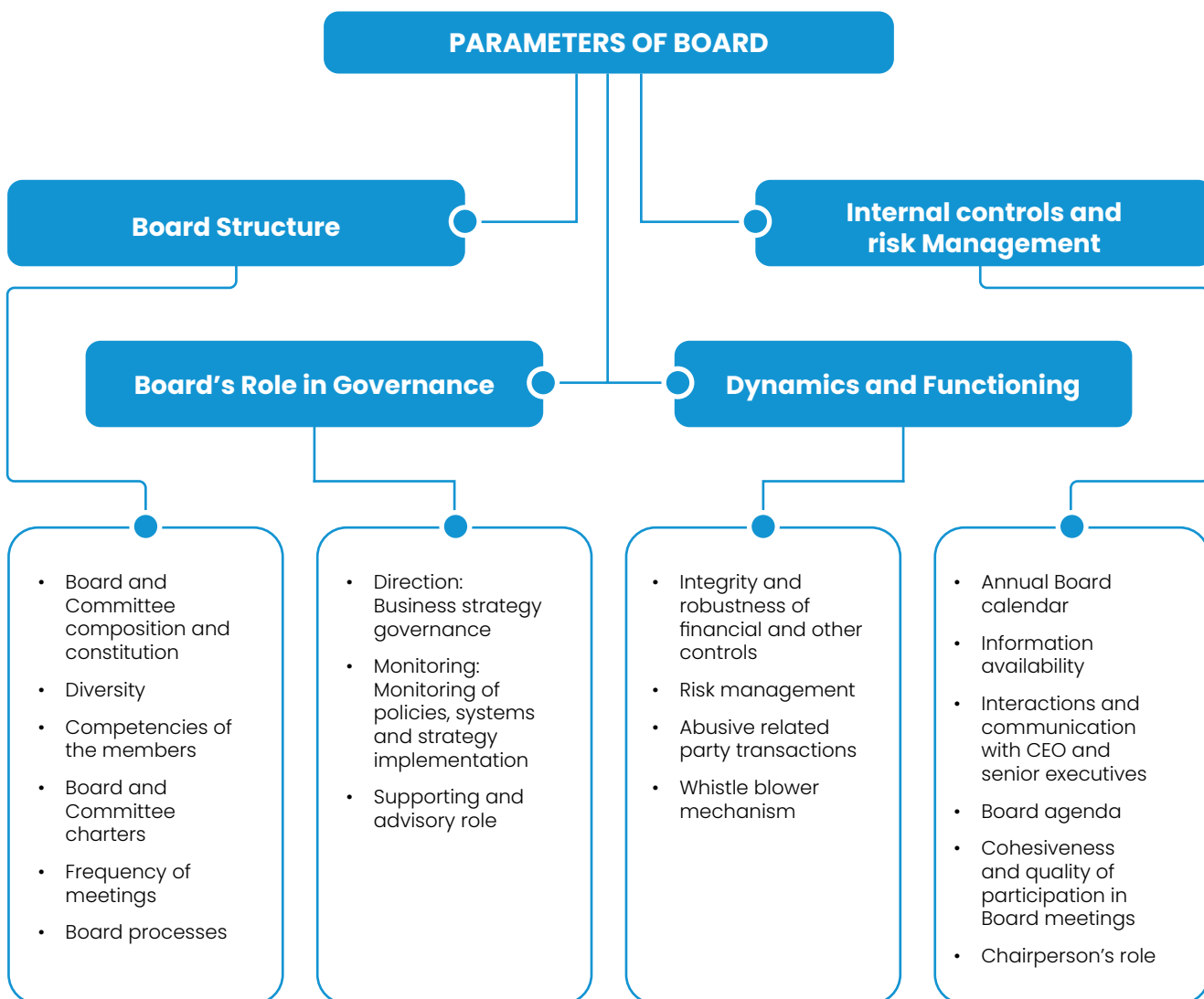
Payments are made based on the performance and contributions of the Non-Executive Directors as per the details provided under the Nomination & Remuneration Policy of the Company.

Overall Board Evaluation

The Board evaluation is a process of evaluating the entire Board on its performance and it also provides an independent assessment of the strengths and capabilities of the Board, its committees, and directors.

Thus, an evaluation will:

- assess the balance of skills within the Board.
- identify attributes required for new appointments.
- review practices and procedures to improve efficiency and effectiveness.
- review practices and procedures of the Board's decision-making processes and recognize the Board's outputs and achievements.



Your Company had evaluated the Board of Directors in the following major areas:

1. Evaluation of the Board as a Whole
2. Evaluation of the Committees
3. Evaluation of Individual Directors/Self –Assessment
 - Independent Directors
 - Non-executive Directors
4. Evaluation of the Chairperson

The Nomination and Remuneration Committee of the Board evaluated the Directors by a method of collecting data through questionnaires distributed to the Directors on 30th January 2025.

The following five-based ranking scale was used against each question and the directors were asked to rate each parameter:

Poor	Needs improvement	Meets Expectation	Exceed Expectation	Outstanding
1	2	3	4	5

The questionnaire broadly covered the following areas:

Evaluation of the Board as a Whole	Evaluation of the Board Committees	Evaluation of Individual Directors/ Self-Assessment	Non-Executive Director And Independent Director	Evaluation of the Chairperson
<ul style="list-style-type: none"> Structure of the Board and the quality Board Meetings and Procedures Board Development Board Strategy and Risk Management Governance and Compliance Board and Management Relations Succession Planning Stakeholder value and responsibility 	<ul style="list-style-type: none"> Functions and Duties Managing Relationship Committee Meeting and Procedures 	<ul style="list-style-type: none"> Knowledgeable Diligence & Participation Leadership Team 	<ul style="list-style-type: none"> Participation at the Board/ committee meeting Managing Relationship Knowledge and skill Personal attribute 	<ul style="list-style-type: none"> Managing Relationship Leadership

The committee obtained responses from the individual directors, collated them, and reported the same to the Chairperson to analyze the results. The outcome of the evaluation was discussed at the meeting of the Independent Directors held on 29th March 2025.

This method of the evaluation helped the Board to understand the effectiveness of the Board, individual director's contribution in strategic decision making, participation in Board and Committee meetings, communication and interpersonal skills of the directors, ethical issues and dilemmas faced by the director, and relationship of the director with the senior management.

The Board also evaluated the performance of the following committees:

1. Audit Committee
2. Corporate Social Responsibility Committee
3. Nomination and Remuneration Committee and
4. Stakeholders Relationship Committee

Thus, your Company has in system in place for the formal evaluation by the Board of its performance and that of its committees and individual directors.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee takes care of the relations with the Stakeholders of the Company. It looks into and redresses the Shareholders' complaints relating to delay in transfer of shares and non-receipt of annual report/dividend warrants, oversees the performance of the Registrars & Transfer Agents, and recommends measures for overall improvements in the quality of investor services and investor relations.

The Stakeholders' Relationship Committee abides by the terms of reference as specified under Part D of Schedule II of the SEBI (LODR) Regulations, 2015.

As of 31st March 2025, there were no Shareholders' complaints pending redressal.

Number of Shareholders complaints received during the Financial Year	NIL
Number of Complaints not solved to the satisfaction of shareholders	NIL
Number of pending Complaints	NIL

During the Financial Year 2024-25, the Committee met Four times:

Sl. No.	Date of Meeting
1.	22 nd May 2024
2.	08 th August 2024
3.	04 th November 2024
4.	30 th January 2025

The attendances of the members are as follows:

Name of the Member	Status	Directors' Category	No. of meetings attended
Mrs. Drushti Desai	Chairperson	Independent Director	4
Mr. C.S. Ramesh	Member	Non - Independent Director	4
Mr. Suresh Krishnamurthi Rao	Member	Non - Independent Director	4

Mr. B. Vignesh Ram, Company Secretary and Compliance Officer of the Company acted as Secretary to the Committee (till 18th April, 2025).

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Sl. No	Name of the Member	Designation
1.	Mr. C.S. Ramesh	Chairman, Non-Independent Director
2.	Mr. R. Mahendran	Member, Non-Independent Director
3.	Mr. Nitin S Cowlagi	Member, Non-Independent Director
4.	Mr. A. Janakiraman	Member, Independent Director
5.	Mrs. Sujatha Jayarajan	Member, Independent Director

Mr. B. Vignesh Ram, Company Secretary and Compliance Officer of the Company acted as Secretary to the Committee (till 18th April, 2025).

During the Financial Year 2024-2025, the Committee met four times on:

Sl. No.	Date of Meeting
1.	22 nd May 2024
2.	08 th August 2024
3.	04 th November 2024
4.	30 th January 2025

The attendance of the members is as follows:

S. No	Name of the Member	Status	Directors' Category	No. of meetings attended
1.	Mr. C.S. Ramesh	Chairman	Non - Independent Director	4
2.	Mr. R. Mahendran	Member	Non - Independent Director	4
3.	Mr.A. Janakiraman	Member	Independent Director	4
4.	Mrs. Sujatha Jayarajan	Member	Independent Director	4
5.	Mr.Nitin S Cowlagi	Member	Non - Independent Director	4

Mr. B. Vignesh Ram, Company Secretary and Compliance Officer of the Company acted as Secretary to the Committee (till 18th April, 2025).

7. RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company has constituted a Risk Management Committee on 26.04.2017 pursuant to the amalgamation of erstwhile Chemfab Alkalies Limited, though the constitution of such Committee applies only to the top 1000 listed companies in terms of market capitalization.

The Composition of the Members of the Risk Management Committee is as follows:

Sl. No.	Name of the Member	Status	Directors' Category
1.	Mr. A. Janakiraman	Chairman	Independent Director
2.	Mr. C S Ramesh	Member	Independent Director
3.	Mrs. Drushti Desai	Member	Independent Director
4.	Mr. R. Mahendran	Member	Non - Independent Director
5.	Mr. V M Srinivasan	Member	Chief Executive Officer

Mr. B. Vignesh Ram, Company Secretary and Compliance Officer of the Company acted as Secretary to the Committee (till 18th April, 2025).

8. ANNUAL GENERAL MEETINGS

i. The details of the last three Annual General Meetings of the Company held are given below:

Year	Location	Date	Time	No. of Special Resolution Passed
2021-2022	Through VC/OVAM	15 th September 2022	10:00 A.M	One
2022-2023	Through VC/OVAM	29 th August 2023	10:00 A.M	Two
2023-2024	Through VC/OVAM	20 th September 2024	10:00 A.M	Two

Whether any special resolution passed last year through postal ballot – Details of voting pattern: NA

Person who conducted the postal ballot exercise: NA

Procedure for postal ballot: NA

Extraordinary General Meeting:

During the year there was no Extra Ordinary General meeting.

Means of Communication

Quarterly Results	Publish in the Stock Exchanges website, as well as Newspaper having wide circulation and Company's website
Newspapers wherein results normally published	1. Business Standard 2. Makkal Kural
Website, where displayed	www.chemfabalkalis.com
Presentations made to institutional investors or the analysts	The Company has not made any presentation to investors or analysis during the financial year ended 31 st March 2025

9. GENERAL SHAREHOLDERS INFORMATION

REGISTERED OFFICE	Team House, GST Salai, Vandalur, Chennai – 600 048 Phone: +91-44-22750323/324; Fax: +91-44-22750860 Email: cosecy@ccal.in website: www.chemfabalkalis.com	
ANNUAL GENERAL MEETING, DATE OF BOOK CLOSURE & DIVIDEND PAYMENT DATE	E- Annual General Meeting has been fixed on 12 th September, 2025. Book Closure starts from 06.09.2025 to 12.09.2025 (both days inclusive). The dividend will be paid within 7 days from the date of the E- Annual General Meeting.	
FINANCIAL CALENDAR (TENTATIVE) Covering the period from 01 st April 2025 to 31 st March 2026	1 st QTR Results	14 th August 2025
	2 nd QTR Results	12 th November 2025
	3 rd QTR Results	12 th February 2026
	4 th QTR (Annual Results)	27 th May 2026

Listing equity shares on the stock exchanges:

STOCK EXCHANGE WHERE SHARES ARE LISTED	SCRIP CODE/No.'s
DEMAT ISIN IN NSDL AND CDSL FOR EQUITY SHARES	INE783X01023
BSE LTD (BSE)	541269/Shares
5 th Floor, P.J. Towers, Dalal Street, Mumbai, Maharashtra, 400001, India	
NATIONAL STOCK EXCHANGE OF INDIA LIMITED(NSE)	CHEMFAB/Shares
C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra, 400051, India	
REGISTRAR AND SHARE TRANSFER AGENT	Cameo Corporate Services Ltd, Subramanian Building, 1 Club House Road, Chennai - 600 002. Phone No.044 2846 0390/2846 0395 Fax: 044 2846 0129 Email: cameo@cameoindia.com Website: www.cameoonline.net
Whether the securities were suspended from trading during the Year 2024-25	The Equity shares of the Company were not suspended at any point of the time during the year 24-25 and also till the date of the report

Distribution of shareholding - distribution of holdings - as on 31.3.2025

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5,000	12,088	99.3262	22,01,141	2,20,11,410	15.3243
5,001 - 10,000	40	0.3287	2,75,288	27,52,880	1.9166
10,001 - 20,000	22	0.1808	3,00,092	30,00,920	2.0892
20,001 - 30,000	6	0.0493	1,68,807	16,88,070	1.1752
30,001 - 40,000	1	0.0082	32,271	3,22,710	0.2247
40,001 - 50,000	0	0	0	0	0
50,001 - 1,00,000	4	0.0329	2,50,995	25,09,950	1.7474
1,00,001 - And Above	9	0.074	1,11,35,108	11,13,51,080	77.5225
Total	12,170	100	1,43,63,702	14,36,37,020	100

Share Transfer System

A Committee of the Board has authorized the Company Secretary for approval of Share Transfer/ transmission in the physical form and the same is reported to the Committee at its Meeting held every quarter.

10. DETAILS OF UNCLAIMED SHARES

The erstwhile Listed Company Chemfab Alkalies Limited which was amalgamated with the Company had sent the reminders to vide letters to all the Shareholders whose Share Certificates were returned undelivered. The Company transferred the Shares comprised in the Share Certificates, which were remaining undelivered into one Folio in the name of Chemfab Alkalies Limited Unclaimed Suspense Account.

Further, the Company opened an account viz, Chemfab Alkalies Limited Unclaimed Suspense Account (Demat account) and dematerialized the shares to that account. The details of unclaimed shares are given below:

- the aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year - 22 shareholders having 8423 Equity Shares
- the number of shareholders who approached the listed entity for transfer of shares from suspense account during the year - Nil.

- (c) number of shareholders to whom shares were transferred from suspense account during the year - Nil
- (d) the aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year - 22 shareholders having 8423 Equity Shares

The voting rights on these Unclaimed shares shall remain frozen till the rightful owners of such shares claim the shares.

11. DETAILS OF UNCLAIMED DIVIDEND AND THE SHARES TRANSFERRED TO IEPF

Pursuant to the provisions of Section 124(5) of the Companies Act 2013, the unclaimed dividends pertaining to the dividend paid for the financial year 2017-2018, which remains as unpaid or unclaimed for seven years from the date of such transfer in "Unpaid-Unclaimed Dividend Account" will be credited to the Fund established under sub-section (1) of Section 125 (i.e., Investor Education and Protection Fund).

Further, in pursuant to provisions of Section 124 (6) of the Companies Act 2013, 4784 shares in respect of which dividend has not been paid or claimed for seven consecutive years, will also be transferred to Investor Education and Protection Fund.

Dematerialisation of shares:

The Company has appointed M/s Cameo Corporate Services Ltd., as the Registrars of the Company for establishing connectivity with NSDL and CDSL to facilitate dematerialization of the shares held by the Members.

As of 31.03.2025, 97.90% of Equity Shares have been dematerialized.

Outstanding GDR/ADR warrants or convertible bonds

The Company has not issued any of the securities mentioned above.

The Company has not raised any funds as share capital during the FY 2024-25 through preferential allotment or qualified institutional placement.

Plant location

CHLOR ALKALI PLANT	'Gnanananda Place', Kalapet, Puducherry 605014
PVC-O PIPES PLANT	650, Chigurupalem Road, Sri City, Andhra Pradesh 517646
SALT FIELD	1. Kanthadu Village, Marakanam Post, Villupuram District, Tamil Nadu 2. Mariyur Salai, Sayalkudi, Ramnad District, Tamil Nadu

Credit rating disclosures

CARE	2024-2025	2023-2024	2022-2023
Long term Bank Facilities	IND A-/Stable	CARE A - Stable	CARE A - Stable
Short term Bank Facilities	IND A2+	CARE A2+	CARE A2+

12. OTHER DISCLOSURES

a. Related party transactions

During the year have been disclosed as required under Ind AS 24. The transactions are not prejudicial to the interests of the Company.

Please refer to the Weblink

<https://chemfabalkalis.com/wp-content/uploads/2019/04/policies-Policy-for-Materiality-of-Related-Parties-Transaction.pdf> of the Company.

No strictures/penalties have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities on any matter related to the capital market during the last three years except for Fine amount of ₹ 3,56,000/- imposed by NSE and paid under protest.

b. Quarterly Compliance report

The Company has submitted its Corporate Governance report as the prescribed format to the BSE Ltd and National Stock Exchange within 15 days from the end of each quarter.

c. Sexual Harassment Policy

The Company has in place a Sexual Harassment Policy in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Compliant Committee (ICC) has been set up to redress the complaints received in connection with sexual harassment in any form.

All employees (permanent, contractual, temporary, trainees) are covered under this policy.

- Number of complaints filed during the financial year - NIL
- Number of complaints disposed of during the financial year - NIL
- Number of complaints pending as of the end of the financial year - NIL

d. Details of non – compliance of the Company, penalties, and stricture imposed on the listed entity by the stock exchange(s) of SEBI or any statutory authority, or any matter related to capital markets, during the last three years except for fine amount of ₹ 3,56,000 imposed by NSE and paid under protest, fine of ₹ 4,20,080 was imposed by BSE which is subject to protest

As per Regulation 17(1) (b) of SEBI LODR, where the regular non-executive chairperson is a promoter of the listed entity, at least half of the board of directors of the listed entity shall consist of independent directors.

“During the review period, the listed entity had 3 independent directors out of total 7 directors.”

Response from the Board of Directors: The listed entity has complied with said regulation 17(1) (b) of SEBI LODR by appointing one more independent director in the Board as on date of Secretarial Audit Report.

As per Regulation 18(1) (b) of SEBI LODR, every listed entity shall constitute a qualified and independent audit committee with at least two-thirds of the members of audit committee shall be independent directors.

“The Audit Committee was not constituted with at least two-thirds of the independent directors during the period from April 01, 2024 to September 24, 2024 as required u/. 18(1) (b) of SEBI LODR.”

Response from the Board of Directors: The Company has reconstituted the Audit Committee vide Board meeting dated September 25, 2024 in compliance with regulation 18 (1) (b) of SEBI LODR as on date of Secretarial Audit Report.

e. The Company has established a vigil mechanism

The weblink of said Policy is <https://chemfabalkalis.com/wp-content/uploads/2023/03/Policy-for-Vigil-Mechanism-and-Whistle-Blower.pdf>

Also called the Whistle Blower Policy which is adopted for Directors and Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct or Ethics Policy. It provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. No person has been denied access to the Audit Committee till now.

f. Accounting Treatment

In the preparation of the financial statements, Ind AS and corresponding principles and policies were followed. The Company has followed the applicable mandatory Indian Accounting Standards prescribed under the Companies Act, 2013 in the preparation of the Annual Standalone and Consolidated Financial Statements.

g. Board Disclosures – Risk Management

The main objective of Risk Management is risk reduction and avoidance as also to help the Company identify the risks faced by the business and optimize the risk management strategies. The Company has a defined risk management framework.

h. Detail of compliance with the corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub – regulation (2) of Regulation 46 of SEBI Listing Regulations

The Company is in compliance with the applicable corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations as well as the disclosure requirements as enumerated under Schedule V of the SEBI Listing Regulations.

i. Code of Conduct

The Company has adopted a Code of Conduct for the Members of the Board of Directors and the Senior Management Personnel of the Company. The said Code of Conduct is available in the below Weblink <https://chemfabalkalis.com/wp-content/uploads/2019/04/policies-Code-of-Conduct-for-Directors-and-Senior-Management.pdf>

The Company is Board-managed and there is no Managing/Whole-time Director/Manager. The Board of Directors has authorized the CEO, to make a declaration on compliance with the Code of Conduct by all the Board Members and the Senior Management Personnel.

A Compliance Report on the Code of Conduct given by the CEO, authorized on this behalf by the Board, is given at the end of this Report.

The Company has adopted the discretionary requirements as per Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by adopting some of the requirements viz, separate posts of Chairperson and CEO and reporting of Internal Auditor directly to the Audit Committee under part – E of Schedule II.

The Company has not adopted non-mandatory requirements as per the Regulations of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

j. Disclosure of material transactions to the Board by the Senior Management

The senior management personnel gives disclosure on annual basis to the Board for all material financial and commercial transactions, where they have personal interests that may have a potential conflict with the interest of the Company at large. As per the disclosures received, no such transactions have taken place during the financial year 2024 – 2025.

j. Recommendation of the Committee

There are no such incidents or events where the board had not accepted any recommendation of any committee of the board, which is mandatorily required, in the reporting financial year.

k. Details of Auditor's Remuneration

Sl. No.	Particulars	Standalone ₹ in lakhs	Consolidated ₹ in lakhs
1.	Statutory Audit Fees	19.50	24.50
2.	Limited Review Fees	4.50	4.50
3.	Others	3.00	3.00
4.	Out of Pocket Expenses	0.81	0.89
Total		27.81	32.89

l. Subsidiary details

Your Company had incorporated, a wholly-owned subsidiary namely 'Chemfab Alkalies Karaikal Limited' on 19.12.2019 to manufacture all types of chemicals, chemical compounds, and chemical products including, but not limited to alkali, acids, Acids, Bases, Solvents, Alcohols, Gases, Ethers, Aliphatics, Aromatics, Aldehydes Ketones, Amines, Alkaloids, caustic soda, Potassium Chlorate, Sodium Chlorate, Perchlorate, other chemicals and their by-products or derivatives in all forms and kinds.

Further, in accordance with the SEBI (LODR) Regulation 2015, the said subsidiary is not falling under the definition of "material subsidiary".

m. Commodity price risk or foreign risk and hedging activities

The Company does not have commodity price risk nor does the Company engage in hedging activities.

n. Loans and advances by the Company or its subsidiary in which directors are interested

During the year under review, the details of loans, guarantees or investments u/s 186 of the Companies Act 2013 forms part of the financial statements for financial year ended 31st March, 2025 which includes the Loan of Rs. 3,800 Lakhs (Principal Rs. 3,761.43 Lakhs and interest at 8.80% net of TDS Rs 38.57 Lakhs) which was subsequently converted to Preference shares additionally the Company has invested Rs. 600 Lakhs towards subscription of 0.01% Cumulative Convertible Preference Shares and the overall investment is 4,40,00,000 shares of Rs. 10 each in Chemfab Alkalies Karaikal Limited, a Wholly Owned Subsidiary.

o. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the Financial Year 2024-25, the Company has not raised funds through preferential allotment and qualified institutions placement.

p. Disclosure of agreements impacting management or control

In terms of Regulation 30A of the SEBI Listing Regulations, there are no such agreements entered which will impact the management or control of the Company.

13. CEO/CFO CERTIFICATION

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company have certified to the Board on financial and other matters in accordance with Regulation 17(8) read with Part-B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Address for correspondence

Bharatraj Panchal

Company Secretary and Compliance Officer
Chemfab Alkalies Limited
Team House, GST Salai, Vandalur,
Chennai – 600 048 Phone: +91-44-22750323
Email: cosecy@ccal.in
website: www.chemfabalkalis.com

Mr. S Prasath

Chief Financial Officer
Chemfab Alkalies Limited
'Gnananada Place'
Puducherry – 605014
Email: prasath@ccal.in
website: www.chemfabalkalis.com

For and on behalf of the Board of Directors of
CHEMFAB ALKALIS LIMITED

Suresh Krishnamurthi Rao

Chairman
DIN: 00127809

Date: 31.07.2025

Place: Chennai

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that:

The company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March 2025.

V.M. Srinivasan

Chief Executive Officer

Date: 31.07.2025

Place: Chennai

Annexure – I

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of **CHEMFAB ALKALIS LIMITED**,
Chennai.

We, M Damodaran & Associates LLP, Practicing Company Secretaries have examined the compliance of the conditions of Corporate Governance by CHEMFAB ALKALIS LIMITED, Chennai for the year ended on March 31, 2025, as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2), and paragraphs C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of my information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended March 31, 2025 except regulation 17(1)(b) & 18(1)(b) and subsequently the Company has complied these regulations.

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

For **M DAMODARAN & ASSOCIATES LLP**

KALAIYARASI JANAKIRAMAN

Partner

Membership No.: 29861

COP. No.: 19385

FRN: L2019TN006000

PR 3847/2023

ICSI UDIN: A029861G000351270

Place: Chennai

Date: May 15, 2025

Annexure – J

COMPLIANCE CERTIFICATE

For the Financial Year ended March 31, 2025

[Pursuant to Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To,
The Members,
Chemfab Alkalys Limited
Chennai.

We, M. Damodaran & Associates LLP, Secretarial Auditor of M/s. Chemfab Alkalys Limited (CIN: L24290TN2009PLC071563) ("the Company") having its Registered Office at Team House, GST Salai, Vandalur, Chennai – 600 048 have been requested by the Company to issue the certificate under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "the Regulations") for the year ended March 31, 2025.

Management Responsibility:

It is the responsibility of the Management of the Company to implement Chemfab Alkalys Employees' Stock Option Scheme 2020 (hereinafter referred to as the "Scheme") including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Verification:

The Company has implemented the Scheme in accordance with the Regulations and the Special Resolution as passed by the members of the Company at the General Meeting held on July 29, 2020.

For the purpose of verifying the compliance of the Regulations, the following documents/information were placed before us for examination:

1. The Scheme;
2. Articles of Association of the Company;
3. Resolutions passed at the meeting of the Board of Directors on ESOP matters;
4. Shareholders resolutions passed at the General Meetings;

5. Minutes of the meetings of the Nomination and Remuneration Committee;
6. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder;
7. Such other information and documents which we considered necessary for the purpose of issuing this certificate.

Certification:

In our opinion and to the best of our knowledge and according to the verifications as considered necessary and explanations furnished to us by the Company and its Officers, we certify that the Company has implemented the Scheme in accordance with the applicable provisions of the Regulations and in accordance with the resolution passed by the Members of the Company at the General Meeting.

Assumption & Limitation of Scope and Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.
2. Our responsibility is to issue certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. 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.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

For **M DAMODARAN & ASSOCIATES LLP**

KALAIYARASI JANAKIRAMAN

Partner

Membership No.: 29861

COP. No.: 19385

FRN: L2019TN006000

PR 3847/2023

ICSI UDIN: A029861G000351523

Place: Chennai

Date: May 15, 2025

Independent Auditor's Report

To The Members of Chemfab Alkalies Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of **Chemfab Alkalies Limited** (the "Company"), which comprise the Balance Sheet as at 31 March 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of 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 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit,

total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA's") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Impairment assessment of Identified Cash Generating Unit (CGU) relating to Property, Plant and Equipment (PP&E)</p> <p>The Company has performed an assessment of its CGU and have identified each of its group of salt fields as separate CGUs. As at 31 March 2025, there were impairment indicators for one of the CGU which had a carrying value of ₹ 2,173.15 Lakhs, considering the unfavourable weather conditions and other operational impediments leading to a poor performance of the said CGU. Management has determined the recoverable amount based on market approach by using an external valuer. We considered this to be a key audit matter due to the significance of the carrying value of the said CGU and the judgments adopted in assessing the recoverable amount.</p> <p>Refer note 1.25 for accounting policies.</p>	<p>We performed the following principal audit procedures in relation to management's assessment of impairment of identified CGU:</p> <ol style="list-style-type: none"> Evaluated the design and implementation and tested the operating effectiveness of the internal controls relating to managements identification of CGU, assessment of impairment indicators and determination of the recoverable amount. Obtained an understanding of the work of the management's expert and evaluated competence, capability and objectivity. Involved internal valuation experts to assist in evaluating the appropriateness of the method used for valuation of the identified CGU and for validating the assumptions used for determining the recoverable value. Evaluated disclosures made in the standalone financial statements and the related compliance with the requirements of the applicable accounting standards.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and analysis, Board's report including annexures to the Board's report and Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Management Discussion and analysis, Board's report including annexures to the Board's report and Corporate Governance is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Management Discussion and analysis, Board's report including annexures to the Board's report and Corporate Governance, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report

because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for not keeping backup on a daily basis of such books of account maintained in electronic mode in a server physically located in India as referred in 51 (xiii) to the standalone financial statements and not complying with the requirement of audit trail as stated in (i) (vi) below.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 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 paragraph (b) above.
 - g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance

with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer note 38 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been a delay in transfer of amounts required to be transferred to the Investor Education and Protection Fund by the Company, of ₹ 2.99 Lakh, which has not yet been transferred to the said Fund - Refer note 26 to the standalone financial statements.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 51 (viii) to the 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.
 - (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 51 (ix) to the 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 Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the year ended 31 March 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that:
 - in respect of a software operated by a third-party software service provider, for maintaining payroll records, in the absence of an independent auditor's System and Organization Controls report covering the audit trail requirement for the period from 1 April 2024 till 31 March 2025, we are unable to comment whether the audit trail feature of the said software was enabled and operated during this period, for all relevant transactions recorded in the software and whether there was any instance

As stated in note 50 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. Such dividend proposed is in accordance with Section 123 of the Act, as applicable.

of the audit trail feature been tampered with.

- in respect of a software managed by a third-party software service provider, for maintaining financial records, in the absence of an independent auditor's System and Organization Controls report covering the audit trail requirement for the period from 1 January 2025 till 31 March 2025, we are unable to comment whether the audit trail feature of the said software was enabled and operated during this period, for all relevant transactions recorded in the software and whether there was any instance of the audit trail feature been tampered with.

Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with, in respect of said accounting software for the period for which the audit trail feature was enabled and operating.

Additionally, the audit trail that was enabled and operated for the year ended 31 March 2024, has been preserved by the Company as per the statutory requirements for record retention, as stated in note 51 (xiii) to the financial statements.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P Usha Parvathy

Partner

Membership No. 207704

UDIN: 25207704BMOCZU6868

Place: Chennai

Date: 14 May 2025

Annexure "A"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to standalone financial statements of **Chemfab Alkalies Limited** (the "Company") as at 31 March 2025 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone 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. 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 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 Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2025, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

P Usha Parvathy

Partner

Membership No. 207704

UDIN: 25207704BMOCZU6868

Place: Chennai

Date: 14 May 2025

Annexure "B"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and capital work in progress.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment and capital work in progress, so as to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were due for verification and were physically verified during the year by the Management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, (other than those that have been taken on lease) disclosed in the financial statements included in property, plant equipment, capital work-in progress and non-current assets held for sale are held in the name of the Company as at the balance sheet date. In respect of immovable properties that have been taken on lease, the lease agreements are duly executed in favour of the Company, except for the following:

Description of immovable properties taken on lease	Carrying value (as at the balance sheet date)	Held in name of	Reason for not being held in name of Company
Leasehold land located at Kanthadu Village – Marakkanam Taluk (Salt Division I)	Nil	Government of Tamil Nadu	Lease agreement pending approval with collector.
Leasehold land located at Chunampet Village – Marakkanam Taluk (Salt Division I)	Nil	Government of India	Lease agreement pending approval with Government of India

Immovable properties of land and buildings whose title deeds have been pledged as security for loans etc. are held in the name of the Company based on the confirmations directly received by us from lenders.

- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (i) (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In

our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in- transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 Crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) (a) The Company has not made any investments in, provided any security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has stood guarantee during the year and details of which are given below:

Particulars	Guarantee (₹ in Lakhs)
A. Aggregate amount granted/provided during the year:	
- Subsidiary	1,000.00
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Subsidiary	1,000.00

(b) The guarantee provided during the year are, in our opinion, not prejudicial to the Company's interest.

(c,d,e,f) The Company has not provided any loans or advances in the nature of loans or provided security to any other entity during the year, and hence reporting under clause 3(iii)(c), (d), (e), (f) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits during the year. There are no unclaimed deposits outstanding anytime during the year. Hence reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) Undisputed statutory dues including Goods and Services Tax, Service Tax, Excise Duty, Customs Duty, Provident fund, Employees' state insurance, Income tax, cess and other material statutory dues applicable to the have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Service Tax, Excise Duty, Customs Duty, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

(b) Details statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2025 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Disputed Amount (INR. Lakh)	Unpaid Amount	Period to which the Amount Relates	Forum where Dispute is Pending
The Finance Act, 1994	Service Tax	9.76	7.79	January 2005 to March 2013	Commissioner (Appeals), Chennai
The Central Excise Act, 1944	Excise Duty	2.34	2.34	April 2006 to June 2012	Commissioner (Appeals), Chennai
The Customs Act, 1962	Customs Duty	95.67	91.87	FY 2013-2014	Commissioner (Appeals), Trichy
Income Tax Act, 1961	Income tax	139.04	116.80	FY 2002-03	The High court of Madras

- (viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to December 2024 and the internal audit reports where issued after the balance sheet date covering the period January 2025 to March 2025 for the period under audit.

- (xv) In our opinion, during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a,b,c) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order are not applicable.
- (d) The group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all 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) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) of the CARO 2020 Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

P Usha Parvathy

Partner

Membership No. 207704

UDIN: 25207704BMOCZU6868

Place: Chennai
Date: 14 May 2025

Standalone Balance Sheet

As at 31 March 2025

(₹ in Lakhs)

Particulars	Note No	As at 31 March 2025	As at 31 March 2024
I. ASSETS			
(1) Non – Current Assets			
(a) Property, Plant and Equipment	2	24,224.58	17,463.21
(b) Right of Use Assets	3	630.66	642.54
(c) Capital Work-In-Progress	4	1,170.21	5,719.72
(d) Other Intangible Assets	2	3.68	5.55
(e) Financial Assets			
(i) Investments			
- Subsidiary	5	14,932.00	10,532.00
- Other Investments	6	9.54	12.28
(ii) Other Financial Assets	7	184.89	323.81
(f) Tax Assets (Net)	8	279.13	75.84
(g) Deferred Tax Assets (Net)	9	2,298.49	2,600.79
(h) Other Non – Current Assets	10	3,485.66	3,780.44
Total Non – Current Assets		47,218.84	41,156.18
(2) Current Assets			
(a) Inventories	11	2,309.42	1,543.07
(b) Financial Assets			
(i) Other Investments	12	1,478.56	449.95
(ii) Trade Receivables	13	2,007.12	2,122.03
(iii) Cash and Cash Equivalents	14A	442.10	214.64
(iv) Bank Balances other than (iii) above	14B	20.21	2,163.29
(v) Other Financial Assets	15	55.67	149.14
(c) Other Current Assets	16	550.08	1,506.98
		6,863.16	8,149.10
Asset Classified as Held for Sale	17	515.70	515.70
Total Current Assets		7,378.86	8,664.80
TOTAL ASSETS		54,597.70	49,820.98
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	18	1,436.37	1,422.66
(b) Other Equity	19	39,341.40	37,866.33
Total Equity		40,777.77	39,288.99
(2) Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	6,379.50	1,638.50
(ii) Lease Liabilities		141.09	145.16
(iii) Other Financial Liabilities	21	54.97	70.29
(b) Provisions	22	268.02	157.28
(c) Other Non – Current Liabilities	23	120.00	105.00
Total Non-current Liabilities		6,963.58	2,116.23
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	1,874.00	181.50
(ii) Lease Liabilities		36.17	35.40
(iii) Trade Payables	25		
- Total Outstanding dues of micro enterprises and small enterprises		79.15	41.39
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		3,036.23	2,659.60
(iv) Other Financial Liabilities	26	250.77	3,976.06
(b) Provisions	27	151.48	262.18
(c) Current Tax Liabilities (Net)	28	109.32	148.12
(d) Other Current Liabilities	29	1,319.23	1,111.51
Total Current Liabilities		6,856.35	8,415.76
Total Liabilities		13,819.93	10,531.99
TOTAL EQUITY AND LIABILITIES		54,597.70	49,820.98

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

P Usha Parvathy
Partner

For and on behalf of the Board of Directors

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809
Place: Chennai

V M Srinivasan
Chief Executive Officer
Place: Chennai

S Prasath
Chief Financial Officer

Place: Chennai
Date: 14 May 2025

Place: Chennai
Date: 14 May 2025

Statement of Standalone Profit and Loss

For the year ended 31 March 2025

(₹ in Lakhs)

Particulars	Note No	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
I Revenue from Operations	30	32,209.05	32,728.78
II Other Income	31	584.92	778.37
III Total Income (I+II)		32,793.97	33,507.15
IV Expenses			
Cost of Materials Consumed	32A	8,492.07	7,304.70
Purchases of Stock - in - Trade	32B	735.23	2,213.79
Changes in Inventories of Finished Goods and Work-in-Progress	33	(674.65)	266.21
Other Direct Manufacturing Expenses	34	11,716.54	11,198.90
Employee Benefits Expense	35	2,289.71	2,195.74
Finance Costs	36	491.58	93.08
Depreciation and Amortisation Expense	2 & 3	3,238.79	2,185.01
Other Expenses	37	4,321.48	3,787.04
Total Expenses (IV)		30,610.75	29,244.47
V Profit before tax (III - IV)		2,183.22	4,262.68
VI Tax expense	9		
- Current Tax		375.41	748.11
- Deferred Tax	9B	285.39	515.85
		660.80	1,263.96
VII Profit for the Year (V - VI)		1,522.42	2,998.72
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
- Remeasurement of net defined benefit liability		58.09	22.85
- Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI		(2.75)	5.74
- Income tax relating to items that will not be reclassified to profit or loss	9	(16.91)	(6.65)
Total Other Comprehensive Income		38.43	21.94
IX Total Comprehensive Income for the Year (VII + VIII)		1,560.85	3,020.66
X Earnings per Equity Share (Face Value of ₹ 10 each)	40		
- Basic (in ₹)		10.65	21.10
- Diluted (in ₹)		10.61	20.90

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

P Usha Parvathy
Partner

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809
Place: Chennai

V M Srinivasan
Chief Executive Officer
Place: Chennai

S Prasath
Chief Financial Officer

Place: Chennai
Date: 14 May 2025

Place: Chennai
Date: 14 May 2025

Standalone Cash Flow Statement

for the year ended 31 March 2025

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
A. Cash flow from Operating Activities		
Profit for the year	1,522.42	2,998.72
Adjustment for:		
Income Tax Expense	660.80	1,263.96
Depreciation of property, plant and equipment	3,238.79	2,185.01
Gain on redemption of investments	(4.67)	(283.57)
Equity settled share-based payment expense	11.16	37.51
Interest Income on fixed deposits with banks	(11.31)	(145.40)
Finance Costs	491.58	93.08
Gain on disposal of property, plant and equipment	(63.92)	(26.55)
Bad Receivables written off	76.79	0.72
Provision for Expected credit loss (Net)	(71.35)	(22.42)
Liabilities no longer required written back	(163.69)	(155.12)
Unrealised Exchange Variation (Net)	(8.61)	(4.77)
Operating cash flows before movements in working capital	5,677.99	5,941.17
(Increase)/Decrease in Trade Receivables	109.46	73.67
(Increase)/Decrease in Other Non Current and Current Financial assets and Non current and Current assets	853.65	(681.66)
(Increase)/Decrease in Inventories	(766.35)	150.92
Increase/(Decrease) in Trade Payables Other Current liabilities and Non-Current Liabilities and Provisions	834.53	640.21
Cash generated by operations	6,709.28	6,124.31
Income Taxes (Paid)/Refund and Interest Income Received	(617.49)	(915.69)
Net cash from Operating Activities (A)	6,091.79	5,208.62
B. Cash flow from Investing Activities		
Purchase of Property, Plant and Equipment	(8,878.63)	(5,032.67)
Proceeds from Sale of Property, Plant and Equipment and Assets Held for Sale	67.76	41.59
Net movement in Bank balances not considered as Cash and cash equivalents	2,364.74	(2,073.23)
Interest Income	130.00	316.53
Investment in Preference Shares of Subsidiary Company (Also refer note 5)	(4,400.00)	(6,300.00)
Net Cash from/(used in) Investing Activities (B)	(10,716.13)	(13,047.78)
C. Cash flow from Financing Activities		
Dividend Paid, including movement from unpaid dividend account	(173.19)	(177.24)
Issue of Equity Shares	104.10	33.36
Money received towards allotment of equity shares	-	41.09
Payment of lease liabilities	(27.97)	(21.51)
Proceeds from Term Loan taken	6,880.00	1,850.00
Finance Cost on Lease Liabilities	(15.89)	(15.80)
Repayment of Term Loan made during the year	(646.50)	(30.00)
Short term Borrowings (repaid)/taken (net)	200.00	(0.63)
Finance Costs paid on Borrowings	(440.14)	(64.99)
Net Cash from/(used in) Financing Activities (C)	5,880.41	1,614.28
D. Net (Decrease)/Increase in Cash and Cash Equivalents (A) + (B) + (C)	1,256.07	(6,224.88)
E. Cash and Cash Equivalents (Opening)	664.59	6,889.47
F. Cash and Cash Equivalents (Closing)	1,920.66	664.59

Standalone Cash Flow Statement (Contd.)

for the year ended 31 March 2025

Notes:

(i) Reconciliation of Cash and cash equivalents

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Cash and Cash Equivalents as per Balance Sheet	442.10	214.64
Add: Current investments considered as part of Cash and cash equivalents (as defined in INDAS 7 Cash Flow Statements)	1,478.56	449.95
Cash and cash equivalents at the end of the Year	1,920.66	664.59

(ii) Changes in liabilities arising from financing activities

(₹ in Lakhs)

Particulars	As at 01 April 2024	Cash Flows	Others	As at 31 March 2025
Current Borrowings (Note 24)	181.50	200.00	1,492.50	1,874.00
Non Current Borrowings (Note 20)	1,638.50	6,233.50	(1,492.50)	6,379.50
Lease Liabilities	180.56	(27.97)	24.67	177.26
Accrued Interest (Note 26)	12.29	(12.29)	47.84	47.84

(₹ in Lakhs)

Particulars	As at 01 April 2023	Cash Flows	Others	As at 31 March 2024
Current Borrowings (Note 24)	0.63	180.87	-	181.50
Non Current Borrowings (Note 20)	-	1,638.50	-	1,638.50
Lease Liabilities	217.87	(21.51)	(15.80)	180.56
Accrued Interest (Note 26)	-	-	12.29	12.29

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

P Usha Parvathy
Partner

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809
Place: Chennai

V M Srinivasan
Chief Executive Officer
Place: Chennai

S Prasath
Chief Financial Officer

Place: Chennai
Date: 14 May 2025

Place: Chennai
Date: 14 May 2025

Statement of Standalone Changes in Equity

For the year ended 31 March 2025

A. EQUITY SHARE CAPITAL

Particulars	As at 31 March 2025	As at 31 March 2024
Balance as at beginning of the Year	1,422.66	1,418.20
Changes in equity share capital during the year		
Issue of equity shares under share option plan (Refer Note 47)	13.71	4.46
Closing Balance	1,436.37	1,422.66

B. OTHER EQUITY

Particulars	Share Application Money Pending Allotment	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Share Based Payment Reserve	Retained Earnings	Equity Instruments Fair value through Other Comprehensive Income	Total Other Equity
Balance at 1 April 2023	10.27	15.67	960.00	34,922.92	122.78	(1,124.53)	6.22	34,913.34
Profit/(Loss) for the year	-	-	-	-	-	2,998.72	-	2,998.72
Recognition of Employee stock based compensation	-	-	-	-	37.51	-	-	37.51
Share Application Money Received	76.70	-	-	-	-	-	-	76.70
Shares Allotted	(45.88)	-	-	-	(31.27)	-	-	(77.15)
Securities Premium on issue of Equity Shares	-	-	-	72.69	-	-	-	72.69
Payment of Dividend on equity shares	-	-	-	-	-	(177.41)	-	(177.41)
Equity Instruments through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	5.74	5.74
Remeasurement of Defined Benefit Plans (net of taxes)	-	-	-	-	-	16.20	-	16.20
Balance at 31 March 2024	41.09	15.67	960.00	34,995.61	129.02	1,712.98	11.96	37,866.33

Statement of Standalone Changes in Equity (Contd.)

For the year ended 31 March 2025

B. OTHER EQUITY (Contd.)

Particulars	Share Application Money Pending Allotment	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Share Based Payment Reserve	Retained Earnings	Equity Instruments Fair value through Other Comprehensive Income	Total Other Equity
Profit/(Loss) for the year	-	-	-	-	-	1,522.42	-	1,522.42
Recognition of Employee stock based compensation	-	-	-	-	11.16	-	-	11.16
Share Application Money Received	95.29	-	-	-	-	-	-	95.29
Shares Allotted	(136.38)	-	-	-	(111.86)	-	-	(248.24)
Securities Premium on issue of Equity Shares	-	-	-	234.46	-	-	-	234.46
Payment of Dividend on equity shares	-	-	-	-	-	(178.46)	-	(178.46)
Equity Instruments through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	(2.75)	(2.75)
Remeasurement of Defined Benefit Plans (net of taxes)	-	-	-	-	-	41.18	-	41.18
Balance at 31 March 2025	-	15.67	960.00	35,230.07	28.32	3,098.13	9.21	39,341.40

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

P Usha Parvathy
Partner

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809
Place: Chennai

V M Srinivasan
Chief Executive Officer
Place: Chennai

S Prasath
Chief Financial Officer

Place: Chennai
Date: 14 May 2025

Place: Chennai
Date: 14 May 2025

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

1. GENERAL INFORMATION

Chemfab Alkalies Limited (hereinafter referred to as "the Company") was incorporated on 06 May 2009 and is in the business of manufacturing of basic inorganic chemicals. The name of the Company was changed from Teamec Chlorates Limited to Chemfab Alkalies Limited on July 21, 2017, vide revised certificate of incorporation issued by the Registrar of Companies pursuant to the scheme of amalgamation ('scheme') approved by the National Company Law Tribunal (NCLT) Chennai vide its order dated 30 March 2017. Erstwhile Chemfab Alkalies Limited a listed entity, had merged with the Company pursuant to the scheme and consequently the Company's equity shares have been listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) with effect from 25 April 2018.

Material Accounting Policies

Impact of the initial application of new and amended Ind ASs that are effective for the current year:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

1.1 Basis Of Accounting

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the 2013 Act.

"These Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market

participants would take those characteristics into account when pricing the asset or liability at the measurement date."

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.2 Basis of preparation of financial statements

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

1.3 Use of Estimates:

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize. Revisions to accounting estimates are recognized prospectively in the year in which the estimate is revised and/or in future years, as applicable.

1.4. Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents,

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

the Company has ascertained its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.5 Revenue recognition

(I) Sale of Goods/Services:

The Company derives revenues primarily from sale of manufacturing of inorganic chemicals viz Caustic Soda Lye, Chlorine, Hydrogen, Hydrochloric acid, Sodium Hypo and Sodium Chlorate and also from PVC-O pipes. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Accordingly, the revenue is recognised on point in time basis.

a) Sale of products:

Revenues and costs relating to sale of products are recognized as the related goods are delivered, and titles have passed, at which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transactions can be measured reliably.

b) Income from service activities is accounted for on rendering the service in accordance with the contractual terms and when there is no uncertainty in receiving the same.

(II) Other Income:

"Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a

time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Dividend Income is accounted when the right to receive is established.

1.6 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition and is net of taxes where applicable. The methods of determination of cost of various categories of inventory are as follows:

- Raw Materials, Fuel and Stores and Spares – On weighted average basis.
- Finished goods and Work in Progress at lower of Cost, which includes appropriate production overheads and Net Realizable Value, the cost being determined on weighted average basis.

Due allowance is estimated and made by the Management for slow moving/non-moving items of inventory, where ever necessary, based on the technical assessment and such allowances are adjusted against the closing inventory value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make the sale.

1.7 Cash and Cash Equivalent (For the purpose of Cash Flow Statement)

"Cash comprises of cash on hand and demand deposits with banks. Cash Equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value. Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks."

1.8 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) after tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

1.9 Property, Plant and Equipment (PPE) and Depreciation on Property Plant and Equipment

Property, Plant and Equipment (PPE's) are recorded at cost less accumulated depreciation and accumulated impairment loss (if any). The Company capitalizes all costs relating to acquisition and installation of Property, Plant and Equipment. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying Property, Plant and Equipment up to the date the Property, Plant and Equipment is ready for its intended use.

Cost of spares relating to specific item of Property, Plant and Equipment is capitalized. Cost of modifications that enhance the operating performance or extend the useful life of Property, Plant and Equipment are also capitalized, where there is a certainty of deriving future economic benefits from the use of such assets.

Any part or components of Property, Plant and Equipment which are separately identifiable and expected to have a useful life which is different from that of the main assets are capitalized separately, based on the technical assessment of the Management.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date are disclosed as "Capital Advances" under Other Non Current Assets and cost of Property, Plant and Equipment not ready to use before such date are disclosed under "Capital Work- in- Progress".

Depreciation:

Depreciable amount for assets is the cost of an asset less its estimated residual value.

Depreciation on Property, Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Continuous Process Plant, in whose case the life of the assets has been assessed as 18 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Depreciation is also accelerated on Property, Plant & Equipment, based on their condition, usability etc. as per the technical estimates of the Management, where necessary.

Intangible Assets:

Intangible fixed assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses (if any). Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern.

Research and Development:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Derecognition of Property, Plant and Equipment:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

of the asset and is recognised in the Statement of Profit and Loss.

1.10 Borrowing Cost

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

1.11 Government Grants, Subsidies and Export Incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidies will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Export benefits, if any, are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are accounted in Reserves and Surplus in Other Equity. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

1.12 Foreign Currency Transactions

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition:

As at the reporting date, non monetary assets and liabilities which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevalent at the date of the transaction. Foreign currency monetary assets and liabilities are reported using the exchange rate prevalent at the date of the balance sheet.

Treatment of Exchange Differences:

Foreign exchange gains and losses resulting from the settlement/restatement of monetary assets and liabilities of the Company are recognised as income or expense in the statement of profit and loss.

1.13 Employee Benefits

Retirement benefit costs and termination benefits:

i) Defined Benefit Plans:

Employee defined benefit plans include gratuity.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

- Net interest expense or income; and
- Remeasurement comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability).

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

The Company makes contribution to a scheme administered by the insurer to discharge gratuity liabilities to the employees.

Short-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

ii) Defined Contribution Plans

Employee defined contribution plans include Provident Fund, Employee state insurance and Super Annuation Fund.

Provident Fund and Employee State Insurance:

All employees of the Company receive benefits from Provident Fund and Employee's State Insurance (where applicable), which are defined contribution plans. Both, the employee and the Company make monthly contributions to the plan, each equalling to a specified percentage of employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributes to the Employee Provident Fund and Employee's State Insurance (where applicable) scheme maintained by the Central Government of India and the contribution thereof is charged to the Statement of Profit and Loss in the year in which the services are rendered by the employees.

Super Annuation Fund:

The Company makes contribution to a scheme administered by the insurer to discharge its liabilities towards super annuation to the eligible employees. The Company has no other liability other than its annual contribution."

1.14 Employee Share Based Payments

"Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share."

1.15 Taxation

"Income taxes comprise Current and deferred tax. Income tax expense/credit is recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity, respectively.

Current Tax and Prior Period Tax:

Current income tax liability/(asset) for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously."

Deferred Tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognized on deductible and taxable temporary differences between the carrying amounts of assets and liabilities in the Ind AS financial statements and the corresponding tax bases of such assets and liabilities. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid as current tax expense in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as tax credit and recognised as deferred tax asset when there is reasonable certainty that the Company will pay normal income tax in the future years and future economic benefit associated with it will flow to the Company. The carrying amount is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered."

1.16 Segment Reporting

Operating segments reflect the Company's management structure and the way the financial information is regularly reviewed by the Company's Chief operating decision maker (CODM). The CEO of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/(loss) amounts are evaluated regularly by the CODM in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue, where applicable, is accounted on the basis of transactions which are primarily determined based on market/fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities".

1.17 Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated

for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

1.18 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

1.19 Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in

Notes forming part of the Standalone Financial Statements

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respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the balance sheet date and measured using the present value of cash flows estimated to settle the present obligations (when the effect of time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The Company does not recognize a contingent liability but discloses its existence in the Financial Statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

1.20 Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto three years.

1.21 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

1.22 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value except in respect of Trade receivables that do not have a significant financial component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly

attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit and loss.

1.23 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets:

"Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

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- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below). All other financial assets are subsequently measured at fair value."

(i) Amortised cost and effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest

rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the 'Other income' line item."

(ii) Debt instruments classified as at FVTOCI:

The debt instruments are initially measured at fair value plus transaction costs.

Subsequently, changes in the carrying amount of these debt instruments as a result of foreign exchange gains and losses (see below), impairment gains or losses (see below), and interest income calculated using the effective interest method (see (i) above) are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated in a separate component of equity. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI:

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading:

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in a separate component of equity. The cumulative gain or loss is not reclassified to profit or

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loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with Ind AS 109, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Other income' line item in profit or loss.

The Company designates all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking;

(iv) Financial assets at fair value through profit or loss (FVTPL):

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading (see (iii) above).
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other income' line item.

Foreign exchange gains and losses:

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other income' line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other income' line item. As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in a separate component of equity;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other income' line item as part of the fair value gain or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in a separate component of equity.

Impairment of financial assets:

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, financial guarantee contracts, and certain other financial assets measured at amortised cost such as deferred consideration receivable on disposal of subsidiaries. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest

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rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

For trade receivables, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient method as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information."

De-recognition of financial assets:

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment

in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in a separate component of equity is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in a separate component of equity is not reclassified to profit or loss, but is transferred to retained earnings.

1.24 Financial liabilities and equity instruments

Classification as debt or equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company

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manages together and has a recent actual pattern of short-term profit-taking;

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis;

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other income' line item in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are recognised in retained earnings. Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading or designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that

exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other income' line item in profit or loss for financial liabilities.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

is recognised in profit or loss as the modification gain or loss within 'other income'.

1.25 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is

recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.26 Investment in subsidiary

Investment in subsidiary is measured at cost. Dividend income from subsidiaries is recognised when its right to receive the dividend is established.

1.27 Dividend

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Company. The Company declares and pays dividends in Indian rupees and are subject to applicable taxes.

1.28 Asset held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Company will retain a non-controlling interest in its former subsidiary after the sale.

1.29 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying value of assets or liabilities affected in future periods.

Notes forming part of the Standalone Financial Statements

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Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in Financial Statements is included in the following notes:

(i) Useful lives of Property, Plant and Equipment

(ii) Carrying values of Property, Plant and Equipment

(iii) Employee Benefits

(iv) Asset held for sale

Determination of functional currency:

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (INR) in which the Company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (INR).

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For the year ended 31 March 2025

2. PROPERTY PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

I – Current year ended 31 March 2025

(₹ in Lakhs)

Particulars	Gross Block				Accumulated Depreciation/Amortisation/ Impairment			Net Block	
	As at 01 April 2024	Transfers from CWIP	Additions during the year	Deletions/ Adjustment during the year	As at 31 March 2025	As at 01 April 2024	For the year Deletions during the year	As at 31 March 2025	As at 31 March 2025
A. Property Plant and Equipment									
Land – Freehold (Refer note 20)	2,162.07	-	-	-	2,162.07	-	-	-	2,162.07
Buildings (Refer note 20)	2,427.49	1,087.05	-	-	3,514.54	684.37	102.87	787.24	2,727.30
Plant and Equipment (Refer note 20)	23,636.54	8,788.29	-	167.92	32,256.91	10,358.46	3,018.09	13,210.45	19,046.46
Furniture and Fixtures	87.26	11.70	-	3.34	95.62	42.51	7.07	49.08	46.54
Vehicles	221.12	-	30.29	-	251.41	71.28	25.68	96.96	154.45
Office Equipments	218.70	33.33	-	-	252.03	133.35	30.92	164.27	87.76
TOTAL (A)	28,753.18	9,920.37	30.29	171.26	38,532.58	11,289.97	3,184.63	14,308.00	24,224.58
B. Other Intangible Assets									
Computer Software	179.22	-	-	-	179.22	173.67	1.87	175.54	3.68
TOTAL (B)	179.22	-	-	-	179.22	173.67	1.87	175.54	3.68
TOTAL (A + B)	28,932.40	9,920.37	30.29	171.26	38,711.80	11,463.64	3,186.50	14,483.54	24,228.26

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

II – Previous year ended 31 March 2024

Particulars	Gross Block				Accumulated Depreciation/Amortisation/ Impairment			Net Block	
	As at 01 April 2023	Transfers from CWIP	Additions during the year	Deletions/ Adjustment during the year	As at 31 March 2024	As at 01 April 2023	For the year	Deletions during the year	As at 31 March 2024
A. Property Plant and Equipment									
Land – Freehold (Refer note 20)	2,162.07	-	-	-	2,162.07	-	-	-	2,162.07
Buildings (Refer note 20)	2,336.99	90.50	-	-	2,427.49	595.94	88.43	-	1,743.12
Plant and Equipment (Refer note 20)	23,033.00	939.07	-	335.53	23,636.54	8,695.74	1,986.55	323.83	13,278.08
Furniture and Fixtures	74.07	16.29	-	3.10	87.26	36.11	6.51	0.11	44.75
Vehicles	102.31	-	119.41	0.60	221.12	48.83	22.70	0.25	149.84
Office Equipments	190.30	31.22	-	2.82	218.70	104.77	31.40	2.82	85.35
TOTAL (A)	27,898.74	1,077.08	119.41	342.05	28,753.18	9,481.39	2,135.59	327.01	17,463.21
B. Other Intangible Assets									
Computer Software	174.98	4.24	-	-	179.22	170.73	2.94	-	173.67
TOTAL (B)	174.98	4.24	-	-	179.22	170.73	2.94	-	5.55
TOTAL (A + B)	28,073.72	1,081.32	119.41	342.05	28,932.40	9,652.12	2,138.53	327.01	17,468.76

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

3. LEASES

Right of Use Assets:

(₹ in Lakhs)		
Particulars	Land	Equipment
Cost		
As at 01 April 2023	597.01	155.76
Add: Additions	-	-
Less: Deletion	-	-
As at 31 March 2024	597.01	155.76
Add: Additions	40.41	-
Less: Deletion	(37.12)	-
As at 31 March 2025	600.30	155.76
Accumulated Amortisation		
As at 01 April 2023	49.94	13.81
Add: Charge for the Year	28.33	18.15
Less: Deletion	-	-
As at 31 March 2024	78.27	31.96
Add: Charge for the Year	34.14	18.15
Less: Deletion	(37.12)	-
As at 31 March 2025	75.29	50.11
Carrying Amount		
As at 31 March 2024	518.74	123.80
As at 31 March 2025	525.01	105.65

The Company has considered the OCC interest rate at the time of adoption of lease for the purpose of determination of discount rate for leases. The Company has leases for Land and certain equipment. The leases have remaining lease terms of 1 year upto 25 years with option to terminate or extend the lease.

(₹ in Lakhs)		
Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Amounts recognised in Statement of Profit and Loss were as follows:		
Amortisation Expense on right-of-use assets	52.29	46.48
Interest Expense on lease Liabilities	15.89	15.80
Expense relating to short-term lease	30.94	15.78

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Supplemental cash flow information related to leases was as follows:		
Total cash outflow for leases	(27.97)	(21.51)
Additions to right of use assets	40.41	-
Maturities of Lease Liabilities were as follows		
Undiscounted Lease Payments to be made	258.12	272.01
Not later than 1 year	48.73	48.33
Later than 1 year and not later than 5 years	86.50	85.29
Later than 5 years	122.89	138.39

4. CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Opening	5,719.72	1,369.11
Additions	5,370.86	5,431.93
Transfer to property, plant and equipment	(9,920.37)	(1,081.32)
Closing	1,170.21	5,719.72

a) CWIP Ageing Schedule

As at 31 March 2025

(₹ in Lakhs)

CWIP Ageing schedule	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	968.62	49.45	124.86	27.28	1,170.21
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2024

(₹ in Lakhs)

CWIP Ageing schedule	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	4,709.16	718.50	285.34	6.72	5,719.72
Projects temporarily suspended	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

b) CWIP whose completion is overdue or exceed its cost

As at 31 March 2025

(₹ in Lakhs)

CWIP Completion Schedule	Amount of CWIP to be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

As at 31 March 2024

(₹ in Lakhs)

CWIP Completion Schedule	Amount of CWIP to be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	871.03	-	-	-	871.03
Projects temporarily suspended	-	-	-	-	-
Total	871.03	-	-	-	871.03

5. INVESTMENTS – NON CURRENT (REFER NOTE 39)

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Unquoted – Fully paid-up		
Investment in Equity Shares of wholly-owned subsidiary, at Cost		
53,20,000 (P.Y. 53,20,000) Equity Shares of ₹ 10/- each of Chemfab Alkalies Karaikal Limited	532.00	532.00
Investment in Preference Shares of wholly-owned subsidiary, at Cost (Also refer note below)		
14,40,00,000 (PY 10,00,00,000) 0.01% Convertible Preference Shares of ₹ 10/- each of Chemfab Alkalies Karaikal Limited	14,400.00	10,000.00
Total	14,932.00	10,532.00

Note: Investment in Preference shares includes conversion of ₹ 3,800 Lakhs of principal and interest (Principal ₹ 3,761.43 Lakhs and interest at 8.80% net of TDS ₹ 38.57 Lakhs) which was given to subsidiary during the year which was approved in the board meeting of the subsidiary on 07 June 2024.

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

6. OTHER INVESTMENTS – NON CURRENT

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Investment carried at fair value through Other Comprehensive Income		
Quoted Investments (fully paid)		
Investment in Equity Instruments of Other entities		
281 (P.Y. 281) Equity Shares of ₹ 10/- each of Summit Securities Limited	5.49	3.43
500 (P.Y. 500) Equity Shares of ₹ 10/- each of De Nora India Limited	3.43	8.12
300 (P.Y. 300) Equity Shares of ₹ 10/- each of TGV SRAAC Limited (formerly known as Sree Rayalaseema Alkalis & Allied Chemicals Limited)	0.28	0.24
450 (P.Y. 450) Equity Shares of ₹ 5/- each of Kanoria Chemicals Limited	0.34	0.49
Total	9.54	12.28
Aggregate Book value of Quoted Investment	9.54	12.28
Aggregate Market value of Quoted Investment	9.54	12.28
Financial Assets carried at Fair value through Other Comprehensive Income (FVTOCI)	9.54	12.28

7. OTHER FINANCIAL ASSETS – NON CURRENT

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Deposits with others	162.57	99.75
Bank deposits with more than 12 months maturity (Refer note 7.1 and 7.2 below)	22.32	224.06
Total (Gross)	184.89	323.81
Less: Provision for Expected Credit Loss	-	-
Total (Net)	184.89	323.81

Note:

7.1. Includes Margin Money towards bank guarantee of ₹ 2.40 Lakhs (PY ₹ 224.06 Lakhs) which represents balances with banks that are restricted from being exchanged or used to settle a liability for more than 12 months from the Balance Sheet date.

7.2. ₹ 19.92 Lakhs (PY. Nil) is placed as lein as per High court order dt 19/02/2025 with respect to writ petition no 2545 of 2025 vs Labour Secretary, Government of Puducherry towards revision of minimum wages for Pondicherry plant.

8. TAX ASSETS (NET) – NON CURRENT

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Income Tax paid/TDS Receivable (Net of provision for tax of ₹ 3,361.91 Lakhs (PY ₹ 2,986.50 Lakhs))	279.13	75.84
Total	279.13	75.84

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

9 CURRENT TAXES AND DEFERRED TAXES

A.1 Income Tax recognised in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
(i) Current Tax:		
- in respect of current year	375.41	748.11
Total (A)	375.41	748.11
(ii) Deferred Tax:		
- in respect of current year	284.43	515.85
- in respect of previous year	0.96	-
Total (B)	285.39	515.85
Total income tax expense recognised in Statement of Profit and Loss (A+B)	660.80	1,263.97

A.2 Income tax recognised in other Comprehensive income

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Deferred tax related to items recognised in other comprehensive income during the year:		
- Remeasurement of defined benefit obligations & Others	(16.91)	(6.65)
Total	(16.91)	(6.65)
Classification of income tax recognised in other comprehensive income		
- Income taxes related to items that will not be reclassified to profit or loss	(16.91)	(6.65)
Total	(16.91)	(6.65)

A.3 Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit before tax	2,183.22	4,262.68
Income Tax using the Company's domestic Tax rate	635.75	1,241.29
Tax Effect of:		
- Effect of expenses that are non-deductible in determining taxable profit	38.55	26.80
- Changes in recognised temporary differences	0.96	0.63
- Others	(14.46)	(4.75)
Income Tax expense recognised in Statement of Profit or Loss	660.80	1,263.97

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

The tax rate used for the year ended March 31, 2025 and March 31, 2024 reconciliations above is the corporate tax rate of 29.12% payable by corporate entities in India on taxable profits under Indian Income Tax Laws. The above amount excludes tax expense/(reversal) relating to prior years.

B.1 Movement in Deferred Tax Balances

(₹ in Lakhs)

Particulars	As at March 31, 2024	Recognised in profit and loss account	Recognised in OCI	As at March 31, 2025
Tax effect of items constituting (deferred tax liabilities)/deferred tax assets				
Property, Plant and Equipment and Other Intangible Assets (Refer note D below)	(2,609.43)	464.55	-	(3,073.98)
Financial assets at amortised cost	224.64	190.87	-	33.77
Employee Benefits	60.39	(1.05)	-	61.44
Provisions for Expenses, impairment and Doubtful trade receivables	893.08	29.43	-	863.65
Remeasurement of defined benefit obligations	58.72	(21.35)	(16.91)	63.16
Others	0.02	0.03	-	(0.01)
	(1,372.58)	662.48	(16.91)	(2,051.97)
Minimum Alternate Tax (MAT)	3,973.37	377.09	-	4,350.46
Net Tax Asset/(Liabilities)	2,600.79	285.39	(16.91)	2,298.49

B.2 Movement in Deferred Tax Balances

(₹ in Lakhs)

Particulars	As at March 31, 2023	Recognised in profit and loss account	Recognised in OCI	As at March 31, 2024
Tax effect of items constituting (deferred tax liabilities)/deferred tax assets				
Property, Plant and Equipment and Other Intangible Assets	(2,659.81)	(50.38)	-	(2,609.43)
Financial assets at amortised cost	212.58	(12.06)	-	224.64
Employee Benefits	55.58	(4.81)	-	60.39
Provisions for Expenses, impairment and Doubtful trade receivables	896.27	3.19	-	893.08
Remeasurement of defined benefit obligations	28.02	(37.35)	(6.65)	58.72
Others	0.62	0.60	-	0.02
	(1,466.74)	(100.81)	(6.65)	(1,372.58)
Minimum Alternate Tax (MAT)	4,590.03	(616.66)	-	3,973.37
Net Tax Asset/(Liabilities)	3,123.29	515.85	(6.65)	2,600.79

C. The Company has carried out necessary adjustments to the deferred tax balances and MAT credit balances as at 31 March 2025 based on applicable tax laws.

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

D. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The provision for taxation for the current year has been determined by the Management based on the tax position to be considered for tax filing and its assessment of the probability of acceptance of the same by the taxation authorities.

10. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Capital Advances	3,481.35	3,776.09
Balance with Government Authorities	3.98	3.98
Prepaid Rent	0.33	0.37
Total	3,485.66	3,780.44

11. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Raw Materials (including Goods in Transit amounting to ₹ Nil (PY - ₹ 3.20 Lakhs))	511.90	495.42
(b) Work in Progress	444.99	184.23
(c) Finished Goods (other than those acquired for trading)	866.39	452.50
(d) Fuel (including Goods in Transit amounting to ₹ Nil (PY - ₹ 26.71 Lakhs))	28.44	31.61
(e) Stores and Spares (including Goods in Transit amounting to ₹ 44.97 Lakhs (PY - ₹ 19.44 Lakhs))	384.07	286.02
(f) Traded Goods (including Goods in Transit amounting to ₹ Nil (PY - ₹ Nil))	73.63	93.29
Total	2,309.42	1,543.07

Note:

1	The cost of inventories recognised as expenses during the year	9,684.81	10,795.34
2	The cost of inventories recognised as an expense in respect of write downs of inventory to net realisable value.	58.04	40.38
3	The method of valuation of inventories has been stated in Note 1.6		

12. OTHER INVESTMENTS - CURRENT

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Investments carried at Fair Value through Profit & Loss		
Investments in Mutual Funds (quoted)		
LIC Liquid Fund - 31,397,295 units of ₹ 4,709.1846 each (P.Y. 6,785.056 units of ₹ 4,385.1601 each)	1,478.56	297.54

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

12. OTHER INVESTMENTS – CURRENT (Contd.)

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
LIC BPSU Fund – C.Y. Nil (P.Y. 4,51,438.425 units of ₹ 33.7610 each)	–	152.41
Total	1,478.56	449.95
Aggregate Book value of Investment	1,478.56	449.95
Aggregate Market value of Investment	1,478.56	449.95

13. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Considered good, Secured (Refer Note 13.01)	1,108.63	780.79
(b) Considered good, Unsecured	898.49	1,341.24
(c) Receivables which have significant increase in credit risk	132.96	204.63
	2,140.08	2,326.66
Less: Provision for Expected Credit Loss (Refer Note 13.05 and 13.06)	(132.96)	(204.63)
Total	2,007.12	2,122.03

Notes:

13.01 Secured Trade Receivables are secured by way of irrevocable Letter of Credits and Bank Guarantees.

13.02 Trade Receivables includes receivables outstanding from customers constituting individually 5% or more of the total trade receivables as at 31 March 2025 of ₹ 1,420.22 Lakhs (PY: ₹ 1,445.30 Lakhs) out of which Pipes segment is ₹ 339.97 Lakhs (PY: ₹ 621.87 Lakhs) And Chemical segment is ₹ 1,080.25 Lakhs (PY: ₹ 823.43 Lakhs).

13.03 The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on provision matrix. The provision matrix takes into account the historical credit loss experience and adjustments for forward looking information. Trade receivables are non-interest bearing and are generally on terms in range of – from advance payment to upto 90 days credit.

13.04 Trade Receivables ageing schedule – Outstanding for following periods from due date of payment.

As at 31 March 2025

(₹ in Lakhs)

Particulars	Less than 6 months	6 months – 1 year	1–2 years	2–3 years	More than 3 years	Not Due	Total
(i) Undisputed Trade Receivables – considered good	315.28	4.18	16.16	8.15	5.20	1,658.15	2,007.12
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	39.35	3.69	42.64	28.88	18.40	–	132.96
(iii) Undisputed Trade Receivables – Credit Impaired	–	–	–	–	–	–	–

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

As at 31 March 2025 (Contd.)

(₹ in Lakhs)

Particulars	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Not Due	Total
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – Credit Impaired	-	-	-	-	-	-	-
	354.63	7.87	58.80	37.03	23.60	1,658.15	2,140.08
Less: Provision for Expected Credit Loss							(132.96)
Trade Receivables (Net)							2,007.12

As at 31 March 2024

(₹ in Lakhs)

Particulars	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Not Due	Total
(i) Undisputed Trade Receivables – considered good	480.67	-	-	-	-	1,641.36	2,122.03
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	101.86	-	59.00	18.39	5.40	19.98	204.63
(iii) Undisputed Trade Receivables – Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – Credit Impaired	-	-	-	-	-	-	-
	582.53	-	59.00	18.39	5.40	1,661.34	2,326.66
Less: Provision for Expected Credit Loss							(204.63)
Trade Receivables (Net)							2,122.03

13.05 The following table details the risk profile of trade receivables based on the provision matrix

(₹ in Lakhs)

31 March 2025	Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Expected Credit Loss Rate	0%	11%	23%	78%	78%	78%	6%
Estimated total gross carrying amount at Default	1,658.15	350.30	16.32	54.68	37.03	23.60	2,140.08
Lifetime Expected Credit Loss	-	39.35	3.69	42.64	28.88	18.40	132.96

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

(₹ in Lakhs)

31 March 2024	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Expected Credit Loss Rate	1%	17%	0%	100%	100%	100%	9%
Estimated total gross carrying amount at Default	1,661.34	582.53	-	59.00	18.39	5.40	2,326.66
Lifetime Expected Credit Loss	19.98	101.86	-	59.00	18.39	5.40	204.63

13.06 Movement in Expected credit loss

(₹ in Lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Movement in expected credit loss allowance on trade receivables	(71.67)	(22.42)
Balance at the end of the year	132.96	204.63

14A CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Balance with Banks - Current Accounts	441.10	213.94
Cash on hand	1.00	0.70
Total	442.10	214.64

14B BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
In Earmarked accounts		
- Margin Money Accounts for bank guarantees and letters of credit	-	2,148.35
- Unpaid Dividend Accounts (Refer Note 26 (i))	20.21	14.94
Total	20.21	2,163.29

Note:

14B.1 Includes Margin Money towards letter of credit of Nil (PY 2,148.35 Lakhs) which represents balances with banks that are restricted from being exchanged or used to settle a liability for more than 12 months from the Balance Sheet date.

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

15. OTHER FINANCIAL ASSETS – CURRENT

(₹ in Lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(Unsecured, considered good)		
Deposits	17.59	20.18
Advance to employees	34.57	11.43
Interest accrued on Deposits	3.51	117.53
Total	55.67	149.14

16. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(Unsecured, considered good)		
Advances to Vendors	170.07	799.14
Balance with Government Authorities	273.23	536.47
Prepaid expenses	106.78	171.37
Total	550.08	1,506.98

17. ASSET HELD FOR SALE

(₹ in Lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(Also refer accounting policy in note 1.28)		
Property Plant and Equipment	515.70	515.70
Total	515.70	515.70

Note: The Company is active on the sale of the remaining assets (land, building and other assets). The Company has assessed and concluded that no further adjustments are required to the carrying value of assets held for sale.

18. SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised Share Capital				
Equity shares of ₹ 10 each (with voting rights)	2,85,00,000	2,850.00	2,85,00,000	2,850.00
11% Redeemable Cumulative Preference shares of ₹ 100 each	2,64,000	264.00	2,64,000	264.00
12% Redeemable Cumulative Preference shares of ₹ 100 each	8,00,000	800.00	8,00,000	800.00
Total		3,914.00		3,914.00

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

18. SHARE CAPITAL (Contd.)

(₹ in Lakhs)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
(b) Issued, Subscribed and Paid up [refer (a) to (e) below]				
Equity shares of ₹ 10 each (with voting rights) fully paid up	1,43,63,702	1,436.37	1,42,26,602	1,422.66
Total		1,436.37		1,422.66

(a) Reconciliation of the number of equity shares issued and amount outstanding at the beginning and at the end of the reporting year:

(₹ in Lakhs)

Particulars	Equity Share Capital			
	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Issued, Subscribed and Paid up equity shares				
Shares and Share Capital outstanding at the beginning of the year	1,42,26,602	1,422.66	1,41,82,002	1,418.20
Add: Shares and Share Capital issued during the year (Refer Note 47)	1,37,100	13.71	44,600	4.46
Shares and Share Capital outstanding at the end of the year	1,43,63,702	1,436.37	1,42,26,602	1,422.66

(b) Rights, preferences and restrictions attached to the equity shareholders

The Company has one class of equity shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per equity share held. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) The details of equity shareholders holding more than 5% of the aggregate equity Shares:

Particulars	Equity Share Capital			
	As at 31 March 2025		As at 31 March 2024	
	Number of shares	% held	Number of shares	% held
Dr. Rao Holdings Pte Ltd	67,61,068	47.07%	67,61,068	47.52%
Team Hiitec Eqpt Private Limited	10,72,182	7.46%	10,72,182	7.54%
K.M. Padma	11,10,712	7.73%	11,10,712	7.81%
Suresh Krishnamurthi Rao	14,24,423	9.92%	14,24,423	10.01%

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

(d) Number of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash:

NA

(e) Refer Note 47 for details regarding employee stock option scheme.

(f) Shares held by Promoter at the end of the year

Particulars	No. of shares		% of total shares		% Change during the Year
	Current year	Previous year	Current year	Previous year	
Suresh Krishnamurthi Rao	14,24,423	10.01%	14,24,423	10.01%	-0.09%
K.M. Padma	11,10,712	7.81%	11,10,712	7.81%	-0.08%
Ramachandran N	-	0.00%	-	0.00%	0.00%
Team Hiitec Eqpt Private Limited	10,72,182	7.54%	10,72,182	7.54%	-0.08%
Dr. Rao Holdings Pte Ltd	67,61,068	47.52%	67,61,068	47.52%	-0.45%

(g) Pursuant to Section 126(2) of the Companies Act 2013, the Company had transferred Nil (PY 4,308) number of Equity Shares to Investor Education and Protection Fund during the year ended 31 March 2025.

19. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Share Application Money Pending Allotment (Refer Note 1 below)		
Opening Balance	41.09	10.27
Share Application Money Received	95.29	76.70
Less: Shares Allotted during the year	(136.38)	(45.88)
Closing balance	-	41.09
(b) Capital Reserve (Refer Note 2 below)	15.67	15.67
(c) Capital Redemption Reserve (Refer Note 3 below)		
Opening Balance	960.00	960.00
Add: On account of Redemption of Preference Shares	-	-
Closing balance	960.00	960.00
(d) Securities Premium Reserve (Refer Note 4 below)		
Opening Balance	34,995.61	34,922.92
Add: Securities Premium on issue of Equity Shares	234.46	72.69
Closing balance	35,230.07	34,995.61
(e) Share Based Payment Reserve (Refer Note 5 below)		
Opening Balance	129.02	122.78
Add: Employee compensation expense for the year	11.16	37.51
Less: Transfer to Securities Premium for the shares allotted during the year	(111.86)	(31.27)
Closing balance	28.32	129.02

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

19. OTHER EQUITY (Contd.)

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
(f) Retained Earnings (Refer Note 6 below)		
Opening Balance	1,712.98	(1,124.53)
Add: Profit/(Loss) for the year	1,522.42	2,998.72
Add: Other Comprehensive income for the year (Remeasurement of the defined benefit plans, net of taxes)	41.18	16.20
	3,276.59	1,890.39
Less: Appropriations		
- Dividend on Equity Shares (Refer Note 8 below)	(178.46)	(177.41)
Closing Balance	3,098.13	1,712.98
(g) Other Comprehensive Income (Refer Note 7 below)		
Opening Balance	11.96	6.22
Add/(Less): Current Year	(2.75)	5.74
Closing Balance	9.21	11.96
Total	39,341.40	37,866.33

Notes

- This represents Share Application Money received from employees under the ESOP scheme titled "CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]. Also Refer Note 47
- Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferor Company and profit on reissue of shares.
- Capital redemption reserve has been created pursuant to Section 55 of the Companies Act, 2013 on account of redemption of preference shares out of the profits of the Company.
- Securities premium reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value. The reserve can be utilised only for limited purposes in accordance with the provisions of Section 52 of the Companies Act, 2013.
- Shares based payment reserve relates to the share options granted by the Company to its employees under its share option plan. Refer Note 47 for further details.
- Retained earnings refer to net earnings not paid out as dividends, but retained by the Company to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders.
- Other comprehensive income represents the cumulative gain and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of taxes.
- Dividend is paid at ₹ 1.25 per share for 1,42,76,602 shares held on record date 13.09.2024 (PY. At 1.25 per share for 1,41,92,702 shares held on record date 22.08.2023).

20. BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
(i) Secured - at amortised cost		
- Term Loan from Bank (Refer Note (i), (ii) and (iii) below)	6,379.50	1,638.50
	6,379.50	1,638.50

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

Note:

Details in respect of Borrowings are as under:

- (i) Term Loan carrying an interest rate of 8.61% p.a average was availed from HDFC Bank Limited. The borrowings are secured by way of Equitable Mortgage over:
- (a) leasehold land (taken under 99 years lease by the Company) comprising of 5 acres located in Domestic Tarrif Zone (DTZ) situated in Irugulam Village, Satyavedu Mandal, Chittoor District, Andhra Pradesh - Exclusive Charge.
 - (b) fixed assets (Building, Plant and Machineries), created out of the term loan of ₹ 1,800 Lakhs out of which ₹ 1,596 Lakhs is outstanding - Exclusive Charge.
 - (c) Fixed assets (Plant and Machineries/civil structures), created out of the term loan of ₹ 3,150 Lakhs out of which ₹ 2,677.50 Lakhs is outstanding - Exclusive Charge.
 - (d) fixed assets (Plant and Machineries/civil structures), created out of the term loan of ₹ 3,780 Lakhs out of which ₹ 3,780 Lakhs is outstanding - Exclusive Charge.
- Out of the above term loans, ₹ 1,674 Lakhs (PY. ₹ 181.50 Lakhs) have been classified

as current maturities of long-term debt (secured) under Borrowings - Current.

- (ii) Repayment Summary:

Term Loan of ₹ 1,596 Lakhs as at 31 March 2025:

Repayable in 65 monthly instalments of ₹ 24 Lakhs each and 1 monthly instalment of ₹ 36 Lakhs respectively. Repayment of this tranche of term loan began from October 2023.

Term Loan of ₹ 2,677.50 Lakhs as at 31 March 2025:

Repayable in 17 quarterly instalments of ₹ 157.50 Lakhs each. This loan was availed in part tranches whose repayment of first availed tranche began from Sept 2024.

Term Loan of ₹ 3,780 Lakhs as at 31 March 2025:

Repayable in 60 monthly instalments of ₹ 63 Lakhs each. Repayment of this tranche of term loan will begin from April 2025.

There were no delays in repayments made by the Company towards the borrowings from banks during the current year and previous year.

- (iii) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

21. OTHER FINANCIAL LIABILITIES - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Trade/security deposits received	54.97	70.29
	54.97	70.29

22. PROVISIONS - NON CURRENT

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for Gratuity (Refer Note 41)	125.90	110.25
Provision for compensated absences	142.12	47.03
	268.02	157.28

23. OTHER NON - CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Advance from Customers	120.00	105.00
	120.00	105.00

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

24. BORROWINGS – CURRENT

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
From Banks		
- Cash Credit – Secured (Note (i) and (ii) below)	200.00	-
- Current maturities of long-term debt	1,674.00	181.50
	1,874.00	181.50

Note:

Details in respect of Current Borrowings are as under:

- Cash Credit facilities are secured by way of first charge over the entire current assets of the Company and mortgage over land and building comprising of 9.70 acres belonging to the Company situated at East Coast road, Gnanananda Place, Kalapet, Pondicherry. The cash credits are repayable on demand.
- The Fund Based Cash Credit facilities and Non fund based facilities are sanctioned by HDFC Bank upto ₹ 2,500 Lakhs (PY ₹ 2,500 Lakhs), by Axis Bank upto ₹ 2,500 Lakhs (PY ₹ 2,500 Lakhs), Standard Chartered Bank upto ₹ Nil (PY ₹ 200 Lakhs) and Shinhan bank upto ₹ 1,000 Lakhs (PY Nil).
- Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- Also refer Note 20.

25. TRADE PAYABLES – CURRENT (REFER NOTE 39 AND 42)

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Total Outstanding dues of micro enterprises and small enterprises	79.15	41.39
Total Outstanding dues of creditors other than micro enterprises and small enterprises	3,036.23	2,659.60
	3,115.38	2,700.99

Trade payables are non-interest bearing and are normally settled on upto 90 days terms as per terms of the contract.

As at 31 March 2025

(₹ in Lakhs)

The age of the Trade Payables is as under:	Outstanding for the following periods from the due date of payment					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Not Due	Total
(i) MSME	16.93	-	-	-	62.22	79.15
(ii) Others	2,739.87	8.50	17.62	7.68	262.56	3,036.23
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
	2,756.80	8.50	17.62	7.68	324.78	3,115.38

The above is including unbilled dues of ₹ 2,118.66 Lakhs.

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

As at 31 March 2024

(₹ in Lakhs)

The age of the Trade Payables is as under:	Outstanding for the following periods from the due date of payment					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Not Due	Total
(i) MSME	20.31	-	-	-	20.71	41.02
(ii) Others	2,351.97	20.82	6.86	3.39	276.56	2,659.60
(iii) Disputed dues - MSME	-	0.26	0.11	-	-	0.37
(iv) Disputed dues - Others	-	-	-	-	-	-
	2,372.28	21.08	6.97	3.39	297.27	2,700.99

The above is including unbilled dues of ₹ 1,982.86 Lakhs.

26. OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Creditors for Capital Goods	182.72	3,948.83
Unpaid Dividends (Refer Note (i) below)	20.21	14.94
Interest accrued but not due	47.84	12.29
	250.77	3,976.06

Note:

(i) Amounts remitted to Investor Education and Protection Fund during the year	-	1.78
(ii) The Company had not transferred the underlying shares, relevant to the amounts transferred, to the Investor Education and Protection Fund during the year		

27. PROVISIONS - CURRENT

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for compensated absences	34.78	124.07
Provision for Warranty (Refer Note 1.20 and Note below)	25.70	46.72
Provision for Gratuity (Refer Note 41)	91.00	91.39
	151.48	262.18

Note:

The Company carries a provision for warranty, the details of which are as under:

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Opening Balance	46.72	35.24
Provision made/(Reversed) during the year	(21.02)	11.48
Amounts Utilised/Paid during the year	-	-
Closing Balance	25.70	46.72

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

28. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for Tax (Net of Income Tax paid/TDS of ₹ 3,072.77 Lakhs) (As at 31 March 2024 of ₹ 3,033.97 Lakhs)	109.32	148.12
	109.32	148.12

29. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Statutory liabilities	408.38	323.86
Advance from Customers	910.85	787.65
	1,319.23	1,111.51

30. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
a Sales of Products (Refer note below)	32,185.34	32,707.55
b Other operating revenues		
- Testing charges	23.71	21.23
Total	32,209.05	32,728.78

Note:

Revenue for sale of products is net of rebates/incentives/discounts for the year ended 31 March 2025 amounting to ₹ 194.70 Lakhs (previous year ₹ 99.76 Lakhs).

30.1 Disaggregation of the revenue Information

The table below presents disaggregated revenues from contracts with customers by geography, offerings and contract-type for each of our business segments.

As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue by Geography		
India	32,112.97	32,651.69
Outside India	96.08	77.09
Total revenue from contracts with customers	32,209.05	32,728.78
Revenue by offerings		
Manufactured goods		
Chemicals & Related Products/Services		
- Caustic Soda Lye	15,187.13	14,511.03

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

30.1 Disaggregation of the revenue Information (Contd.)

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
- Caustic Soda Flakes	1,812.15	2,992.36
- Chlorine	31.60	349.86
- Hydrogen	982.40	1,095.10
- Others	1,027.01	1,179.89
PVCO-Pipes		
- PVC-O Pipes	11,996.22	9,939.65
- Others	208.29	159.06
Traded Goods		
PVCO-Pipes		
- PVC-O Pipes	940.54	2,269.42
- Resin	-	202.93
- Others	-	8.25
Other Operating Income		
Chemicals & Related Products/Services		
- Testing Charges	23.71	21.23
Total revenue from contracts with customers	32,209.05	32,728.78
Timing of recognition		
Goods & Services transferred at a point in time	32,209.05	32,728.78
Total revenue from contracts with customers	32,209.05	32,728.78

30.2 Trade Receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer. Trade receivable are presented net of impairment in the Balance Sheet.

Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract.

30.3 Transaction price allocated to the remaining performance obligations

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Contract Balances		
Gross Trade Receivables	2,140.08	2,326.66
Advance received from customers	1,030.85	892.65

The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date.

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

30.4 Information about major customers

The Company is a manufacturer of caustic soda lye, flakes, liquid chlorine, hydrogen gas, pvco pipes and other products.

Revenues arising from direct sales above includes revenues of approximately ₹ 7,339.73 Lakhs which arose from sales to the Company's single and second large customer in Chemical segment and ₹ 1,471.98 Lakhs in PVCO segment. (Previous Year ₹ 4,073.56 Lakhs). No other single customers contributed 10% or more to the Company's revenue during the current year.

31 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
(a) Interest Income:		
- Interest on fixed deposits with banks	11.31	145.40
- Other Interest income	71.17	60.18
(b) Other Non Operating Income:		
- Other Financial Assets (at Fair Value through Profit & Loss) (Refer note (i) below)	7.94	237.21
- Profit on Sale of Property, Plant & Equipment (Net)	63.92	26.55
- Liabilities no longer required written back	163.69	155.12
- Miscellaneous Income	87.19	153.91
Provision for Expected credit Loss on Trade Receivables	71.35	-
Exchange variation (Net)	108.35	-
Total	584.92	778.37

Note:

The amount represents a net gain on investments in Mutual Funds (Refer Note 12) comprising of an net change in fair value of ₹ 3.27 Lakhs net of reversals on account of realised gain on redemptions (PY ₹ (46.36) Lakhs) and gain on redemption of investments of ₹ 4.67 Lakhs received during the year (PY ₹ 283.57 Lakhs).

32A COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening Stock	495.42	433.73
Add: Purchases	8,903.38	7,405.46
	9,398.80	7,839.19
Less: Sale of Raw Materials	394.83	39.07
Less: Closing Stock	511.90	495.42
Cost of Materials consumed	8,492.07	7,304.70

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

32A COST OF MATERIALS CONSUMED (Contd.)

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Materials Consumed Comprises of:		
Salt	2,718.85	2,932.21
PVC Resin	4,853.62	3,636.71
Others (Refer Note (i) below)	919.60	735.78
Total	8,492.07	7,304.70

Note:

Others include raw materials none of which individually accounts for more than 10% of the total consumption.

32B PURCHASE OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
- PVCO-Pipes	711.18	2,009.36
- PVC Resin	-	196.87
- Others	24.05	7.56
	735.23	2,213.79

33. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening Stock		
Finished goods	452.50	815.63
Work-in-Progress	184.23	87.31
	636.73	902.94
Closing Stock		
Finished goods	866.39	452.50
Work-in-Progress	444.99	184.23
	1,311.38	636.73
Net (Increase)/decrease	(674.65)	266.21

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

34. OTHER DIRECT MANUFACTURING EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Power and Fuel	11,229.11	10,782.90
Labour Charges	487.43	416.00
Total	11,716.54	11,198.90

35. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries and Wages	1,858.49	1,792.19
Contribution to Provident and other Funds (Refer Note 41)	286.10	243.54
Expense on employee stock based compensation (Refer Note 47)	11.16	37.51
Staff Welfare Expenses	133.96	122.50
Total	2,289.71	2,195.74

36. FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest on Borrowings	475.69	77.28
Interest on Lease Liability (Refer Note 3)	15.89	15.80
Total	491.58	93.08

37. OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Stores and Spare parts consumed	1,132.16	1,010.64
Rent	30.94	15.78
Repairs and Maintenance - Plant and Equipment	414.27	318.82
- Buildings	95.89	42.23
Insurance	197.17	214.11
Rates and Taxes	51.37	50.71
Travelling Expenses	277.55	218.84
Auditor's Remuneration (net of GST input credit)		
- Statutory Audit	19.50	19.50
- Limited Review	4.50	4.50

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

37. OTHER EXPENSES (Contd.)

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
- Others	3.00	-
- Out of Pocket Expenses	0.81	0.72
Commission to Directors (Refer Note 39)	230.00	465.00
Sitting Fees (Refer Note 39)	10.40	11.50
Expenditure on Corporate Social Responsibility (Refer Note 43)	122.39	92.05
Legal and Professional Fees	148.11	139.68
Freight (Net)	900.97	735.44
Advertisement	32.66	9.44
Exchange variation (Net)	-	(10.40)
Bad receivables/Other advances written off	76.79	0.72
Provision for Expected credit Loss on Trade Receivables	-	(22.42)
Bank Charges	52.91	43.53
Miscellaneous Expenses	520.09	426.65
Total	4,321.48	3,787.04

Note:

(i) Miscellaneous Expenses includes:

- Donations	10.00	-
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38.

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
a. Commitments		
(i) Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advances) in respect of purchase of:		
- Property Plant and Equipment	5,623.23	923.18
b. Contingent liabilities in respect of		
(i) Claims against the Company not Acknowledged as debt	83.16	110.60
(ii) Corporate Guarantee/Letters of Comfort (Refer note (i) below)	1,000.00	20,000.00
(iii) Sales tax, Excise, Service Tax, Customs Duty and other demands against which the Company has filed appeals and for which no provision is considered required as the Company is hopeful of successful outcome in the appeals. (Refer note (ii) below)	157.72	150.14

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

Note (i): Details of corporate guarantee/comfort letters issued on behalf of related parties are as follows: (₹ in Lakhs)

Particulars	Beneficiary	As at 31 March 2025	As at 31 March 2024
Chemfab Alkalies Karaikal Limited	State Bank of India	1,000.00	20,000.00

The purpose of the above corporate guarantee issued was towards securing financing facilities to the above mentioned related parties.

Note (ii):

Sl No.	Name of the Statute	Nature of Dues (Including Interest)	Disputed Amount (Net of Provision) ₹ In Lakhs	Period (F.Y)	Forum where dispute is pending
1	The Finance Act, 1994	Service Tax	7.80 (7.44)	June 2005 to January 2008	Commissioner (Appeals), Chennai
2	The Central Excise Act, 1944	Excise Duty	2.35 (2.22)	October 2011 to June 2012	Commissioner of Central Excise, Puducherry
3	The Customs Act, 1962	Customs Duty	95.67 (88.88)	F.Y. 2013-14	CESTAT
4	The Income Act, 1961	Income Tax	51.90 (44.15)	F.Y. 2002-03	The High Court of Madras
5	The Central Goods and Service Tax Act, 2017 The State Goods and Service Tax Act, 2017	GST	- (7.45)	July 2017 to March 2020	Commissioner Appeals

Notes:

(i) The amounts shown above represent best possible estimate carried on the basis of the available information. The uncertainties and possible reimbursement are dependent on the outcome of the various case proceedings which have been initiated by the Company or the claimants, as the case may be, and therefore cannot be predicted accurately.

(ii) Figures in bracket indicate previous year figures.

39. RELATED PARTY DISCLOSURES

a) List of Related parties and description of relationship

(i)	Individuals exercising Significant influence	Mr. Suresh Krishnamurthi Rao - Chairman
(ii)	Relatives of above	Mrs. K.M. Padma (Mother of Mr. Suresh Krishnamurthi Rao)
(iii)	Entities exercising significant influence over the Company	Dr Rao Holdings Pte Ltd

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

a) List of Related parties and description of relationship (Contd.)

(iv) Entities in which persons listed in (i) and (ii) above exercise significant influence "	Team Hiitec Eqpt Private Limited
(v) Wholly owned Subsidiary	Chemfab Alkalys Karaikal Limited
(vi) Key Management Personnel (KMP)	Mr. V.M. Srinivasan – Chief Executive Officer
	Mr. S Prasath – Chief Financial Officer
(vii) Directors	Mr. Nitin Cowlagi Seshgiri – Non Executive Director
	Mr. C.S.Ramesh – Non Executive Director
	Mrs. Drushti Desai – Non Executive Director
	Mr. Janakiraman A – Non Executive Director
	Mr. Mahendran R – Non Executive Director
	Mrs. Sujatha Jayarajan – Non Executive Director
	Mr. T.Ramabadran – Non Executive Director*
(viii) Other related party	Chemfab Alkalys Limited Employee's Group Gratuity Trust

Note 1: The list above includes only parties with transactions during the year.

*Note 2: Mr. T. Ramabadran retired with effect from closing business hours of 31 March 2024.

b) Transactions with related parties:

(₹ in Lakhs)

Nature of Transaction	Related Party	For the year ended 31 March 2025	For the year ended 31 March 2024
1. Transactions during the year			
a) Income			
Sale of Products	Team Hiitec Eqpt Private Limited	6.87	5.49
Debit note for compensation of purchase of goods	Team Hiitec Eqpt Private Limited	-	166.97
Sale of Goods and Services	Chemfab Alkalys Karaikal Limited	3.84	6.39
Sale of Property, Plant & Equipment	Chemfab Alkalys Karaikal Limited	3.93	4.11
Interest Income on Loan	Chemfab Alkalys Karaikal Limited	42.86	-
b) Expenditure			
Purchase of Goods and Services	Team Hiitec Eqpt Private Limited	25.54	3.86
Lease Rent	Team Hiitec Eqpt Private Limited	1.70	2.98
Purchase of Goods and Services	Chemfab Alkalys Karaikal Limited	120.33	-

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

b) Transactions with related parties: (Contd.)

(₹ in Lakhs)

Particulars	Related Party	For the year ended 31 March 2025	For the year ended 31 March 2024
Purchase of Property, Plant & Equipment	Chemfab Alkalies Karaikal Limited	152.28	-
Salaries, Perquisites and post employment benefits	Mr. V.M. Srinivasan	654.63	200.79
	Mr. S Prasath	197.51	53.57
c) Others			
Investment in Preference Share Capital	Chemfab Alkalies Karaikal Limited	4,400.00	6,300.00
Commission (paid out of the provision made during the previous year)	Mr. Suresh Krishnamurthi Rao	412.50	530.00
Commission (paid out of the provision made during the previous year) and Sitting Fees (accrued during the year)	Mr. C.S.Ramesh	9.60	11.62
	Mrs. Drushti Desai	9.30	12.00
	Mr. Janakiraman A	9.50	11.78
	Mr. Mahendran R	8.80	11.08
	Mrs. Sujatha Jayarajan	9.20	11.48
	Mr. T.Ramabadran	7.50	12.07
	Mr. Nitin Cowlagi Seshgiri	9.00	11.47
Contractually reimbursable expenses	Team Hiitec Eqpt Private Limited	13.14	9.78
	Chemfab Alkalies Karaikal Limited	0.77	20.18
Contribution to employees post employment benefit plans	Chemfab Alkalies Limited Employee's Group Gratuity Trust	2.81	26.00
Corporate Guarantee Given	Chemfab Alkalies Karaikal Limited	1,000.00	20,000.00
Dividend paid (Including TDS)	Mr. Suresh Krishnamurthi Rao	17.81	17.81
	Mrs. K.M. Padma	13.88	13.88
	Dr Rao Holdings Pte Ltd	84.51	84.51
	Team Hiitec Eqpt Private Limited	13.40	13.40
	Mr. V.M. Srinivasan	2.80	2.36
	Mr. Prasath S	0.33	0.20
	Mr. Nitin Cowlagi Seshgiri	0.70	0.70

Note:

- 1) Purchases, Sales and Services above are inclusive of taxes.
- 2) The above excludes Provision for Commission to Directors of ₹ 230 Lakhs (PY - ₹ 465 Lakhs) made during the year.
- 3) All the transactions are at arm's length.

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

b) Transactions with related parties: (Contd.)

(₹ in Lakhs)

Nature of Transaction	Related Party	As at 31 March 2025	As at 31 March 2024
2. Balances Outstanding at the end of the year			
Payables	Team Hiitec Eqpt Private Limited	-	-
Advances	Chemfab Alkalix Karaikal Limited	1,543.58	-
Receivable	Chemfab Alkalix Karaikal Limited	0.08	0.40
Investment in Subsidiary - Equity Share Capital	Chemfab Alkalix Karaikal Limited	532.00	532.00
Investment in Subsidiary (Including share application money pending allotment) - Preference Share Capital	Chemfab Alkalix Karaikal Limited	14,400.00	10,000.00
Other employment benefits payable	Mr. V.M. Srinivasan	55.02	44.24
	Mr. Prasath S	17.85	15.37
	Chemfab Alkalix Karaikal Limited	6.68	20.70
Contribution to employees post employment benefit plans	Chemfab Alkalix Limited Employee's Group Gratuity Trust	577.51	537.60

Benefits included in Compensation of key management personnel of the Company are as below:

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Mr. V.M. Srinivasan		
Salary and perquisite	168.20	178.15
Share-based payment transactions perquisite	478.39	15.09
Post employment benefits	8.04	7.55
Total	654.63	200.79
Mr. Prasath S		
Salary and perquisite	37.88	35.40
Share-based payment transactions perquisite	152.21	10.80
Post employment benefits	7.42	7.37
Total	197.51	53.57

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

40. EARNINGS PER SHARE

Net Profit for the year has been used as the numerator and number of shares has been used as denominator for calculating the basic and diluted earnings per share.

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Face Value Per Share - ₹	10.00	10.00
Net Profit/(Loss) attributable to the Equity shareholders (A) - ₹ In Lakhs	1,522.42	2,998.72
Weighted average Number of Shares (B)	1,42,88,591	1,42,09,147
Add: Effects of ESOP which are dilutive in nature	53,959	1,40,813
Weighted average Number of Shares for Diluted EPS (C)	1,43,42,550	1,43,49,960
Basic Earnings per Share (A/B) - ₹	10.65	21.10
Diluted Earnings per Share (A/C)- ₹	10.61	20.90

41. EMPLOYEE BENEFIT PLANS

I. Defined contribution plans

The Company makes Provident Fund, Superannuation Fund which are defined contribution plans, for qualifying employees. During the year, the Company has recognised the following amounts under Defined Contribution Plan in the Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Employer's Contribution to Provident Fund/Pension Scheme	124.20	127.14
Employer's Contribution to Superannuation Fund	17.95	20.84
Employer's Contribution to Employee Deposit Linked Insurance scheme	17.98	1.69
	160.13	149.67

II. Defined benefit plans

The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India and Aditya Birla Sun Life Insurance Company Limited. Gratuity has been accrued based on actuarial valuation as at the balance sheet date, carried out by an independent actuary.

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

(a) Amount recognised in the statement of profit & loss in respect of the defined benefit plan are as follows:

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Recognised in Statement of Profit and Loss		
Current service cost	112.29	81.56
Net interest expense	13.68	12.31
Components of defined benefit costs recognised in the Statement of Profit and Loss	125.97	93.87
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	0.48	(0.67)
Actuarial gains and loss arising from changes in financial assumptions	(58.57)	(22.18)
Components of defined benefit costs recognised in Other Comprehensive Income	(58.09)	(22.85)
Total defined benefit cost recognised in Statement of Profit and Loss and Other Comprehensive Income	67.88	71.02

- (i) The current service cost and interest expense for the year are included in the "Employee Benefit Expenses" in the statement of profit & loss under the line item "Contribution to Provident and Other Funds."
- (ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Net asset/(liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation	(794.41)	(739.24)
2. Fair value of plan assets	577.51	537.60
Net asset/(liability) recognised in the Balance Sheet	(216.90)	(201.64)
Current portion of the liability included under Note 27	91.00	91.39
Non-Current portion of the liability included under Note 22	125.90	110.25
	216.90	201.64

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

(c) Movement in the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Present value of defined benefit obligation at the beginning of the year	739.24	663.98
Expenses Recognised in Statement of Profit and Loss:		
- Current service cost	112.29	81.56
- Interest cost	51.25	47.25
Recognised in Other Comprehensive Income:		
Remeasurement gains/(losses):		
- Actuarial gains and loss arising from changes in financial assumptions	(58.57)	(22.18)
Benefits paid	(49.80)	(31.37)
Present value of defined benefit obligation at the end of the year	794.41	739.24

(d) Movement in fair value of plan assets are as follows:

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Change in fair value of assets during the year		
Fair value of plan assets at the beginning of the year	537.60	474.25
Expenses Recognised in Statement of Profit and Loss:		
Expected return on plan assets	37.58	34.95
Recognised in Other Comprehensive Income:		
Return on plan assets (excluding amount included in net interest expense)	(0.48)	0.67
Contributions by employer	52.61	59.10
Benefits paid	(49.80)	(31.37)
Fair value of plan assets at the end of the year	577.51	537.60

(e) The fair value of plan assets plan at the end of the reporting period are as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Investment Funds with Insurance Company		
- Aditya Birla Sun Life Insurance Company Limited	15.68%	15.72%
- Life Insurance Corporation of India	84.32%	84.28%

The plan assets comprise insurer managed funds. None of the assets carry a quoted market price in active market or represent the entity's own transferable financial instruments or property occupied by the entity.

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

(f) The principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Discount rate	6.45%	6.97%
Expected return on plan assets	6.99%	7.37%
Salary escalation	10.00%	10.00%
Attrition	10.33%	7.50%
Mortality tables	India Assured Life (2012-14)	India Assured Life (2012-14)

Significant actuarial assumptions for the determination of defined obligation are discount rate, expected salary increase rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant:

(₹ in Lakhs)

Impact on the Defined benefit Obligation	Increase	Increase
	As at 31 March 2025	As at 31 March 2024
Change in the discount rate by 50 basis point	17.58	18.20
Change in Attrition rate by 50 basis point	2.50	2.41
Change in Expected rate of salary increase by 50 basis point	(18.64)	(19.26)

(₹ in Lakhs)

Impact on the Defined benefit Obligation	Decrease	Decrease
	As at 31 March 2025	As at 31 March 2024
Change in the discount rate by 50 basis point	(18.43)	(19.20)
Change in Attrition rate by 50 basis point	(2.62)	(2.52)
Change in Expected rate of salary by 50 basis point	17.96	18.45

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years.

(g) Effect of plan on Entity's future cash flows

(i) Funding arrangements and funding policy

The Company has a gratuity fund to provide for payment of gratuity to the employees. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Company. The deficit in the assets is funded by the Company.

(ii) The Company expects to make a contribution of ₹ Nil during the next financial year

(iii) The weighted average duration of the benefit obligation as at 31 March 2025 is 5.1 years (5.6 years as at 31 March 2024)

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

(iv) Maturity profile of defined benefit obligation:

Expected cash flows (valued on undiscounted basis):	Amount ₹ In Lakhs
within 1 year	91.00
2 to 5 years	532.96
6 to 10 years	270.40

(h) Experience adjustments

(₹ in Lakhs)

Gratuity	Year ended 31 March 2025	Year ended 31 March 2024
Present value of DBO	794.41	739.24
Fair value of plan assets	577.51	537.60
Experience gain/(loss) adjustments on plan liabilities	58.57	22.18
Experience gain/(loss) adjustments on plan assets	(0.48)	0.67

Details relating to the experience adjustments are provided to the extent information is available.

Compensated Absences

The key assumptions used in the computation of provision for long term compensated absences as per the Actuarial Valuation are as given below:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Discount rate	6.45%	6.97%
Salary Growth rate	10.00%	10.00%
Attrition rate	10.33%	7.50%

42. DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
a) Dues remaining unpaid		
- Principal		
Under Trade Payables	79.15	41.39
Under Capital Creditors	8.63	-
- Interest	-	-
b) (i) Amounts paid to suppliers beyond the appointed day	-	-
(ii) Interest paid in terms of Sec.16 of the Act	-	-
c) Interest due and payable for the period of delay in payments made beyond the appointed day during the year	-	-
d) Interest accrued and remaining unpaid	-	-
e) Interest due and payable even in the succeeding years until actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

43. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:

(i)

(₹ in Lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(a) Amount required to be spent by the Company during the year	115.75	92.05
(b) Amount of expenditure incurred	119.20	72.64
(c) (Excess)/Shortfall at the end of the year	(3.45)	19.41
(d) Total of previous years shortfall/(Excess)	(3.19)	(22.60)
(e) Reason for shortfall	NA	NA

(ii) Amount spent by the Company during the year on:

(₹ in Lakhs)

Particulars for the year ended 31 March 2025	Mode of Payment	Amount Paid	Yet to be paid	Total
i) Construction/Acquisition of any asset	Cheque/Electronic Fund Transfer	-	-	-
	Cash	-	-	-
ii) On purposes other than (i) above	Cheque/Electronic Fund Transfer/Transfer of goods	117.61	1.59	119.20
	Cash	-	-	-
Total		117.61	1.59	119.20

(₹ in Lakhs)

Particulars for the year ended 31 March 2024	Mode of Payment	Amount Paid	Yet to be paid	Total
i) Construction/Acquisition of any asset	Cheque/Electronic Fund Transfer	-	-	-
	Cash	-	-	-
ii) On purposes other than (i) above	Cheque/Electronic Fund Transfer/Transfer of goods	72.42	0.22	72.64
	Cash	-	-	-
Total		72.42	0.22	72.64

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

(iii) Nature of CSR activities

(₹ in Lakhs)

CSR Activities Classification for the year ended 31 March 2025	Sector in which the activity is covered in Schedule VII	Amount accrued as expense in current year	Amount Paid	Amount remaining unpaid
Ensuring Environment Sustainability	Schedule VII (iv)	8.10	8.04	0.06
Safe Drinking Water	Schedule VII (i)	8.84	8.24	0.60
Education and Training	Schedule VII (ii)	43.76	43.76	-
Eradicating Hunger, Poverty and Malnutrition	Schedule VII (i)	8.99	8.99	-
HealthCare	Schedule VII (i)	28.51	27.58	0.93
Training to Promote Sports	Schedule VII (vii)	21.00	21.00	-
Total		119.20	117.61	1.59

(₹ in Lakhs)

CSR Activities Classification for the year ended 31 March 2024	Sector in which the activity is covered in Schedule VII	Amount accrued as expense in current year	Amount Paid	Amount remaining unpaid
Rural Development Projects	Schedule VII (x)	25.98	25.98	-
HealthCare	Schedule VII (i)	5.17	5.17	-
Ensuring Environment Sustainability	Schedule VII (iv)	2.62	2.40	0.22
Safe Drinking Water	Schedule VII (i)	5.53	5.53	-
Education and Training	Schedule VII (ii)	22.00	22.00	-
Eradicating Hunger, Poverty and Malnutrition	Schedule VII (i)	11.34	11.34	-
Total		72.64	72.42	0.22

44. FINANCIAL INSTRUMENTS

(I) Capital Management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure. For the purpose of the Company's capital management, capital includes equity share Capital and Other Equity and Debt includes Borrowings and Current Maturities of Long term Debt net of Cash and bank balances and short term investments. The Company monitors capital on the basis of the following gearing ratio. There is no change in the overall capital risk management strategy of the Company compared to last year.

Gearing Ratio:

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Borrowings	8,253.50	1,820.00
Short Term Investments	(1,478.56)	(449.95)
Cash and Bank Balances	(462.31)	(2,377.93)
Net Debt (A)	6,312.63	(1,007.88)
Total Equity (B)	40,777.77	39,288.99
Net Debt to equity ratio (A/B)	0.15	(0.03)

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

(II) Categories of Financial Instruments

(a) Financial Assets

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Measured at fair value through Other Comprehensive Income (FVTOCI)		
- Other Investments	9.54	12.28
Measured at fair value through P&L (FVTPL)		
- Investments	1,478.56	449.95
Measured at amortised cost		
- Investments in Subsidiaries	14,932.00	10,532.00
- Trade receivables	2,007.12	2,122.03
- Cash and Cash Equivalents	442.10	214.64
- Bank Balances other than above	20.21	2,163.29
- Other Financial Assets	240.56	472.95
Total	19,130.09	15,967.14

(b) Financial Liabilities:

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Measured at amortised cost		
- Borrowings	8,253.50	1,820.00
- Trade Payables	3,115.38	2,700.99
- Lease Liabilities	177.26	180.56
- Other financial liabilities	305.74	4,046.35
Total	11,851.88	8,747.90

(III) Financial Risk Management Framework

The Company manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

(IV) Foreign Currency Risk Management:

The Company undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arises. The Company has not entered into any derivate contracts during the year ended 31 March 2024 and there are no outstanding contracts as at 31 March 2025.

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows:

Particulars	Currency	As at 31 March 2025		As at 31 March 2024	
		Amount in Foreign Currency	Amount - Rs. In lakhs	Amount in Foreign Currency	Amount - Rs. In lakhs
Capital Creditors	EUR	1,77,417.04	161.20	1,93,070.30	174.18
Capital Creditors	USD	1,57,248.00	136.65	-	-
Trade Payables	USD	6,87,377.63	595.98	1,22,870.00	102.44
Trade Payables	EURO	80,628.00	76.20	1,397.00	1.26
Trade Payables	GBP	-	-	1,346.52	1.42
Trade Receivables	USD	22,464.02	19.22	20,771.84	17.32

All of the above exposures have not been hedged.

(V) Foreign Currency sensitivity analysis:

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates a increase in profit/ decrease in loss and increase in equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or loss and equity and balance below would be negative.

Impact on Profit and loss for the reporting period

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025		For the year ended 31 March 2024	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(0.41)	0.41	(0.05)	0.05
EURO	(0.13)	0.13	0.10	0.10
GBP	-	-	(0.00)	0.00

Impact on total equity as at the end of the reporting period

(₹ in Lakhs)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(0.41)	0.41	(0.05)	0.05
EURO	(0.13)	0.13	(0.10)	0.10
GBP	-	-	(0.00)	0.00

Note:

This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Company at the end of the reporting period.

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

(VI) Forward foreign exchange contracts:

There are no forward foreign exchange contracts outstanding as at 31 March 2025.

(VII) Liquidity Risk Management:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Company.

Liquidity and Interest Risk Tables:

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ in Lakhs)

Particulars	Upto 1 Year	1-3 Years	3-5 Years	5 years and above	Total
March 31, 2025					
Interest bearing	1,958.01	3,384.10	2,891.68	244.81	8,478.60
Non-interest bearing	3,253.08	48.98	13.31	57.91	3,373.28
Total	5,211.09	3,433.08	2,904.99	302.72	11,851.88
March 31, 2024					
Interest bearing	263.68	630.63	610.51	508.03	2,012.85
Non-interest bearing	6,633.32	37.09	3.39	61.25	6,735.05
Total	6,897.00	667.72	613.90	569.28	8,747.90

Interest Rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for term loan at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A change (decrease/increase) of 100 basis points in interest rates for term loan at the reporting date would increase/(decrease) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Impact on Profit and Loss for the reporting period

(₹ in Lakhs)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Increase by	Decrease by	Increase by	Decrease by
	100 bps	100 bps	100 bps	100 bps
Impact on Profit and Loss for the reporting period	0.00	0.00	0.00	0.00

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

Impact on Total Equity as at end of the reporting period

(₹ in Lakhs)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Increase by	Decrease by	Increase by	Decrease by
	100 bps	100 bps	100 bps	100 bps
Impact on Total Equity as at end of the reporting period	0.00	0.00	0.00	0.00

The following tables detail the Company's remaining contractual maturity for its non-derivative financial assets with agreed repayment periods. The Company does not hold any derivative financial instrument.

(₹ in Lakhs)

Particulars	Upto 1 Year	1-3 Years	3-5 Years	5 years and above	Total
March 31, 2025					
Interest bearing	1,502.28	28.69	22.32	133.88	1,687.17
Non-interest bearing	2,501.38	-	-	14,941.54	17,442.92
Total	4,003.66	28.69	22.32	15,075.42	19,130.09
March 31, 2024					
Interest bearing	2,730.76	8.25	224.06	91.51	3,054.58
Non-interest bearing	2,348.10	16.65	1.22	10,546.60	12,912.56
Total	5,078.86	24.90	225.28	10,638.11	15,967.14

Non-interest rate bearing financial assets disclosed above includes Trade Receivable, Cash, Balances with banks held in current accounts and Other Financial Assets.

Fixed interest rate instruments disclosed above represents balances with banks held in deposit accounts and discounted financial assets.

(VIII) Credit Risk:

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The carrying amount of the financial assets recorded in these financial statements, grossed up for any allowance for losses, represents the maximum exposures to credit risk.

(IX) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Management considers that the carrying amount of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

(X) Offsetting of financial assets and financial liabilities

The Company has not offset financial assets and financial liabilities.

45. FAIR VALUE HIERARCHY

This note provides information about how the Company determines fair value of various financial assets and liabilities.

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

(I) Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

(₹ in Lakhs)

Particulars	Fair Value as at		Fair Value Hierarchy	Valuation techniques and key inputs
	31 March 2025	31 March 2024		
Financial Assets				
- Investment in quoted Equity Instruments at FVTOCI	9.54	12.28	Level 1	Quoted bid prices in an active market
- Other Investments at FVTPL	1,478.56	449.95	Level 1	Based on fund statement
Total	1,488.10	462.23		

(II) Fair value of financial assets and financial liabilities that are not measured at fair value (Non-recurring):

(₹ in Lakhs)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortised cost:				
- Investments in Subsidiaries	14,932.00	14,932.00	10,532.00	10,532.00
- Trade receivables	2,007.12	2,007.12	2,122.03	2,122.03
- Cash and Cash Equivalents	442.10	442.10	214.64	214.64
- Bank Balances other than above	20.21	20.21	2,163.29	2,163.29
- Other financial assets	240.56	240.56	472.95	472.95
Total	17,641.99	17,641.99	15,504.91	15,504.91
Financial liabilities held at amortised cost:				
- Borrowings	8,253.50	8,253.50	1,820.00	1,820.00
- Trade Payables	3,115.38	3,115.38	2,700.99	2,700.99
- Lease Liabilities	177.26	177.26	180.56	180.56
- Other financial liabilities	305.74	305.74	4,046.35	4,046.35
Total	11,851.88	11,851.88	8,747.90	8,747.90

Fair value hierarchy as at 31 March 2025

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
- Investments in Subsidiaries	-	-	14,932.00	14,932.00
- Cash and Cash Equivalents	442.10	-	-	442.10
- Bank Balances other than above	20.21	-	-	20.21
- Trade receivables	-	-	2,007.12	2,007.12
- Other financial assets	22.32	-	218.24	240.56
	484.63	-	17,157.36	17,641.99

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

Fair value hierarchy as at 31 March 2025 (Contd.)

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial liabilities held at amortised cost:				
- Borrowings	-	-	8,253.50	8,253.50
- Trade Payables	-	-	3,115.38	3,115.38
- Lease Liabilities	-	-	177.26	177.26
- Other financial liabilities	-	-	305.74	305.74
	-	-	11,851.88	11,851.88

Fair value hierarchy as at 31 March 2024

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
- Investments in Subsidiaries	-	-	10,532.00	10,532.00
- Cash and Cash Equivalents	214.64	-	-	214.64
- Bank Balances other than above	2,163.29	-	-	2,163.29
- Trade receivables	-	-	2,122.03	2,122.03
- Other financial assets	44.85	-	428.10	472.95
	2,422.78	-	13,082.13	15,504.91
Financial liabilities held at amortised cost:				
- Borrowings	-	-	1,820.00	1,820.00
- Trade Payables	-	-	2,700.99	2,700.99
- Lease Liabilities	-	-	180.56	180.56
- Other financial liabilities	-	-	4,046.35	4,046.35
	-	-	8,747.90	8,747.90

46. SEGMENT INFORMATION

Description of segments and principal activities

The Company identifies its operating segment based on the nature and class of product and services, nature of production process and assessment of differential risks and returns and financial reporting results reviewed by the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of performance. Operating segments have been identified on the basis of the nature of products/services and have been identified as per the quantitative criteria specified in the Ind AS. For financial statements presentation purposes,

individual operating segments have been aggregated into a single operating segment after taking into consideration the similar nature of the products, production processes and other risk factors.

Specifically, the Company's reportable segments under Ind AS are as follows:

- 1) Chemicals and related Products/Services
- 2) PVC-O Pipes

Geographical segments

The geographical segments considered for disclosure are based on markets, broadly as India and Others.

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

Segment accounting policies

In addition to the significant accounting policies applicable to the business segment as set out in note 1.16, the accounting policies in relation to segment accounting are as under:

Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment. Inter segment sales are eliminated in consolidation.

Other income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting.

The total assets disclosed for each segment include all operating assets used by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude, deferred tax assets and income tax etc.

Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities etc.

I. Segment revenues and results

(₹ in Lakhs)

Particulars	Business segments		Total
	Chemicals and related Products/Services	PVC-O Pipes	
Revenue			
- Current Year	19,064.00	13,145.05	32,209.05
- Previous Year	20,149.47	12,612.00	32,761.47
Less: Inter-segment revenue			
- Current Year	-	-	-
- Previous Year	-	32.69	32.69
Total			
- Current Year	19,064.00	13,145.05	32,209.05
- Previous Year	20,149.47	12,579.31	32,728.78
Segment result before exceptional item			
- Current Year	(959.13)	3,049.01	2,089.88
- Previous Year	509.65	3,067.74	3,577.39
Less: Exceptional Item			
- Current Year	-	-	-
- Previous Year	-	-	-
Segment result after exceptional item			
- Current Year	(959.13)	3,049.01	2,089.88
- Previous Year	509.65	3,067.74	3,577.39
Finance Cost			
- Current Year	-	-	491.58
- Previous Year	-	-	93.08

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

I. Segment revenues and results (Contd.)

(₹ in Lakhs)

Particulars	Business segments		Total
	Chemicals and related Products/Services	PVC-O Pipes	
Operating income			
- Current Year	-	-	1,598.30
- Previous Year	-	-	3,484.31
Other income			
- Current Year	-	-	584.92
- Previous Year	-	-	778.37
Profit before taxes			
- Current Year	-	-	2,183.22
- Previous Year	-	-	4,262.68
Other information			
Material items of expenses			
Cost of Materials Consumed			
- Current Year	3,040.91	5,451.16	8,492.07
- Previous Year	3,147.91	4,156.79	7,304.70
Other Direct Manufacturing Expenses			
- Current Year	11,003.55	712.99	11,716.54
- Previous Year	10,790.97	407.93	11,198.90
Tax expense			
- Current Year	-	-	660.80
- Previous Year	-	-	1,263.96
Profit for the year			
- Current Year	-	-	1,522.42
- Previous Year	-	-	2,998.72

II. Segment Assets and Liabilities

(₹ in Lakhs)

Particulars	Business segments		Total
	Chemicals and related Products/Services	PVC-O Pipes	
Segment assets			
- Current Year	19,275.78	15,858.21	35,133.99
- Previous Year	20,512.04	15,402.95	35,914.99
Unallocable assets			
- Current Year			19,463.71
- Previous Year			13,905.99

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

II. Segment Assets and Liabilities (Contd.)

(₹ in Lakhs)

Particulars	Business segments		Total
	Chemicals and related Products/Services	PVC-O Pipes	
Total assets			
- Current Year			54,597.70
- Previous Year			49,820.98
Segment liabilities			
- Current Year	3,207.72	2,181.34	5,389.06
- Previous Year	3,262.60	5,274.04	8,536.64
Unallocable liabilities			
- Current Year			8,430.87
- Previous Year			1,995.35
Total liabilities			
- Current Year			13,819.93
- Previous Year			10,531.99
Other information			
Capital expenditure			
- Current Year	4,918.17	5,681.72	10,599.88
- Previous Year	1,319.84	3,712.83	5,032.67
Depreciation and amortisation			
- Current Year	1,554.47	1,684.32	3,238.79
- Previous Year	1,555.27	629.74	2,185.01

Information on geographic segments:

(₹ in Lakhs)

Geographical Segment	Revenues for the year ended 31 March 2025	Non - Current Assets as at 31 March 2025 (Refer Note 2 below)
India		
- Current Year	32,112.97	44,641.22
- Previous Year	32,651.69	38,479.55
Others		
- Current Year	96.08	-
- Previous Year	77.09	-

Note:

- 1) Also Refer Note 1.16
- 2) Non current assets excludes deferred tax assets and income tax assets.

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

47. EMPLOYEE STOCK OPTION SCHEME

a) The details of the Employee stock option schemes approved by the shareholders are as below:

Option Plan	Number	Grant Date	Exercise price in ₹	Fair value on the date of grant in ₹
"CAESOS 2020" [Chemfab Alkalys Employees Stock Option Scheme 2020]	3,22,000	29-Oct-20	97.83	139.75
"CAESOS 2020" [Chemfab Alkalys Employees Stock Option Scheme 2020]	24,400	23-May-22	134.79	192.55
"CAESOS 2020" [Chemfab Alkalys Employees Stock Option Scheme 2020]	6,000	12-Aug-23	227.12	324.45

The options may be exercised within a period of 12 months from the date of vesting and the vesting plan of the stock option schemes are as below:

CAESOS 2020

25% of the Options - One year from the date of grant.

25% of the Options - Two years from the date of grant.

25% of the Options - Three years from the date of grant.

25% of the Options - Four years from the date of grant.

b) Employee stock options details as on the balance sheet date are as follows:

Particulars	For the year ended 31 March 2025		For the year ended 31 March 2024	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
"CAESOS 2020" [Chemfab Alkalys Employees Stock Option Scheme 2020]				
Option outstanding at the beginning of the year:	1,33,300	108.72	2,23,400	101.87
Add: Granted during the year:	-	-	6,000	227.12
Less: Exercised during the year: *				
	(89,000)	97.93	(70,000)	97.83
	(6,100)	134.79	(6,100)	134.79
Less: Lapsed during the year:	(6,000)	227.12	(20,000)	97.83
Options outstanding at the end of the year:	32,200	111.56	1,33,300	108.72
The exercise price has been determined on the basis of the weighted average share price of Chemfab Alkalys Limited as at the grant date.		111.56		108.72

Weighted average remaining contractual life for options outstanding as at 31 March 2025- 0 Years (As at 31 March 2024 - 1 Years).

* Out of the above, shares relating to Nil options are pending allotment as at 31 March 2025 (PY 42,000).

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

c) The assumptions used in this model for calculating fair value on date of grant are as below:
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020] (Using Black-Scholes model)

Assumptions	25% options	25% options	25% options	25% options
Risk Free Interest Rate	7.50%	7.50%	7.50%	7.50%
Expected Life	1	2	3	4
Expected Annual Volatility of Shares	64.78%	55.79%	57.14%	55.92%
Expected Dividend Yield	12.50%	12.50%	12.50%	12.50%

d) Stock Options exercised during the year

Option Plan	Number Exercised	Exercise date	Exercise price in ₹
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	600	06-Apr-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	2,500	07-Apr-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	400	09-Apr-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	3,000	10-Apr-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	600	15-Apr-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	400	20-Apr-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	200	05-May-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	300	08-May-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	14-Jun-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	18-Jun-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	19-Jun-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	20-Jun-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	22-Jun-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	24-Jun-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	2,000	26-Jun-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	27-Jun-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	28-Jun-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	500	21-Aug-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	08-Sep-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	6,100	24-Sep-24	134.79
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	3,000	27-Sep-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	2,000	07-Oct-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	9,000	21-Oct-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	5,000	29-Oct-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	2,500	31-Oct-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	5,000	05-Nov-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	13,000	06-Nov-24	97.83

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

d) Stock Options exercised during the year (Contd.)

Option Plan	Number Exercised	Exercise date	Exercise price in ₹
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	5,000	11-Nov-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	6,000	14-Nov-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	6,000	22-Nov-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	8,000	23-Nov-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	3,000	24-Nov-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	26-Nov-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	13-Jan-25	97.83

e) Total expense accounted for by the Company on account of the above are given below:

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
ESOP cost accounted by the Company (Refer Note 35)	11.16	37.51
Total	11.16	37.51

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

48.

RATIOS		Numerator	Denominator	2024-25	2023-24	Variance%	Reason for Variance
(a)	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.08	1.03	5%	No major variance.
(b)	Debt- equity Ratio (in times)	Debts consists of borrowings and lease liabilities	Total Equity	0.21	0.05	306%	There is an increase in debt equity ratio on account of increase in borrowings in the current year.
(c)	Debt Service Coverage Ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	5.57	39.53	-86%	There is an improvement in the ratio due to reduction in repayment of loan during the year.
(d)	Return on Equity Ratio (in%)	Profit for the year less Preference dividend (if any)	Average total equity	0.04	7.93%	-52%	There is decrease in ratio due to decrease in profitability mainly due to decrease in realisation of products.
(e)	Inventory turnover ratio (in times)	Revenue from Operations	Average Inventory	16.72	20.22	-17%	No major variance.
(f)	Trade Receivables turnover ratio (in times)	Revenue from Operations	Average Trade Receivables	15.60	15.24	2%	No major variance.
(g)	Trade payables turnover ratio (in times)	Total Expenses - Finance Cost - Depreciation and Amortisation Expenses	Average Trade Payables	9.24	9.87	-6%	No major variance.
(h)	Net capital turnover ratio (in times)	Revenue from Operations	Average working capital (i.e. Total current assetsless Total current liabilities)	61.64	131.42	-53%	There is a decrease in the ratio mainly due to increase in current investments under the head current assets.
(i)	Net profit ratio (in%)	Profit for the Year	Revenue from Operations	4.73%	9.16%	-48%	There is decrease in ratio due to decrease in profitability mainly due to decrease in realisation of products.
(j)	Return on Capital employed (in%)	Profit before tax and finance costs	Capital employed = Tangible Net Worth + Total Debt + Deferred Tax Liability- Deferred Tax Asset	5.70%	11.26%	-49%	There is decrease in ratio due to decrease in profitability mainly due to decrease in realisation of products.
(k)	Return on investment (in%)	Income generated from Other investments under Current Financial Assets	Average of Other investments under Current Financial Assets	0.82%	6.55%	-87%	Decreased due to lower average amount invested in Current Investments during the period.

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

49. RELATIONSHIP WITH STRUCK OFF COMPANIES

Name of the Struck off Company	Nature of transactions with struck off Company	Balance outstanding (Amount ₹ In Lakhs)	Relationship with the struck off Company, if any, to be disclosed
Year ended 31 March 2025			
Nathanz Chemicals Pvt Ltd.	Receivables	0.27	NA
Advance Valves Private Limited (Refer Note below)	Payables	0.00	NA
Pyrotech Electronics (P) Limited (Refer Note below)	Payables	0.00	NA
Year ended 31 March 2024			
Nathanz Chemicals Pvt Ltd.	Receivables	0.27	NA
Ram-Nath & Co. Pvt. Ltd.	Payables	0.00	NA
Shivalik Agro Poly Products Ltd	Payables	0.00	NA

Note: The Company had transactions with the parties during the year, however closing balance as at 31 March 2025 was Nil.

50. The Board of Directors have recommended a final dividend of 12.50% (₹ 1.25 per Equity Share of ₹ 10 each) for the financial year 2024-25 which is subject to the approval of the shareholders in the forthcoming Annual General Meeting of the Company.

51. ADDITIONAL REGULATORY INFORMATION

- (i) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (ii) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (iii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (iv) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (v) The quarterly returns or statements comprising (stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.
- (vi) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (viii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies),

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (i) 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
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ix) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (x) The Company does not have any Scheme of Arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Act.
- (xi) The Company has complied with the the number of layers prescribed under of Section 2(87) of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (xii) The Company has utilised the borrowing amount taken from financial institutions for the purpose as stated in the sanction letter.
- (xiii) As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Company uses only such accounting softwares for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made and who made those changes within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year.

However, in respect of an payroll software and in respect of an accounting software used for maintaining the financial records, in the absence of service organization control reports from the

respective vendors, the Company is unable to assess whether the audit trail features were enabled and operated throughout the relevant periods for all relevant transactions recorded in the payroll software (for the full year) and the accounting software (for the audit period January 01, 2025, to March 31, 2025).

The Company has established and maintained an adequate internal control framework over its financial reporting and based on its assessment, has concluded that the internal controls for the year ended March 31, 2025 were effective.

The Companies (Accounts) Fourth Amendment Rules, 2022 dated 06 August 2022, mandates that the backup of the books of account and other books and papers of the Company maintained in electronic mode including at a place located in India on a daily basis. The Company is maintaining daily backups for all the accounting software in a server which is physically located within India. However, in respect of an accounting software used for maintaining the financial records, the management is unable to assess on the backup of books of accounts due to non-availability of the Service Organisation Control (SOC) report covering the period from January 01, 2025, till March 31, 2025.

52. The Code on Wages, 2019 and Code of Social Security, 2020 ("the Codes") relating to employee compensation and post employment benefits that received Presidential assent and the related rules thereof for quantifying the financial impact have not been notified. The Company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes become effective.

53. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE:

- (i) The Board of Directors of the Company in their meeting held on 14 May 2025 have approved the sale of 667.49 acres of land at Salt Division 2 Chemical division which is expected to be consummated during FY 2025-2026.
- (ii) The Company Secretary has been relieved from the duties and responsibilities of the Company Secretary and Compliance Officer with effect from the close of office hours on 18 April 2025, consequent upon resignation.

54. The Board of Directors of the Company has

Notes forming part of the Standalone Financial Statements

For the year ended 31 March 2025

reviewed the realisable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these standalone financial statements in its meeting held on 14 May 2025.

For and on behalf of the Board of Directors

Suresh Krishnamurthi Rao

Chairman
DIN: 00127809
Place: Chennai

V M Srinivasan

Chief Executive Officer
Place: Chennai

S Prasath

Chief Financial Officer

Place: Chennai

Date: 14 May 2025

Independent Auditor's Report

To The Members of CHEMFAB ALKALIS Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of **Chemfab Alkalys Limited** (the "Parent") and its subsidiary, (the Parent 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 Loss), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of 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 consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2025, and their consolidated

loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under Section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
	Impairment assessment of Identified Cash Generating Unit (CGU) relating to Property, Plant and Equipment (PP&E) The Parent Company has performed an assessment of its CGU and have identified each of its group of salt fields as separate CGUs. As at 31 March 2025, there were impairment indicators for one of the CGU which had a carrying value of ₹ 2,173.15 Lakhs, considering the unfavourable weather conditions and other operational impediments leading to a poor performance of the said CGU. Management has determined the recoverable amount based on market approach by using an external valuer. We considered this to be a key audit matter due to the significance of the carrying value of the said CGU and the judgments adopted in assessing the recoverable amount. Refer note 1.26 for accounting policies.	We performed the following principal audit procedures in relation to management's assessment of impairment of identified CGU: a. Evaluated the design and implementation and tested the operating effectiveness of the internal controls relating to management's identification of CGU, assessment of impairment indicators and determination of the recoverable amount. b. Obtained an understanding of the work of the management's expert and evaluated competence, capability and objectivity. c. Involved internal valuation experts to assist in evaluating the appropriateness of the method used for valuation of the identified CGU and for validating the assumptions used for determining the recoverable value. d. Evaluated disclosures made in the standalone financial statements and the related compliance with the requirements of the applicable accounting standards.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Parent's Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including the annexures to the Board Report and Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Board's report including the annexures to the Board Report and Corporate Governance is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and will 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 identified above when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Management Discussion and Analysis, Board's report including the annexures to the Board Report and Corporate Governance, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive loss, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act. The respective 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 the Group and for preventing and detecting frauds and other irregularities; selection and application of

appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Directors of the Parent 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 the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities 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 also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITY 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 financial controls 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 Parent Company has adequate internal financial controls with reference to consolidated 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities 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 entities or business activities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities 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 financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group, including relevant records so far as it appears from our examination of those books, except for not keeping backup on a daily basis of such books of account maintained in electronic mode in a server physically located in India by the Parent and subsidiary as referred in note 50 (xiii) to the consolidated financial statements not complying with the requirements of audit trail as stated in, (i)(vi) below.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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 Parent Company as on 31 March 2025 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of subsidiary Company, incorporated in India, none of the directors of the Group companies, 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, is as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent Company and subsidiary Company, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary Company, incorporated in India, the remuneration paid by the Parent and such subsidiary Company, to their respective directors during the year is in accordance with the provisions of Section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – (Refer note 38 to the consolidated financial statements).
- ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii) There has been a delay in transfer of amounts required to be transferred to the Investor Education and Protection Fund by the Parent Company, of ₹ 2.99 Lakh, which has not yet been transferred to the said Fund and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Subsidiary Company.
- iv) (a) The respective Managements of the Parent Company and its subsidiary, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, other than as disclosed in the note 50 (viii) 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 Parent Company or any of such subsidiary, to or in any other person or entity, 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 Parent Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Parent Company and its subsidiary, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, other than as disclosed in the note 50 (ix) to the consolidated financial statements, no funds have been received by the Parent Company or any of such subsidiary, from any person(s) or entity(ies), including foreign entities ("Funding Parties"),

with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiary, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The final dividend proposed in the previous year, declared and paid by the Parent Company during the year is in accordance with Section 123 of the Act, as applicable.

As stated in note 49 to the consolidated financial statements, the Board of Directors of the Parent Company have proposed final dividend for the year which is subject to the approval of the members of the Parent Company at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with Section 123 of the Act, as applicable.

- vi) Based on our examination, which included test checks, the Parent Company and its subsidiary incorporated in India has used accounting software for maintaining its books of account for the year ended 31 March 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that:
 - In respect of a software operated by a third-party software service

provider, for maintaining payroll records of the Parent Company and its subsidiary incorporated in India, in the absence of an independent auditor's System and Organization Controls report covering the audit trail requirement for the period from 1 April 2024 till 31 March 2025, we are unable to comment whether the audit trail feature of the said software was enabled and operated during this period, for all relevant transactions recorded in the software and whether there was any instance of the audit trail feature been tampered with.

- In respect of a software managed by a third-party software service provider, for maintaining financial records of the Parent Company and its subsidiary incorporated in India, in the absence of an independent auditor's System and Organization Controls report covering the audit trail requirement for the period from 1 January 2025 till 31 March 2025, we are unable to comment whether the audit trail feature of the said software was enabled and operated during this period, for all relevant transactions recorded in the software and whether there was any instance of the audit trail feature been tampered with.

Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with, in respect of said accounting software of the Parent Company and its subsidiary incorporated in India for the period for which the audit trail feature was enabled and operating.

Additionally, the audit trail that was enabled and operated for the year ended March 31 2024, has been preserved by the Parent Company and its subsidiary incorporated in India as per the statutory requirements for record retention, as stated in note 50 (xiii) to the financial statements.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/"the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us, we report that there are no qualifications or adverse remarks in the CARO reports of the said companies included in the consolidated financial statements except for the following:

Name of the Company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
Chemfab Alkalies Limited	L24290TN2009PLC071563	Parent	Clause (i)
Chemfab Alkalies Karaikal Limited	U24100TN2019PLC133285	Subsidiary	Clause (xvii)

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P Usha Parvathy
Partner
Membership No. 207704
UDIN: 25207704BMOCZV1461

Place: Chennai
Date: 14 May 2025

Annexure “A”

TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to consolidated financial statements of **Chemfab Alkalies Limited** (hereinafter referred to as the Parent Company) and its Subsidiary Company, which are companies incorporated in India, as of that date.

MANAGEMENT’S AND BOARD OF DIRECTORS’ RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The respective Company’s management and Board of Directors of the Parent Company, its Subsidiary Company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent Company, its Subsidiary Company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance

about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent Company, its Subsidiary Company, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A Company’s internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion to the best of our information and according to the explanations given to us, the Parent Company, its Subsidiary Company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2025, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Place: Chennai
Date: 14 May 2025

P Usha Parvathy
Partner
Membership No. 207704
UDIN: 25207704BMOCZV1461

Consolidated Balance Sheet

As at 31 March 2025

(₹ in Lakhs)

Particulars	Note No	As at 31 March 2025	As at 31 March 2024
I. ASSETS			
(1) Non – Current Assets			
(a) Property, Plant and Equipment	2	30,322.51	23,246.50
(b) Right of Use Assets	3	1,383.10	1,409.59
(c) Capital Work-In-Progress	4	3,593.72	7,391.87
(d) Investment Property		-	-
(e) Other Intangible Assets	2	3.68	5.55
(f) Financial Assets			
(i) Investments	5	9.54	12.28
(ii) Other Financial Assets	6	197.12	335.80
(g) Tax Assets (Net)	7	279.13	75.84
(h) Deferred Tax Assets (Net)	8	2,298.49	2,600.79
(i) Other Non – Current Assets	9	2,158.26	4,896.24
Total Non – Current Assets		40,245.55	39,974.46
(2) Current Assets			
(a) Inventories	10	2,718.38	1,601.46
(b) Financial Assets			
(i) Other Investments	11	1,625.81	535.67
(ii) Trade Receivables	12	2,076.95	2,121.63
(iii) Cash and Cash Equivalents	13A	470.10	234.13
(iv) Bank Balances other than (iii) above	13B	22.47	2,223.54
(v) Other Financial Assets	14	55.87	150.66
(c) Other Current Assets	15	2,646.95	2,674.93
		9,616.53	9,542.02
Asset Classified as Held for Sale	16	2,320.17	515.70
Total Current Assets		11,936.70	10,057.72
TOTAL ASSETS		52,182.25	50,032.18
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	17	1,436.37	1,422.66
(b) Other Equity	18	36,562.44	37,303.82
Equity attributable to Shareholders of the Company		37,998.81	38,726.48
Non-controlling interests		-	-
Total Equity		37,998.81	38,726.48
(2) Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	6,379.50	1,638.50
(ii) Lease Liabilities		141.09	148.46
(iii) Other Financial Liabilities	20	54.97	70.29
(b) Provisions	21	268.02	157.28
(c) Other Non-Current Liabilities	22	120.00	105.00
Total Non-current Liabilities		6,963.58	2,119.53
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	1,874.00	181.50
(ii) Lease Liabilities		39.47	42.61
(iii) Trade Payables	24		
- Total Outstanding dues of micro enterprises and small enterprises		81.00	41.84
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		3,143.94	2,684.34
(iv) Other Financial Liabilities	25	424.66	4,655.36
(b) Provisions	26	160.90	276.36
(c) Current Tax Liabilities (Net)	27	133.73	172.11
(d) Other Current Liabilities	28	1,362.16	1,132.05
Total Current Liabilities		7,219.86	9,186.17
Total Liabilities		14,183.44	11,305.70
TOTAL EQUITY AND LIABILITIES		52,182.25	50,032.18

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P Usha Parvathy
Partner

For and on behalf of the Board of Directors

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809
Place: Chennai

V M Srinivasan
Chief Executive Officer
Place: Chennai

S Prasath
Chief Financial Officer
Place: Chennai
Date: 14 May 2025

Place: Chennai
Date: 14 May 2025

Statement of Consolidated Profit and Loss

For the year ended 31 March 2025

(₹ in Lakhs)

Particulars	Note No	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
I Revenue from Operations	29	33,437.43	32,729.68
II Other Income	30	711.79	854.46
III Total Income (I+II)		34,149.22	33,584.14
IV Expenses			
Cost of Materials Consumed	31A	10,212.04	7,364.89
Purchases of Stock - in - Trade	31B	735.23	2,213.79
Changes in Inventories of Finished Goods and Work-in-Progress	32	(982.01)	238.09
Other Direct Manufacturing Expenses	33	11,880.23	11,216.61
Employee Benefits Expense	34	2,550.52	2,336.29
Finance Costs	35	492.50	94.22
Depreciation and Amortisation Expense	2 & 3	3,633.13	2,235.08
Other Expenses	36	4,669.35	3,970.52
Total Expenses (IV)		33,190.99	29,669.49
V Profit before Exceptional Items (III - IV)		958.23	3,914.65
VI Exceptional Items	37	988.77	-
V Profit before tax (III - IV)		(30.54)	3,914.65
VI Tax expense	8		
- Current Tax		378.10	766.49
- Deferred Tax		285.39	515.85
		663.49	1,282.34
VII Profit for the Year (V - VI)		(694.03)	2,632.31
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
- Remeasurement of net defined benefit liability		58.09	22.85
- Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI		(2.75)	5.74
- Income tax relating to items that will not be reclassified to profit or loss	8	(16.91)	(6.65)
Total Other Comprehensive Income		38.43	21.94
IX Total Comprehensive (Loss)/Income for the Year (VII + VIII)		(655.60)	2,654.25
(Loss)/Profit for the year Attributable to:			
Owners of the Company		(694.03)	2,632.31
Non-Controlling Interests		-	-
Other Comprehensive Income for the year Attributable to:			
Owners of the Company		38.43	21.94
Non-Controlling Interests		-	-
Total Comprehensive (Loss)/Income for the year Attributable to:			
Owners of the Company		(655.60)	2,654.25
Non-Controlling Interests		-	-
X Earnings per Equity Share (Face Value of ₹ 10 each)	40		
- Basic (in ₹)		(4.86)	18.53
- Diluted (in ₹)		(4.84)	18.34

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P Usha Parvathy
Partner

Place: Chennai
Date: 14 May 2025

For and on behalf of the Board of Directors

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809
Place: Chennai

V M Srinivasan
Chief Executive Officer
Place: Chennai

S Prasath
Chief Financial Officer
Place: Chennai
Date: 14 May 2025

Consolidated Cash Flow Statement

For the year ended 31 March 2025

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
A. Cash flow from Operating Activities		
Profit for the year	(694.03)	2,632.31
Adjustment for:		
Income Tax Expense	663.49	1,282.34
Depreciation of property, plant and equipment	3,633.13	2,235.08
Gain on redemption of investments	(17.57)	(357.37)
Equity settled share-based payment expense	11.16	37.51
Interest Income on fixed deposits with banks	(13.53)	(146.82)
Finance Costs	492.50	94.22
Gain on disposal of property, plant and equipment	(62.80)	(26.55)
Bad Receivables written off	78.27	0.72
Capital work in progress written off	988.77	-
Provision for Expected credit loss (Net)	(71.35)	(22.42)
Liabilities no longer required written back	(163.69)	(155.12)
Unrealised Exchange Variation (Net)	(8.61)	(4.77)
Operating cash flows before movements in working capital	4,835.74	5,569.13
(Increase)/Decrease in Trade Receivables	38.15	74.07
(Increase)/Decrease in Other Non Current and Current Financial assets and Non current and Current assets	(82.45)	(2,348.64)
(Increase)/Decrease in Inventories	(1,116.92)	92.53
Increase/(Decrease) in Trade Payables Other Current liabilities and Non-Current Liabilities and Provisions	936.14	664.16
Cash generated by operations	4,610.66	4,051.25
Income Taxes (Paid)/Refund and Interest Income Received	(619.76)	(915.83)
Net cash from Operating Activities (A)	3,990.90	3,135.42
B. Cash flow from Investing Activities		
Purchase of Property, Plant and Equipment	(11,338.98)	(9,192.33)
Proceeds from Sale of Property, Plant and Equipment and Capital work in progress	232.79	41.59
Redemption/(Investment) in Mutual Funds (Net)	(48.63)	15.00
Net movement in Bank balances not considered as Cash and cash equivalents	2,422.73	(2,133.48)
Interest Income	133.49	316.67
Net Cash (used in) Investing Activities (B)	(8,598.60)	(10,952.55)
C. Cash flow from Financing Activities		
Dividend Paid, including movement from unpaid dividend account	(173.19)	(177.24)
Issue of Equity Shares	104.10	33.36
Money received towards allotment of equity shares	-	41.09
Payment of lease liabilities	(35.18)	(28.17)
Lease Liability Interest Payments		
Borrowings taken/(repaid) (net)		
Proceeds from Term Loan taken	6,880.00	1,850.00
Finance Cost on Lease Liabilities	(16.48)	(16.94)
Repayment of Term Loan made during the year	(646.50)	(30.00)
Short term Borrowings (repaid)/taken (net)	200.00	(0.63)
Finance Costs paid on Borrowings	(440.47)	(64.99)
Net Cash from/(used in) Financing Activities (C)	5,872.28	1,606.48
D. Net (Decrease)/Increase in Cash and Cash Equivalents (A) + (B) + (C)	1,264.58	(6,210.65)
E. Cash and Cash Equivalents (Opening)	684.08	6,894.73
F. Cash and Cash Equivalents (Closing)	1,948.66	684.08

Consolidated Cash Flow Statement (Contd.)

For the year ended 31 March 2025

Notes:

(i) Reconciliation of Cash and cash equivalents

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Cash and Cash Equivalents as per Balance Sheet	470.10	234.13
Add: Current investments considered as part of Cash and cash equivalents (as defined in Ind AS 7 Cash Flow Statements)	1,478.56	449.95
Cash and cash equivalents at the end of the Year	1,948.66	684.08

(ii) Changes in liabilities arising from financing activities

(₹ in Lakhs)

Particulars	As at 01 April 2024	Cash Flows	Others	As at 31 March 2025
Current Borrowings (Note 23)	181.50	180.87	1,511.63	1,874.00
Non Current Borrowings (Note 19)	1,638.50	1,638.50	3,102.50	6,379.50
Lease Liabilities	191.07	(28.17)	17.66	180.56
Accrued Interest (Note 25)	12.29	(12.29)	47.84	47.84

(₹ in Lakhs)

Particulars	As at 01 April 2023	Cash Flows	Others	As at 31 March 2024
Current Borrowings (Note 23)	0.63	180.87	-	181.50
Non Current Borrowings	-	1,638.50	-	1,638.50
Lease Liabilities	235.05	(28.17)	(15.81)	191.07
Accrued Interest (Note 25)	-	-	12.29	12.29

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

For and on behalf of the Board of Directors

P Usha Parvathy

Partner

Suresh Krishnamurthi Rao

Chairman

DIN: 00127809

Place: Chennai

V M Srinivasan

Chief Executive Officer

Place: Chennai

S Prasath

Chief Financial Officer

Place: Chennai

Date: 14 May 2025

Place: Chennai

Date: 14 May 2025

Statement of Consolidated Changes in Equity

For the year ended 31 March 2025

A. EQUITY SHARE CAPITAL

Particulars	As at 31 March 2025	As at 31 March 2024
Balance as at beginning of the Year	1,422.66	1,418.20
Changes in equity share capital during the year		
Issue of equity shares under share option plan (Refer Note 45)	13.71	4.46
Closing Balance	1,436.37	1,422.66

(₹ in Lakhs)

B. OTHER EQUITY

Particulars	Share Application Money Pending Allotment	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Share Based Payment Reserve	Retained Earnings	Equity Instruments Fair value through Other Comprehensive Income	Total Other Equity
Balance at 1 April 2023	10.27	15.67	960.00	34,922.92	122.78	(1,320.62)	6.22	34,717.24
(Loss)/Profit for the year	-	-	-	-	-	2,632.31	-	2,632.31
Recognition of Employee stock based compensation	-	-	-	-	37.51	-	-	37.51
Share Application Money Received	76.70	-	-	-	-	-	-	76.70
Shares Allotted	(45.88)	-	-	-	(31.27)	-	-	(77.15)
Securities Premium on issue of Equity Shares	-	-	-	72.69	-	-	-	72.69
Payment of Dividend on equity shares	-	-	-	-	-	(177.41)	-	(177.41)
Payment of Dividend Distribution Tax on equity shares	-	-	-	-	-	-	-	-
Equity Instruments through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	5.74	5.74
Remeasurement of Defined Benefit Plans (net of taxes)	-	-	-	-	-	16.20	-	16.20
Balance at 31 March 2024	41.09	15.67	960.00	34,995.61	129.02	1,150.48	11.96	37,303.82

(₹ in Lakhs)

B. OTHER EQUITY (Contd.)

Particulars	Share Application Money Pending Allotment	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Share Based Payment Reserve	Retained Earnings	Equity Instruments Fair value through Other Comprehensive Income	Total Other Equity
Profit/(Loss) for the year	-	-	-	-	-	(694.03)	-	(694.03)
Recognition of Employee stock based compensation	-	-	-	-	11.16	-	-	11.16
Share Application Money Received	95.29	-	-	-	-	-	-	95.29
Shares Allotted	(136.38)	-	-	-	(111.86)	-	-	(248.24)
Securities Premium on issue of Equity Shares	-	-	-	234.46	-	-	-	234.46
Payment of Dividend on equity shares	-	-	-	-	-	(178.46)	-	(178.46)
Equity Instruments through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	(2.75)	(2.75)
Remeasurement of Defined Benefit Plans (net of taxes)	-	-	-	-	-	41.18	-	41.18
Balance at 31 March 2025	-	15.67	960.00	35,230.07	28.32	319.18	9.21	36,562.44

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

For and on behalf of the Board of Directors

P Usha Parvathy
Partner

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809
Place: Chennai

V M Srinivasan
Chief Executive Officer
Place: Chennai

Place: Chennai
Date: 14 May 2025

S Prasath
Chief Financial Officer
Place: Chennai
Date: 14 May 2025

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

1. GENERAL INFORMATION

Chemfab Alkalies Limited ("the Parent Company") and Chemfab Alkalies Karaikal Limited ("the Subsidiary") (together "the Group") is in the business of manufacturing of basic inorganic chemicals and PVC pipes.

The name of the Parent Company was changed from Teamec Chlorates Limited to Chemfab Alkalies Limited on July 21, 2017, vide revised certificate of incorporation issued by the Registrar of Companies pursuant to the scheme of amalgamation ('scheme') approved by the National Company Law Tribunal (NCLT) Chennai vide its order dated 30 March 2017. Erstwhile Chemfab Alkalies Limited a listed entity, had merged with the Parent Company pursuant to the scheme and consequently the Parent Company's equity shares have been listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) with effect from 25 April 2018.

During the year ended 31 March 2020, Chemfab Alkalies Limited ('CAL') has incorporated a wholly owned subsidiary, Chemfab Alkalies Karaikal Limited ('CAKL')"

Material Accounting Policies

Impact of the initial application of new and amended Ind ASs that are effective for the current year:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

1.1 Principles of Consolidation:

"The Consolidated financial statements relate to the Parent Company and its Subsidiary. The Consolidated financial statements have been prepared on the following basis:

The financial statements of the Parent Company and its Subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating material intra-group balances, intragroup transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances

are presented to the extent possible, in the same manner as the Parent Company's standalone financial statements.

The details of the companies considered in the preparation of the consolidated financial statements are given below:

Name: Chemfab Alkalies Karaikal Limited; Country of Incorporation: India;

Relationship: Wholly Owned Subsidiary; Effective Ownership Interest as at 31 March 2025: 100% (As at 31 March 2024 - 100%).

1.2 Basis Of Accounting

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the 2013 Act.

"These Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, The Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date."

Going concern

"The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Refer note 1.2 in Standalone Financial Statement of the Parent and Refer note 1.2 Standalone Financial Statement Subsidiary

1.3 Basis of preparation of financial statements

"In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

1.4 Use of Estimates:

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize. Revisions to accounting estimates are recognized prospectively in the year in which the estimate is revised and/or in future years, as applicable.

1.5 Operating Cycle

Based on the nature of products/activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.6 Revenue recognition

(i) Sale of Goods/Services:

The Group derives revenues primarily from sale of manufacturing of inorganic chemicals viz Caustic Soda Lye, Chlorine, Hydrogen, Hydrochloric acid, Sodium Hypo and Sodium Chlorate and also from PVC-O pipes. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services. Revenue is reduced for estimated customer returns,

rebates and other similar allowances. Accordingly, the revenue is recognised on point in time basis.

a) Sale of products:

Revenues and costs relating to sale of products are recognized as the related goods are delivered, and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to The Group; and
- the costs incurred or to be incurred in respect of the transactions can be measured reliably.

b) Income from service activities is accounted for on rendering the service in accordance with the contractual terms and when there is no uncertainty in receiving the same.

(ii) Other Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Dividend Income is accounted when the right to receive is established.

1.7 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition and is net of taxes where applicable. The methods of determination of cost of various categories of inventory are as follows:

- Raw Materials, Fuel and Stores and Spares – On weighted average basis.
- Finished goods and Work in Progress at lower of Cost, which includes appropriate production overheads and Net Realizable Value, the cost being determined on weighted average basis.

Due allowance is estimated and made by the Management for slow moving/non-moving items

of inventory, where ever necessary, based on the technical assessment and such allowances are adjusted against the closing inventory value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make the sale.

1.8 Cash and Cash Equivalent (For the purpose of Cash Flow Statement)

"Cash comprises of cash on hand and demand deposits with banks. Cash Equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value. Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks."

1.9 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) after tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

1.10 Property, Plant and Equipment (PPE) and Depreciation on Property Plant and Equipment

Property, Plant and Equipment (PPE's) are recorded at cost less accumulated depreciation and accumulated impairment loss (if any). The Group capitalizes all costs relating to acquisition and installation of Property, Plant and Equipment. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying Property, Plant and Equipment up to the date the Property, Plant and Equipment is ready for its intended use.

Cost of spares relating to specific item of Property, Plant and Equipment is capitalized. Cost of modifications that enhance the operating performance or extend the useful life of Property, Plant and Equipment are also capitalized, where there is a certainty of deriving future economic benefits from the use of such assets.

Any part or components of Property, Plant and Equipment which are separately identifiable and expected to have a useful life which is different from that of the main assets are capitalized separately, based on the technical assessment of the Management.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date are disclosed as "Capital Advances" under Other Non Current Assets and cost of Property, Plant and Equipment not ready to use before such date are disclosed under "Capital Work- in- Progress".

Depreciation:

Depreciable amount for assets is the cost of an asset less its estimated residual value.

Depreciation on Property, Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Continuous Process Plant, in whose case the life of the assets has been assessed as 18 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Depreciation is also accelerated on Property, Plant & Equipment, based on their condition, usability etc. as per the technical estimates of the Management, where necessary. "

Intangible Assets:

Intangible fixed assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses (if any). Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern.

Research and Development:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when The Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is

available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Derecognition of Property, Plant and Equipment:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

1.11 Borrowing Cost

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

1.12 Government Grants, Subsidies and Export Incentives

"Government grants and subsidies are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants/subsidies will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Export benefits, if any, are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are accounted in Reserves and Surplus in Other Equity. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis."

1.13 Foreign Currency Transactions

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition:

As at the reporting date, non monetary assets and liabilities which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevalent at the date of the transaction. Foreign currency monetary assets and liabilities are reported using the exchange rate prevalent at the date of the balance sheet.

Treatment of Exchange Differences:

Foreign exchange gains and losses resulting from the settlement/restatement of monetary assets and liabilities of The Group are recognised as income or expense in the statement of profit and loss.

1.14 Employee Benefits

Retirement benefit costs and termination benefits:

i) Defined Benefit Plans:

Employee defined benefit plans include gratuity.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability).

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in The Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

The Group makes contribution to a scheme administered by the insurer to discharge gratuity liabilities to the employees.

Short-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

ii) Defined Contribution Plans

Employee defined contribution plans include Provident Fund, Employee state insurance and Super Annuation Fund.

Provident Fund and Employee State Insurance:

All employees of the Group receive benefits from Provident Fund and Employee's State Insurance (where applicable), which are defined contribution plans. Both, the employee and The Group make monthly contributions to the plan, each equalling to a specified percentage of employee's basic salary. The Group has no further obligations under the plan beyond its monthly contributions. The Group contributes to the Employee Provident Fund and Employee's State Insurance (where applicable) scheme maintained by the Central Government of India and the contribution thereof is charged to the Statement of Profit and Loss in the year in which the services are rendered by the employees.

Super Annuation Fund:

The Group makes contribution to a scheme administered by the insurer to discharge its liabilities towards super annuation to the eligible employees. The Group has no other liability other than its annual contribution.

1.15 Employee Share Based Payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and The Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of The Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

1.16 Taxation

"Income taxes comprise Current and deferred tax. Income tax expense/credit is recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive

income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity, respectively.

Current Tax and Prior Period Tax:

Current income tax liability/(asset) for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

Deferred Tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognized on deductible and taxable temporary differences between the carrying amounts of assets and liabilities in the Ind AS financial statements and the corresponding tax bases of such assets and liabilities. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which The Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities."

Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid as current tax expense in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as tax credit and recognised as deferred tax asset when there is reasonable certainty that the Parent Company will pay normal income tax in the future years and future economic benefit associated with it will flow to the Parent Company. The carrying amount is reviewed

at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered."

1.17 Segment Reporting

Operating segments reflect the Group's management structure and the way the financial information is regularly reviewed by The Group's Chief operating decision maker (CODM). The CEO of the Group has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/(loss) amounts are evaluated regularly by the CODM in deciding how to allocate resources and in assessing performance.

"The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue, where applicable, is accounted on the basis of transactions which are primarily determined based on market/fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities".

1.18 Leases

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if The Group changes its assessment if whether it will exercise an extension or a termination option.

1.19 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each

period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

1.20 Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the balance sheet date and measured using the present value of cash flows estimated to settle the present obligations (when the effect of time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Group or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The Group does not recognize a contingent liability but discloses its existence in the Financial Statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

1.21 Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto three years.

1.22 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

1.23 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value except in respect of Trade receivables that do not have a significant financial component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are

added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit and loss.

1.24 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets:

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, The Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and

- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below). All other financial assets are subsequently measured at fair value."

(i) Amortised cost and effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, The Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial

recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the 'Other income' line item.

(ii) Debt instruments classified as at FVTOCI:

The debt instruments are initially measured at fair value plus transaction costs.

Subsequently, changes in the carrying amount of these debt instruments as a result of foreign exchange gains and losses (see below), impairment gains or losses (see below), and interest income calculated using the effective interest method (see (i) above) are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated in a separate component of equity. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI:

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading:

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in a separate component of equity. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with Ind AS 109, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Other income' line item in profit or loss.

The Group designates all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or

- On initial recognition it is part of a portfolio of identified financial instruments that The Group manages together and has a recent actual pattern of short-term profit-taking;

(iv) Financial assets at fair value through profit or loss (FVTPL):

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless The Group designates an equity investment that is neither held for trading (see (iii) above)
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other income' line item.

Foreign exchange gains and losses:

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other income' line item;
- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other income' line item. As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in a separate component of equity;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship,

exchange differences are recognised in profit or loss in the 'other income' line item as part of the fair value gain or loss; and

- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in a separate component of equity.

Impairment of financial assets:

"The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, financial guarantee contracts, and certain other financial assets measured at amortised cost such as deferred consideration receivable on disposal of subsidiaries. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

For trade receivables, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient method as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

De-recognition of financial assets:

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in a separate component of equity is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in a separate component of equity is not reclassified to profit or loss, but is transferred to retained earnings.

1.25 Financial liabilities and equity instruments

Classification as debt or equity:

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking;

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis;

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other income' line item in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are recognised in retained earnings. Gains or losses on financial guarantee contracts issued by the Group that are designated by The Group as at FVTPL are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading or designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that

exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses:

"For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other income' line item in profit or loss for financial liabilities.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities.

Derecognition of financial liabilities:

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within 'other income'.

1.26 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order

to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.27 Dividend

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the companies in the Group. The Group declares and pays dividends in Indian rupees and are subject to applicable taxes.

1.28 Asset held for sale

"Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying

amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether The Group will retain a non-controlling interest in its former subsidiary after the sale.

1.29 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying value of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in Financial Statements is included in the following notes:

- (i) Useful lives of Property, Plant and Equipment.
- (ii) Carrying values of Property, Plant and Equipment
- (iii) Employee Benefits
- (iv) Asset held for sale

Determination of functional currency:

Currency of the primary economic environment in which The Group operates ("the functional currency") is Indian Rupee (INR) in which the Group primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (INR).

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

2. PROPERTY PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

I – Current year ended 31 March 2025

(₹ in Lakhs)

Particulars	Gross Block				Accumulated Depreciation/ Amortisation/Impairment		Net Block	
	As at 01 April 2024	Transfers from CWIP	Additions during the year	Deletions/ Adjustment during the year	As at 31 March 2025	As at 01 April 2024	For the year	As at 31 March 2025
A. Property Plant and Equipment								
Land – Freehold (Refer Note 19)	2,198.54	-	-	-	2,198.54	-	-	2,198.54
Buildings (Refer Note 19)	5,757.74	1,511.39	-	-	7,269.13	700.05	258.90	6,310.18
Plant and Equipment (Refer Note 19)	26,025.87	9,087.44	-	209.93	34,903.38	10,376.81	3,228.72	21,465.23
Furniture and Fixtures	117.98	13.97	-	3.34	128.61	43.52	10.14	75.45
Vehicles	221.12	-	30.29	-	251.41	71.28	25.68	154.45
Office Equipments	253.33	42.66	-	0.00	295.99	136.42	40.91	118.66
TOTAL (A)	34,574.58	10,655.46	30.29	213.27	45,047.06	11,328.08	3,564.35	30,322.51
B. Other Intangible Assets								
Computer Software	179.22	-	-	-	179.22	173.67	1.87	3.68
TOTAL (B)	179.22	-	-	-	179.22	173.67	1.87	3.68
TOTAL (A + B)	34,753.80	10,655.46	30.29	213.27	45,226.28	11,501.75	3,566.22	30,326.19

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

II – Previous year ended 31 March 2024

(₹ in Lakhs)

Particulars	Gross Block			Accumulated Depreciation/Amortisation/ Impairment				Net Block		
	As at 01 April 2023	Transfers from CWIP	Additions during the year	Deletions/ Adjustment during the year	As at 31 March 2024	As at 01 April 2023	For the year	Deletions during the year	As at 31 March 2024	As at 31 March 2024
A. Property Plant and Equipment										
Land – Freehold (Refer Note 19)	2,198.54	-	-	-	2,198.54	-	-	-	-	2,198.54
Buildings (Refer Note 19)	2,336.99	3,420.75	-	-	5,757.74	595.95	104.10	-	700.05	5,057.69
Plant and Equipment (Refer Note 19)	23,033.00	3,328.40	-	335.53	26,025.87	8,695.73	2,004.91	323.83	10,376.81	15,649.06
Furniture and Fixtures	79.21	41.87	-	3.10	117.98	36.36	7.27	0.11	43.52	74.46
Vehicles	102.31	-	119.41	0.60	221.12	48.83	22.70	0.25	71.28	149.84
Office Equipments	198.83	57.32	-	2.82	253.33	105.57	33.67	2.82	136.42	116.91
TOTAL (A)	27,948.88	6,848.34	119.41	342.05	34,574.58	9,482.44	2,172.65	327.01	11,328.08	23,246.50
B. Other Intangible Assets										
Computer Software	174.98	4.24	-	-	179.22	170.73	2.94	-	173.67	5.55
TOTAL (B)	174.98	4.24	-	-	179.22	170.73	2.94	-	173.67	5.55
TOTAL (A + B)	28,123.86	6,852.58	119.41	342.05	34,753.80	9,653.17	2,175.59	327.01	11,501.75	23,252.05

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

3. LEASES

Right of Use Assets:

(₹ in Lakhs)

Particulars	Land	Equipment
Cost		
As at 01 April 2023	617.73	155.76
Add: Additions	763.24	-
Less: Deletion	-	-
As at 31 March 2024	1,380.97	155.76
Add: Additions	40.41	-
Less: Deletion	(37.12)	-
As at 31 March 2025	1,384.26	155.76
Accumulated Amortisation		
As at 01 April 2023	53.84	13.81
Charge for the Year	41.34	18.15
Less: Deletion	-	-
As at 31 March 2024	95.18	31.96
Charge for the Year	48.75	18.15
Less: Deletion	(37.12)	-
As at 31 March 2025	106.81	50.11
Carrying Amount		
As at 31 March 2024	1,285.79	123.80
As at 31 March 2025	1,277.45	105.65

The Group has considered the OCC interest rate at the time of adoption of lease for the purpose of determination of discount rate for leases. The Group has leases for Land and certain equipment. The leases have remaining lease terms of 1 year upto 25 years with option to terminate or extend the lease.

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Amounts recognised in Statement of Profit and Loss were as follows:		
Amortisation Expense on right-of-use assets	66.91	59.49
Interest Expense on lease Liabilities	16.48	16.94
Expense relating to short-term lease	39.09	16.84
Supplemental cash flow information related to leases was as follows:		
Total cash outflow for leases	(35.18)	(28.17)
Additions to right of use assets	40.41	763.24

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

(Contd.)

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2025	" For the Year Ended 31 March 2024
Maturities of Lease Liabilities were as follows		
Undiscounted Lease Payments to be made	261.52	283.21
Not later than 1 year	52.13	56.13
Later than 1 year and not later than 5 years	86.50	88.69
Later than 5 years	122.89	138.39

4. CAPITAL WORK-IN-PROGRESS (ALSO REFER NOTE 16)

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Opening	7,391.87	3,146.79
Additions	9,650.55	7,321.75
Transfer to property, plant and equipment	(10,655.46)	(6,852.58)
Transfer to Assets held for Sale	(1,804.47)	-
Written off (Also refer note 37)	(988.77)	-
Closing	3,593.72	7,391.87

a) CWIP Ageing Schedule

As at 31 March 2025

(₹ in Lakhs)

CWIP Ageing schedule	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	1,083.69	219.37	124.86	27.28	1,455.20
Projects temporarily suspended	2,138.52	-	-	-	2,138.52

As at 31 March 2024

(₹ in Lakhs)

CWIP Ageing schedule	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	6,095.93	1,003.88	285.34	6.72	7,391.87
Projects temporarily suspended	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

b) CWIP whose completion is overdue or exceed its cost

As at 31 March 2025

(₹ in Lakhs)

CWIP Completion Schedule	Amount of CWIP to be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress					
Caustic Soda Plant	2,138.52	-	-	-	2,138.52
Total	2,138.52	-	-	-	2,138.52

As at 31 March 2024

(₹ in Lakhs)

CWIP Completion Schedule	Amount of CWIP to be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	871.03	-	-	-	871.03
Projects temporarily suspended	-	-	-	-	-
Total	871.03	-	-	-	871.03

5. INVESTMENTS – NON CURRENT

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Investment carried at fair value through Other Comprehensive Income		
Quoted Investments (fully paid)		
Investment in Equity Instruments of Other entities		
281 (P.Y. 281) Equity Shares of ₹ 10/- each of Summit Securities Limited	5.49	3.43
500 (P.Y. 500) Equity Shares of ₹ 10/- each of De Nora India Limited	3.43	8.12
300 (P.Y. 300) Equity Shares of ₹ 10/- each of TGV SRAAC Limited (formerly known as Sree Rayalaseema Alkalis & Allied Chemicals Limited)	0.28	0.24
450 (P.Y. 450) Equity Shares of ₹ 5/- each of Kanoria Chemicals Limited	0.34	0.49
Total	9.54	12.28
Aggregate Book value of Quoted Investment	9.54	12.28
Aggregate Market value of Quoted Investment	9.54	12.28
Financial Assets carried at Fair value through Other Comprehensive Income (FVTOCI)	9.54	12.28

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

6. OTHER FINANCIAL ASSETS – NON CURRENT

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Deposits with others	174.80	111.74
Bank deposits with more than 12 months maturity (Refer note 6.1 and 6.2 below)	22.32	224.06
Total (Gross)	197.12	335.80
Less: Provision for Expected Credit Loss	-	-
Total (Net)	197.12	335.80

6.1 Includes Margin Money towards bank guarantee of ₹ 2.40 Lakhs (PY ₹ 224.06 Lakhs) which represents balances with banks that are restricted from being exchanged or used to settle a liability for more than 12 months from the Balance Sheet date.

6.2 ₹ 19.92 Lakhs (PY. Nil) is placed as lein as per High court order dt 19/02/2025 with respect to writ petition no 2545 of 2025 vs Labour Secretary, Government of Puducherry towards revision of minimum wages for Pondicherry plant.

7. TAX ASSETS (NET) – NON-CURRENT

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Income Tax paid/TDS Receivable (Net of provision for tax of ₹ 3,370.14 Lakhs (PY ₹ 2,986.50 Lakhs))	279.13	75.84
Total	279.13	75.84

8. CURRENT TAXES AND DEFERRED TAXES

A.1 Income Tax recognised in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
(i) Current Tax:		
- in respect of current year	378.10	766.49
Total (A)	378.10	766.49
(ii) Deferred Tax:		
- in respect of current year	284.43	515.85
- in respect of previous year	0.96	-
Total (B)	285.39	515.85
Total income tax expense recognised in Statement of Profit and Loss (A+B)	663.49	1,282.35

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

A.2 Income tax recognised in other Comprehensive income

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Deferred tax related to items recognised in other comprehensive income during the year:		
- Remeasurement of defined benefit obligations & Others	(16.91)	(6.65)
Total	(16.91)	(6.65)
Classification of income tax recognised in other comprehensive income		
- Income taxes related to items that will not be reclassified to profit or loss	(16.91)	(6.65)
Total	(16.91)	(6.65)

A.3 Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit before tax	(30.54)	3,914.65
Income Tax using the Company's domestic Tax rate	(8.89)	1,139.95
Tax Effect of:		
- Effect of expenses that are non-deductible in determining taxable profit	38.55	26.80
- Changes in recognised temporary differences	311.22	120.36
- Effect of expenses that are non-deductible in determining taxable profit	248.86	-
- Others	73.75	(4.76)
Income Tax expense recognised in Statement of Profit or Loss	663.49	1,282.35

The tax rate used for the year ended March 31, 2025 and March 31, 2024 reconciliations above is the corporate tax rate of 29.12% payable by corporate entities in India on taxable profits under Indian Income Tax Laws. The above amount excludes tax expense/(reversal) relating to prior years.

B.1 Movement in Deferred Tax Balances

(₹ in Lakhs)

Particulars	As at March 31, 2024	Recognised in profit and loss account	Recognised in OCI	As at March 31, 2025
Tax effect of items constituting (deferred tax liabilities)/deferred tax assets				
Property, Plant and Equipment and Other Intangible Assets (Refer note D below)	(2609.43)	464.55	-	(3,073.98)
Financial assets at amortised cost	224.64	190.87	-	33.77

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

B.1 Movement in Deferred Tax Balances (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2024	Recognised in profit and loss account	Recognised in OCI	As at March 31, 2025
Employee Benefits	60.39	(1.05)	-	61.44
Provisions for Expenses, impairment and Doubtful trade receivables	893.08	29.43	-	863.65
Remeasurement of defined benefit obligations	58.72	(21.35)	(16.91)	63.16
Carryforward of Tax Loss	0.00	-	-	-
Others	(0.80)	0.03	-	(0.83)
	(1,373.40)	662.48	(16.91)	(2,052.79)
Minimum Alternate Tax (MAT)	3,974.19	377.09	-	4,351.28
Net Tax Asset/(Liabilities)	2,600.79	285.39	(16.91)	2,298.49

B.2 Movement in Deferred Tax Balances

(₹ in Lakhs)

Particulars	As at March 31, 2023	Recognised in profit and loss account	Recognised in OCI	As at March 31, 2024
Tax effect of items constituting (deferred tax liabilities)/deferred tax assets				
Property, Plant and Equipment and Other Intangible Assets	(2659.81)	(50.38)	-	(2,609.43)
Financial assets at amortised cost	212.58	(12.06)	-	224.64
Employee Benefits	55.58	(4.81)	-	60.39
Provisions for Expenses, impairment and Doubtful trade receivables	896.27	3.19	-	893.08
Remeasurement of defined benefit obligations	28.02	(37.35)	(6.65)	58.72
Carryforward of Tax Loss	-	-	-	-
Others	(0.20)	0.60	-	(0.80)
	(1,467.56)	(100.81)	(6.65)	(1,373.40)
Minimum Alternate Tax (MAT)	4,590.85	(616.66)	-	3,974.19
Net Tax Asset/(Liabilities)	3,123.29	515.85	(6.65)	2,600.79

C The Parent Company has carried out necessary adjustments to the deferred tax balances and MAT credit balances as at 31 March 2025 based on applicable tax laws.

D Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The provision for taxation for the current year has been determined by the Management based on the tax position to be considered for tax filing and its assessment of the probability of acceptance of the same by the taxation authorities.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

9. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Capital Advances	2,153.85	4,891.57
Balance with Government Authorities	3.98	3.98
Prepaid Rent	0.43	0.69
Advances to Vendors	-	-
Total	2,158.26	4,896.24

10. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Raw Materials (including Goods in Transit amounting to ₹ Nil (PY - ₹ 3.20 Lakhs))"	539.54	517.54
(b) Work in Progress	457.47	184.70
(c) Finished Goods (other than those acquired for trading)	1,189.39	480.15
(d) Fuel (including Goods in Transit amounting to ₹ Nil (PY - ₹ 26.71 Lakhs))"	28.44	31.61
(e) Stores and Spares (including Goods in Transit amounting to ₹ 44.97 Lakhs (PY - ₹ 19.44 Lakhs))	429.91	294.17
(f) Traded Goods (including Goods in Transit amounting to ₹ Nil (PY - ₹ Nil))	73.63	93.29
Total	2,718.38	1,601.46
Notes:		
1 The cost of inventories recognised as expense during the year	11,135.02	10,849.37
2 The cost of inventories recognised as an expense in respect of write downs of inventory to net realisable value.	58.04	40.38
3 The method of valuation of inventories has been stated in Note 1.7		

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

11. OTHER INVESTMENTS – CURRENT

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Investments carried at Fair Value through Profit & Loss		
Investments in Mutual Funds (quoted)		
SBI Liquid Fund Direct Growth – 3,630.441 units of ₹ 4,055.9471 each (PY – 2268.229 units of ₹ 3,779.2823 each)	147.25	85.72
LIC Liquid Fund – 31,397.295 units of ₹ 4,709.1846 each (P.Y. 6,785.056 units of ₹ 4,385.1601 each)	1,478.56	297.54
LIC BPSU Fund – C.Y. Nil (P.Y. 4,51,438.425 units of ₹ 33.7610 each)	–	152.41
Total	1,625.81	535.67
Aggregate Book value of Investment	1,625.81	535.67
Aggregate Market value of Investment	1,625.81	535.67

12. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Considered good, Secured (Refer Note 12.01)	1,108.63	780.79
(b) Considered good, Unsecured	968.32	1,340.84
(c) Receivables which have significant increase in credit risk	132.96	204.63
	2,209.91	2,326.26
Less: Provision for Expected Credit Loss (Refer Note 12.05 and 12.06)	(132.96)	(204.63)
Total	2,076.95	2,121.63

Notes:

12.01 Secured Trade Receivables are secured by way of irrevocable Letter of Credits and Bank Guarantees.

12.02 Trade Receivables includes receivables outstanding from customers constituting individually 5% or more of the total trade receivables as at 31 March 2025 of ₹ 1,420.22 Lakhs (PY: ₹ 1,445.30 Lakhs) out of which Pipes segment is ₹ 339.97 Lakhs (PY: ₹ 621.87 Lakhs) And Chemical segment is ₹ 1,080.25 Lakhs (PY: ₹ 823.43 Lakhs).

12.03 The Parent Company has used a practical expedient by computing the expected loss allowance for trade receivables based on provision matrix. The provision matrix takes into account the historical credit loss experience and adjustments for forward looking information. Trade receivables are non-interest bearing and are generally on terms in range of – from advance payment to upto 90 days credit.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

12.04 Trade Receivables ageing schedule - Outstanding for following periods from due date of payment.

As at 31 March 2025

(₹ in Lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Not Due	Total
(i) Undisputed Trade Receivables - considered good	344.44	4.18	16.16	8.15	5.20	1,698.82	2,076.95
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	39.35	3.69	42.64	28.88	18.40	-	132.96
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
	383.79	7.87	58.80	37.03	23.60	1,698.82	2,209.91
Less: Provision for Expected Credit Loss							(132.96)
Trade Receivables (Net)							2,076.95

As at 31 March 2024

(₹ in Lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Not Due	Total
(i) Undisputed Trade Receivables - considered good	480.67	-	-	-	-	1,640.96	2,121.63
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	101.86	-	59.00	18.39	5.40	19.98	204.63
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
	582.53	-	59.00	18.39	5.40	1,660.94	2,326.26
Less: Provision for Expected Credit Loss							(204.63)
Trade Receivables (Net)							2,121.63

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

12.05 The following table details the risk profile of trade receivables based on the provision matrix

(₹ in Lakhs)

31 March 2025	Not Due	Less than 6 months	6 months – 1 year	1–2 years	2–3 years	More than 3 years	Total
Expected Credit Loss Rate	0%	11%	23%	78%	78%	78%	6%
Estimated total gross carrying amount at Default	1,727.98	350.30	16.32	54.68	37.03	23.60	2,209.91
Lifetime Expected Credit Loss	–	39.35	3.69	42.64	28.88	18.40	132.96

(₹ in Lakhs)

31 March 2024	Not Due	Less than 6 months	6 months – 1 year	1–2 years	2–3 years	More than 3 years	Total
Expected Credit Loss Rate	1%	17%	0%	100%	100%	100%	9%
Estimated total gross carrying amount at Default	1,660.94	582.53	–	59.00	18.39	5.40	2,326.26
Lifetime Expected Credit Loss	19.98	101.86	–	59.00	18.39	5.40	204.63

12.06 Movement in Expected credit loss

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Balance at the beginning of the year	204.63	227.05
Movement in expected credit loss allowance on trade receivables	(71.67)	(22.42)
Balance at the end of the year	132.96	204.63

13A CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Balance with Banks – Current Accounts	469.10	233.43
Cash on hand	1.00	0.70
Total	470.10	234.13

13B BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
In Earmarked accounts		
– Margin Money Accounts for bank guarantees and letters of credit	2.26	2,208.60
– Unpaid Dividend Accounts (Refer Note 25 (i))	20.21	14.94
Total	22.47	2,223.54

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

14. OTHER FINANCIAL ASSETS – CURRENT

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
(Unsecured, considered good)		
Deposits	17.59	20.18
Advance to employees	34.76	11.67
Interest accrued on Deposits	3.52	118.81
Receivables against sale of raw materials	-	-
Total	55.87	150.66

15. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
(Unsecured, considered good)		
Advances to Vendors	171.01	800.40
Balance with Government Authorities	2,355.04	1,689.13
Prepaid expenses	120.90	185.40
Other Receivables	-	-
Total	2,646.95	2,674.93

16. ASSET HELD FOR SALE

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
(Also refer accounting policy in note 1.28)		
Property Plant and Equipment	2,320.17	515.70
Total	2,320.17	515.70

Note: 1) During the year, the Subsidiary Company has, considering the expansion plans in the existing units offering better business prospects and also the current business dynamics of product realisation and demand, competition, commercial viability, has decided to sell parts of assets held in capital work in progress towards Caustic Soda Plant planned at its subsidiary Company and consequently ₹ 1,804.47 Lakhs is classified as Asset held for sale during the year.

Note: 2) The Parent Company is active on the sale of the remaining assets (land, building and other assets). The Parent Company has assessed and concluded that no further adjustments are required to the carrying value of assets held for sale.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

17. SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised Share Capital				
Equity shares of ₹ 10 each (with voting rights)	2,85,00,000	2,850.00	2,85,00,000	2,850.00
11% Redeemable Cumulative Preference shares of ₹ 100 each	2,64,000	264.00	2,64,000	264.00
12% Redeemable Cumulative Preference shares of ₹ 100 each	8,00,000	800.00	8,00,000	800.00
		3,914.00		3,914.00
(b) Issued, Subscribed and Paid up [refer (a) to (e) below]				
Equity shares of ₹ 10 each (with voting rights) fully paid up	1,43,63,702	1,436.37	1,42,26,602	1,422.66
Total		1,436.37		1,422.66

(a) Reconciliation of the number of equity shares issued and amount outstanding at the beginning and at the end of the reporting year:

(₹ in Lakhs)

Particulars	Equity Share Capital			
	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Issued, Subscribed and Paid up equity shares				
Shares and Share Capital outstanding at the beginning of the year	1,42,26,602	1,422.66	1,41,82,002	1,418.20
Add: Shares and Share Capital issued during the year (Refer Note 45)	1,37,100	13.71	44,600	4.46
Shares and Share Capital outstanding at the end of the year	1,43,63,702	1,436.37	1,42,26,602	1,422.66

(b) Rights, preferences and restrictions attached to the equity shareholders

The Parent Company has one class of equity shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per equity share held. The Parent Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Parent Company, the equity shareholders are eligible to receive the remaining assets of the Parent Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

(c) The details of equity shareholders holding more than 5 % of the aggregate equity Shares:

Particulars	Equity Share Capital			
	As at 31 March 2025		As at 31 March 2024	
	Number of shares	% held	Number of shares	% held
Dr. Rao Holdings Pte Ltd	67,61,068	47.07%	67,61,068	47.52%
Team Hiitec Eqpt Private Limited	10,72,182	7.46%	10,72,182	7.54%
Shrimati K.M. Padma	11,10,712	7.73%	11,10,712	7.81%
Shri Suresh Krishnamurthi Rao	14,24,423	9.92%	14,24,423	10.01%

(d) Number of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash:

NA

(e) Refer Note 45 for details regarding employee stock option scheme.

(f) Shares held by Promoter at the end of the year

Particulars	No. of shares		% of total shares		% Change during the Year
	Current year	Previous year	Current year	Previous year	
Suresh Krishnamurthi Rao	14,24,423	14,24,423	9.92%	10.01%	-0.09%
Shrimati K.M. Padma	11,10,712	11,10,712	7.73%	7.81%	-0.08%
Ramachandran N	-	192	0.00%	0.00%	0.00%
Team Hiitec Eqpt Private Limited	10,72,182	10,72,182	7.46%	7.54%	-0.08%
Dr. Rao Holdings Pte Ltd	67,61,068	67,61,068	47.07%	47.52%	-0.45%

(g) Pursuant to Section 126(2) of the Companies Act 2013, the Parent Company had transferred Nil (PY 4,308) number of Equity Shares to Investor Education and Protection Fund during the year ended 31 March 2025.

18. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Share Application Money Pending Allotment (Refer Note 1 below)		
Opening Balance	41.09	10.27
Share Application Money Received	95.29	76.70
Less: Shares Allotted during the year	(136.38)	(45.88)
Closing balance	-	41.09
(b) Capital Reserve (Refer Note 2 below)	15.67	15.67

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

18. OTHER EQUITY (Contd.)

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
(c) Capital Redemption Reserve (Refer Note 3 below)		
Opening Balance	960.00	960.00
Add: On account of Redemption of Preference Shares	-	-
Closing balance	960.00	960.00
(d) Securities Premium Reserve (Refer Note 4 below)		
Opening Balance	34,995.61	34,922.92
Add: Securities Premium on issue of Equity Shares	234.46	72.69
Closing balance	35,230.07	34,995.61
(e) Share Based Payment Reserve (Refer Note 5 below)		
Opening Balance	129.02	122.78
Add: Employee compensation expense for the year	11.16	37.51
Less: Transfer to Securities Premium for the shares allotted during the year	(111.86)	(31.27)
Closing balance	28.32	129.02
(f) Retained Earnings (Refer Note 6 below)		
Opening Balance	1,150.48	(1,320.62)
Add: Profit/(Loss) for the year	(694.03)	2,632.31
Add: Other Comprehensive income for the year (Remeasurement of the defined benefit plans, net of taxes)	41.18	16.20
	497.64	1,327.89
Less: Appropriations		
- Dividend on Equity Shares (Refer Note 8 below)	(178.46)	(177.41)
Closing Balance	319.18	1,150.48
(g) Other Comprehensive Income (Refer Note 7 below)		
Opening Balance	11.96	6.22
Add/(Less): Current Year	(2.75)	5.74
Closing Balance	9.21	11.96
Total	36,562.44	37,303.82

Notes:

1. This represents Share Application Money received from employees under the ESOP scheme titled "CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]. Also Refer Note 45.
2. Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferor Company and profit on reissue of shares.
3. Capital redemption reserve has been created pursuant to Section 55 of the Companies Act, 2013 on account of redemption of preference shares out of the profits of the Parent Company.
4. Securities premium reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value. The reserve can be utilised only for limited purposes in accordance with the provisions of Section 52 of the Companies Act, 2013.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

5. Shares based payment reserve relates to the share options granted by the Parent Company to its employees under its share option plan. Refer Note 45 for further details.
6. Retained earnings refer to net earnings not paid out as dividends, but retained by the Parent Company to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders.
7. Other comprehensive income represents the cumulative gain and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of taxes.
8. Dividend is paid at ₹ 1.25 per share for 1,42,76,602 shares held on record date 13.09.2024 (PY. at ₹ 1.25 per share for 1,41,92,702 shares held on record date 22.08.2023).

19. BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
(i) Secured - at amortised cost		
- Term Loan from Bank (Refer Note (i), (ii) and (iii) below)	6,379.50	1,638.50
Total	6,379.50	1,638.50

Note:

Details in respect of Borrowings are as under:

- (i) Term Loan carrying an interest rate of 8.61% p.a average was availed from HDFC Bank Limited. The borrowings are secured by way of Equitable Mortgage over.
 - (a) Leasehold land (taken under 99 years lease by the Company) comprising of 5 acres located in Domestic Tarrif Zone (DTZ) situated in Irugulam Village, Satyavedu Mandal, Chittoor District, Andhra Pradesh - Exclusive Charge.
 - (b) Fixed assets (Building, Plant and Machineries), created out of the term loan of ₹ 1,800 Lakhs out of which ₹ 1,596 Lakhs is outstanding - Exclusive Charge.
 - (c) Fixed assets (Plant and Machineries/civil structures), created out of the term loan of ₹ 3,150 Lakhs out of which ₹ 2,677.50 Lakhs is outstanding - Exclusive Charge.
 - (d) Fixed assets (Plant and Machineries/civil structures), created out of the term loan of ₹ 3,780 Lakhs out of which ₹ 3,780 Lakhs is outstanding - Exclusive Charge.

Out of the above term loans, ₹ 1,674 Lakhs (PY. ₹ 181.50 Lakhs) have been classified as current maturities of long-term debt (secured) under Borrowings - Current.

(ii) Repayment Summary

Term Loan of ₹ 1,596 Lakhs as at 31 March 2025:

Repayable in 65 monthly instalments of ₹ 24 Lakhs each and 1 monthly instalment of ₹ 36 Lakhs respectively. Repayment of this tranche of term loan began from October 2023.

Term Loan of ₹ 2,677.50 Lakhs as at 31 March 2025:

Repayable in 17 quarterly instalments of ₹ 157.50 Lakhs each. This loan was availed in part tranches whose repayment of first availed tranche began from Sept 2024.

Term Loan of ₹ 3,780 Lakhs as at 31 March 2025:

Repayable in 60 monthly instalments of ₹ 63 Lakhs each. Repayment of this tranche of term loan will begin from April 2025.

There were no delays in repayments made by the Parent Company towards the borrowings from banks during the current year and previous year.

- (iii) Quarterly returns or statements of current assets filed by the Parent Company with banks or financial institutions are in agreement with the books of accounts.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

20. OTHER FINANCIAL LIABILITIES – NON CURRENT

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Trade/security deposits received	54.97	70.29
Total	54.97	70.29

21. PROVISIONS – NON CURRENT

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for Gratuity (Refer Note 41)	125.90	110.25
Provision for compensated absences	142.12	47.03
Total	268.02	157.28

22. OTHER NON – CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Advance from Customers	120.00	105.00
Total	120.00	105.00

23. BORROWINGS – CURRENT

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
From Bank		
- Cash Credit – Secured (Note (i) and (ii) below)	200.00	-
- Current maturities of long-term debt	1,674.00	181.50
Total	1,874.00	181.50

Note:

Details in respect of Current Borrowings are as under:

- Cash Credit facilities are secured by way of first charge over the entire current assets of the Company and mortgage over land and building comprising of 9.70 acres belonging to the Company situated at East Coast road, Gnanananda Place, Kalapet, Pondicherry. The cash credits are repayable on demand.
- The Fund Based Cash Credit facilities and Non fund based facilities are sanctioned by HDFC Bank upto ₹ 2,500 Lakhs (PY ₹ 2,500 Lakhs), by Axis Bank upto ₹ 2,500 Lakhs (PY ₹ 2,500 Lakhs), Standard Chartered Bank upto ₹ Nil (PY ₹ 200 Lakhs) and Shinhan bank upto ₹ 1,000 Lakhs (PY Nil).
- Quarterly returns or statements of current assets filed by the Parent Company with banks or financial institutions are in agreement with the books of accounts.
- Also refer note 19.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

24. TRADE PAYABLES – CURRENT (REFER NOTE 39)

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Total Outstanding dues of micro enterprises and small enterprises	81.00	41.84
Total Outstanding dues of creditors other than micro enterprises and small enterprises	3,143.94	2,684.34
Total	3,224.94	2,726.18

Trade payables are non-interest bearing and are normally settled on upto 90 days terms as per terms of the contract.

As at 31 March 2025

(₹ in Lakhs)

The age of the Trade Payables is as under:	Outstanding for the following periods from the due date of payment					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Not Due	Total
(i) MSME	17.80	-	-	-	63.20	81.00
(ii) Others	2,831.50	10.72	17.91	7.68	276.13	3,143.94
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	2,849.30	10.72	17.91	7.68	339.33	3,224.94

The above is including unbilled dues of ₹ 2,172.69 Lakhs.

As at 31 March 2024

(₹ in Lakhs)

The age of the Trade Payables is as under:	Outstanding for the following periods from the due date of payment					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Not Due	Total
(i) MSME	20.35	-	-	-	21.12	41.47
(ii) Others	2,368.12	20.82	6.86	3.39	285.15	2,684.34
(iii) Disputed dues - MSME	-	0.26	0.11	-	-	0.37
(iv) Disputed dues - Others	-	-	-	-	-	-
	2,388.47	21.08	6.97	3.39	306.27	2,726.18

The above is including unbilled dues of ₹ 1,997.92 Lakhs.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

25. OTHER FINANCIAL LIABILITIES – CURRENT

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Creditors for Capital Goods	356.61	4,628.13
Unpaid Dividends (Refer Note (i) below)	20.21	14.94
Interest accrued but not due	47.84	12.29
Total	424.66	4,655.36
Note:		
(i) Amounts remitted to Investor Education and Protection Fund during the year	–	1.78

26. PROVISIONS – CURRENT

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for compensated absences	44.20	138.25
Provision for Warranty (Refer Note 1.21 and Note below)	25.70	46.72
Provision for Gratuity (Refer Note 41)	91.00	91.39
Total	160.90	276.36
Note:		
The Parent Company carries a provision for warranty, the details of which are as under:		
Opening Balance	46.72	35.24
Provision made/(Reversed) during the year	(21.02)	11.48
Amounts Utilised/Paid during the year		
Closing Balance	25.70	46.72

27. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for Tax (Net of Income Tax paid/TDS of ₹ 3,075.18 Lakhs) (As at 31 March 2024 of ₹ 3,034.11 Lakhs)	133.73	172.11
Total	133.73	172.11

28. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Statutory liabilities	450.75	342.73
Advance from Customers	911.41	789.32
Total	1,362.16	1,132.05

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

29. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
a. Sales of Products (Refer Note below)	33,413.72	32,708.45
b. Other operating revenues		
- Testing charges	23.71	21.23
Total	33,437.43	32,729.68

Note:

Revenue for sale of products is net of rebates/incentives/discounts for the year ended 31 March 2025 amounting to ₹ 194.70 Lakhs (previous year ₹ 99.76 Lakhs).

29.1 Disaggregation of the revenue Information

The table below presents disaggregated revenues from contracts with customers by geography, offerings and contract-type for each of our business segments.

As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue by Geography		
India	33,341.35	32,652.59
Outside India	96.08	77.09
Total revenue from contracts with customers	33,437.43	32,729.68
Revenue by offerings		
Manufactured goods		
Chemicals & Related Products/Services		
- Caustic Soda Lye	15,187.13	14,511.03
- Caustic Soda Flakes	1,812.15	2,992.36
- Chlorine	85.81	349.86
- Hydrogen	982.40	1,095.10
- Aluminium Chloride	1,174.17	0.90
- Others	1,027.01	1,179.89
PVCO-Pipes		
- PVC-O Pipes	11,996.22	9,939.65

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

29.1 Disaggregation of the revenue Information (Contd.)

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
- Others	208.29	159.06
Traded Goods		
PVCO-Pipes		
- PVC-O Pipes	940.54	2,269.42
- Resin	-	202.93
- Others	-	8.25
Other Operating Income		
Chemicals & Related Products/Services		
- Testing Charges	23.71	21.23
Total revenue from contracts with customers	33,437.43	32,729.68
Timing of recognition		
Goods & Services transferred at a point in time	33,437.43	32,729.68
Total revenue from contracts with customers	33,437.43	32,729.68

29.2 Trade Receivables and Contract Balances

The Group classifies the right to consideration in exchange for deliverables as receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer. Trade receivable are presented net of impairment in the Balance Sheet.

Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract.

29.3 Transaction price allocated to the remaining performance obligations

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Contract Balances		
Gross Trade Receivables	2,209.91	2,326.26
Advance received from customers	1,031.41	894.32

The Group has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date.

29.4 Information about major customers

The Group is a manufacturer of caustic soda lye, flakes, liquid chlorine, hydrogen gas, pvco pipes, aluminium chloride and other products.

Revenues arising from direct sales above includes revenues of approximately ₹ 7,339.73 Lakhs which arose from sales to the Parent Company's single and second large customer in Chemical segment and ₹ 1,471.98 Lakhs in PVCO segment. (Previous Year ₹ 4,073.56 Lakhs). No other single customers contributed 10% or more to the parent Company's revenue during the current year.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

30. OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
(a) Interest Income:		
- Interest on fixed deposits with banks	13.53	146.82
- Other Interest income	28.55	60.40
(b) Other Non Operating Income:		
- Other Financial Assets (at Fair Value through Profit & Loss) (Refer note (i) below)	20.84	311.01
- Profit on Sale of Property, Plant & Equipment (Net)	62.80	26.55
- Liabilities no longer required written back	163.69	155.12
- Miscellaneous Income	100.35	154.56
Provision for Expected credit Loss on Trade Receivables	71.35	-
Exchange variation (Net)	250.68	-
Total	711.79	854.46

Note:

The amount represents a net gain on investments in Mutual Funds (Refer Note 11) comprising of an net change in fair value of ₹ 5.48 Lakhs net of reversals on account of realised gain on redemptions (PY ₹ (45.59) Lakhs) and gain on redemption of investments of ₹ 15.36 Lakhs received during the year (PY ₹ 356.60 Lakhs).

31A COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening Stock	517.54	433.73
Add: Purchases	10,628.87	7,487.77
	11,146.41	7,921.50
Less: Sale of Raw Materials	394.83	39.07
Less: Closing Stock	539.54	517.54
Cost of Materials consumed	10,212.04	7,364.89
Materials Consumed Comprises of:		
Salt	2,718.85	2,932.21
Soda Ash	93.33	2.50
PVC Resin	4,853.62	3,636.71
Others (Refer Note (i) below)	2,546.24	793.47
Total	10,212.04	7,364.89

Note:

Others include raw materials none of which individually accounts for more than 10 % of the total consumption.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

31B PURCHASE OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
- PVCO-Pipes	711.18	2,009.36
- PVC Resin	-	196.87
- Others	24.05	7.56
	735.23	2,213.79

32 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening Stock		
Finished goods	480.15	815.63
Work-in-Progress	184.70	87.31
	664.85	902.94
Closing Stock		
Finished goods	1,189.39	480.15
Work-in-Progress	457.47	184.70
	1,646.86	664.85
Net (Increase)/decrease	(982.01)	238.09

33. OTHER DIRECT MANUFACTURING EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Power and Fuel	11,298.37	10,792.90
Labour Charges	581.86	423.71
Total	11,880.23	11,216.61

34. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries and Wages	2,090.63	1,903.39
Contribution to Provident and other Funds (Refer Note 41)	305.67	269.33
Expense on employee stock based compensation (Refer Note 45)	11.16	37.51
Staff Welfare Expenses	143.06	126.06
Total	2,550.52	2,336.29

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

35. FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest on Borrowings	476.02	77.28
Interest on Lease Liability (Refer Note 3)	16.48	16.94
Total	492.50	94.22

36. OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Stores and Spare parts consumed	1,169.76	1,032.60
Rent	39.09	16.84
Repairs and Maintenance – Plant and Equipment	501.01	319.23
– Buildings	98.83	42.25
Insurance	214.99	216.10
Rates and Taxes	104.66	89.33
Travelling Expenses	305.68	243.75
Auditor's Remuneration (net of GST input credit)		
– Statutory Audit	24.50	24.50
– Limited Review	4.50	4.50
– Others	3.00	-
– Out of Pocket Expenses	0.89	0.80
Commission to Directors (Refer Note 39)	230.00	465.00
Sitting Fees (Refer Note 39)	10.40	11.50
Expenditure on Corporate Social Responsibility	122.39	92.05
Legal and Professional Fees	156.63	151.88
Freight (Net)	942.62	735.44
Advertisement	32.66	9.44
Exchange variation (Net)	-	(11.22)
Bad receivables/Other Deposits written off	78.27	0.72
Provision for Expected credit Loss on Trade Receivables	-	(22.42)
Bank Charges	57.05	81.35
Miscellaneous Expenses	572.42	466.88
	4,669.35	3,970.52
Note:		
(i) Miscellaneous Expenses includes:		
– Donations	10.00	-

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

37. EXCEPTIONAL ITEM

During the current year the subsidiary Company has written off certain investments amounting to ₹ 988.77 Lakhs identified towards Caustic soda Plant project basis judgement that the future economic benefits of the expenditure incurred is unlikely to accrue to the Company and hence could not be capitalised.

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(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
a. Commitments		
(i) Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advances) in respect of purchase of:		
– Tangible assets	4,996.53	37,544.39
b. Contingent liabilities in respect of		
(i) Claims against the Group not Acknowledged as debt	83.16	110.60
(ii) Corporate Guarantee/Letters of Comfort (Refer note (i) below)	1,000.00	20,000.00
(iii) Sales tax, Excise, Service Tax, Customs Duty and other demands against which the Parent Company has filed appeals and for which no provision is considered required as the Parent Company is hopeful of successful outcome in the appeals. (Refer note (ii) below)	157.72	150.14

Note (i): Details of corporate guarantee/comfort letters issued on behalf of related parties are as follows:

(₹ in Lakhs)

Particulars	Beneficiary	As at 31 March 2025	As at 31 March 2024
Chemfab Alkalies Karaikal Limited	State Bank of India	1,000.00	20,000.00

The purpose of the above corporate guarantee issued was towards securing financing facilities to the above mentioned related parties.

Note (ii):

Sr. No.	Name of the Statute	Nature of Dues (Including Interest)	Disputed Amount (Net of Provision) ₹ In Lakhs	Period (F.Y)	Forum where dispute is pending
1	The Finance Act, 1994	Service Tax	7.80 (7.44)	June 2005 to January 2008	Commissioner (Appeals), Chennai
2	The Central Excise Act, 1944	Excise Duty	2.35 (2.22)	October 2011 to June 2012	Commissioner of Central Excise, Puducherry
3	The Customs Act, 1962	Customs Duty	95.67 (88.88)	F.Y. 2013-14	CESTAT

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

Note (ii): (Contd.)

Sr. No.	Name of the Statute	Nature of Dues (Including Interest)	Disputed Amount (Net of Provision) ₹ In Lakhs	Period (F.Y)	Forum where dispute is pending
4	The Income Act, 1961	Income Tax	51.90 (44.15)	F.Y. 2002-03	The High Court of Madras
5	The Central Goods and Service Tax Act, 2017. The State Goods and Service Tax Act, 2017"	GST	- (7.45)	July 2017 to March 2020	Commissioner Appeals

Notes:

- (i) The amounts shown above represent best possible estimate carried on the basis of the available information. The uncertainties and possible reimbursement are dependent on the outcome of the various case proceedings which have been initiated by the Parent Company or the claimants, as the case may be, and therefore cannot be predicted accurately.
- (ii) Figures in bracket indicate previous year figures.

39. RELATED PARTY DISCLOSURES

a) List of Related parties and description of relationship

(i) Individuals exercising Significant influence	Mr. Suresh Krishnamurthi Rao - Chairman
(ii) Relatives of above	Mrs. K.M. Padma (Mother of Mr. Suresh Krishnamurthi Rao)
(iii) Entities exercising significant influence over the Group	Dr Rao Holdings Pte Ltd
(iv) Entities in which persons listed in (i) and (ii) above exercise significant influence	Team Hiitec Eqpt Private Limited
(v) Key Management Personnel (KMP) of the Group	Mr. V.M. Srinivasan - Chief Executive Officer Mr. S Prasath - Chief Financial Officer
(vii) Directors	Mr. Nitin S Cowlagi - Non Executive Director Mr. C.S.Ramesh - Non Executive Director Mrs. Drushti Desai - Non Executive Director Mr. Janakiraman A - Non Executive Director Mr. Mahendran R - Non Executive Director Mrs. Sujatha Jayarajan - Non Executive Director Mr. T.Ramabadran - Non Executive Director*
(viii) Other related party	Chemfab Alkalies Limited Employee's Group Gratuity Trust

Note 1: The list above includes only parties with transactions during the year.

*Note 2: Mr. Ramabadran retired with effect from closing hours of 31 March 2024.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

b) Transactions with related parties:

(₹ in Lakhs)

Nature of Transaction	Related Party	For the year ended 31 March 2025	For the year ended 31 March 2024
1. Transactions during the year			
a) Income			
Sale of Products	Team Hiitec Eqpt Private Limited	6.87	5.49
Debit note for compensation of purchase of goods	Team Hiitec Eqpt Private Limited	-	166.97
b) Expenditure			
Purchase of Goods and Services	Team Hiitec Eqpt Private Limited	25.54	3.86
Lease Rent	Team Hiitec Eqpt Private Limited	1.70	2.98
Salaries, Perquisites and post employment benefits	Mr. V.M. Srinivasan	654.63	200.79
	Mr. S Prasath	197.51	53.57
c) Others			
Commission (paid out of the provision made during the previous year)	Mr. Suresh Krishnamurthi Rao	412.50	530.00
Commission (paid out of the provision made during the previous year) and Sitting Fees (accrued during the year)	Mr. C.S.Ramesh	9.60	11.62
	Mrs. Drushti Desai	9.30	12.00
	Mr. Janakiraman A	9.50	11.78
	Mr. Mahendran R	8.80	11.08
	Mrs. Sujatha Jayarajan	9.20	11.48
	Mr. T.Ramabadran	7.50	12.07
	Mr. Nitin S Cowlagi	9.00	11.47
Contractually reimbursable expenses	Team Hiitec Eqpt Private Limited	13.14	9.78
Contribution to employees post employment benefit plans	Chemfab Alkalies Limited Employee's Group Gratuity Trust	2.81	26.00
Dividend paid (including TDS)	Mr. Suresh Krishnamurthi Rao	17.81	17.81
	Mrs. K.M. Padma	13.88	13.88
	Dr Rao Holdings Pte Ltd	84.51	84.51
	Team Hiitec Eqpt Private Limited	13.40	13.40
	Mr. V.M. Srinivasan	2.80	2.36
	Mr. Prasath S	0.33	0.20
	Mr. Nitin S Cowlagi	0.70	0.70

Note:

- Purchases, Sales and Services above are inclusive of taxes.
- The above excludes Provision for Commission to Directors of ₹ 230 Lakhs (PY - ₹ 465 Lakhs) made during the year.
- All the transactions are at arm's length.

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For the year ended 31 March 2025

b) Transactions with related parties: (Contd.)

(₹ in Lakhs)

Nature of Transaction	Related Party	As at 31 March 2025	As at 31 March 2024
II. Balances Outstanding at the end of the year			
Other employment benefits payable	Mr. V.M. Srinivasan	55.02	44.24
	Mr. Prasath S	17.85	15.37
Contribution to employees post employment benefit plans	Chemfab Alkalis Limited Employee's Group Gratuity Trust	577.51	537.60

Benefits included in Compensation of key management personnel of the Company are as below:

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Mr. V.M. Srinivasan		
Salary and perquisite	168.20	178.15
Share-based payment transactions perquisite	478.39	15.09
Post employment benefits	8.04	7.55
Total	654.63	200.79
Mr. Prasath S		
Salary and perquisite	37.88	35.40
Share-based payment transactions perquisite	152.21	10.80
Post employment benefits	7.42	7.37
Total	197.51	53.57

40. EARNINGS PER SHARE

Net Profit for the year has been used as the numerator and number of shares has been used as denominator for calculating the basic and diluted earnings per share.

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Face Value Per Share - ₹	10	10
Net Profit/(Loss) attributable to the Equity shareholders (A) - ₹ In Lakhs	(694.03)	2,632.31
Weighted average Number of Shares (B)	1,42,88,591	1,42,09,147
Add: Effects of ESOP which are dilutive in nature	53,959	1,40,813
Weighted average Number of Shares for Diluted EPS (C)	1,43,42,550	1,43,49,960
Basic Earnings per Share (A/B) - ₹	(4.86)	18.53
Diluted Earnings per Share (A/C)- ₹	(4.84)	18.34

Notes forming part of the Consolidated Financial Statements

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41. EMPLOYEE BENEFIT PLANS

I. Defined contribution plans

The Parent Company makes Provident Fund, Superannuation Fund which are defined contribution plans, for qualifying employees. During the year, the Group has recognised the following amounts under Defined Contribution Plan in the Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Employer's Contribution to Provident Fund/Pension Scheme	143.39	127.14
Employer's Contribution to Superannuation Fund	17.95	46.63
Employer's Contribution to Employee Deposit Linked Insurance scheme	18.36	1.69
	179.70	175.46

II. Defined benefit plans

The Parent Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Parent Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India and Aditya Birla Sun Life Insurance Company Limited. Gratuity has been accrued based on actuarial valuation as at the balance sheet date, carried out by an independent actuary.

(a) Amount recognised in the statement of profit & loss in respect of the defined benefit plan are as follows:

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Recognised in Statement of Profit and Loss		
Current service cost	112.29	81.56
Net interest expense	13.68	12.31
Components of defined benefit costs recognised in the Statement of Profit and Loss	125.97	93.87
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	0.48	(0.67)
Actuarial gains and loss arising from changes in financial assumptions	(58.57)	(22.18)
Components of defined benefit costs recognised in Other Comprehensive Income	(58.09)	(22.85)
Total defined benefit cost recognised in Statement of Profit and Loss and Other Comprehensive Income	67.88	71.02

- (i) The current service cost and interest expense for the year are included in the "Employee Benefit Expenses" in the statement of profit & loss under the line item "Contribution to Provident and Other Funds".
- (ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Net asset/(liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation	(794.41)	(739.24)
2. Fair value of plan assets	577.51	537.60
Net asset/(liability) recognised in the Balance Sheet	(216.90)	(201.64)
Current portion of the liability included under Note 26	91.00	91.39
Non-Current portion of the liability included under Note 21	125.90	110.25
	216.90	201.64

(c) Movement in the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Present value of defined benefit obligation at the beginning of the year	739.24	663.98
Expenses Recognised in Statement of Profit and Loss:		
- Current service cost	112.29	81.56
- Interest cost	51.25	47.25
Recognised in Other Comprehensive Income:		
Remeasurement gains/(losses):		
- Actuarial gains and loss arising from changes in financial assumptions	(58.57)	(22.18)
Benefits paid	(49.80)	(31.37)
Present value of defined benefit obligation at the end of the year	794.41	739.24

(d) Movement in fair value of plan assets are as follows:

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Change in fair value of assets during the year		
Fair value of plan assets at the beginning of the year	537.60	474.25
Expenses Recognised in Statement of Profit and Loss:		
Expected return on plan assets	37.58	34.95
Recognised in Other Comprehensive Income:		
Return on plan assets (excluding amount included in net interest expense)	(0.48)	0.67
Contributions by employer	52.61	59.10
Benefits paid	(49.80)	(31.37)
Fair value of plan assets at the end of the year	577.51	537.60

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

(e) The fair value of plan assets plan at the end of the reporting period are as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Investment Funds with Insurance Company		
- Aditya Birla Sun Life Insurance Company Limited	15.68%	15.72%
- Life Insurance Corporation of India	84.32%	84.28%

The plan assets comprise insurer managed funds. None of the assets carry a quoted market price in active market or represent the entity's own transferable financial instruments or property occupied by the entity.

(f) The principal assumptions used for the purpose of actuarial valuation were as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Discount rate	6.45%	6.97%
Expected return on plan assets	6.99%	7.37%
Salary escalation	10.00%	10.00%
Attrition	10.33%	7.50%
Mortality tables	India Assured Life (2012-14)	India Assured Life (2012-14)

Significant actuarial assumptions for the determination of defined obligation are discount rate, expected salary increase rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant:

(₹ in Lakhs)

Impact on the Defined benefit Obligation	Increase	Increase
	As at 31 March 2025	As at 31 March 2024
Change in the discount rate by 50 basis point	17.58	18.20
Change in Attrition rate by 50 basis point	2.50	(2.41)
Change in Expected rate of salary increase by 50 basis point	(18.64)	(19.26)

(₹ in Lakhs)

Impact on the Defined benefit Obligation	Decrease	Decrease
	As at 31 March 2025	As at 31 March 2024
Change in the discount rate by 50 basis point	(18.43)	(19.20)
Change in Attrition rate by 50 basis point	(2.62)	(2.52)
Change in Expected rate of salary by 50 basis point	17.96	18.45

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years.

(g) Effect of plan on Entity's future cash flows

(i) Funding arrangements and funding policy.

The Parent Company has a gratuity fund to provide for payment of gratuity to the employees. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Company. The deficit in the assets is funded by the Company.

(ii) The Parent Company expects to make a contribution of ₹ Nil during the next financial year.

(iii) The weighted average duration of the benefit obligation as at 31 March 2025 is 5.1 years (5.6 years as at 31 March 2024).

(iv) Maturity profile of defined benefit obligation:

Expected cash flows (valued on undiscounted basis):	Amount ₹ In Lakhs
within 1 year	91.00
2 to 5 years	532.96
6 to 10 years	270.40

Experience adjustments

(₹ in Lakhs)

Gratuity	For the year ended 31 March 2025	For the year ended 31 March 2024
Present value of DBO	794.41	739.24
Fair value of plan assets	577.51	537.60
Experience gain/(loss) adjustments on plan liabilities	58.57	22.18
Experience gain/(loss) adjustments on plan assets	(0.48)	0.67

Details relating to the experience adjustments are provided to the extent information is available.

Compensated Absences

The key assumptions used in the computation of provision for long term compensated absences as per the Actuarial Valuation are as given below:

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Discount rate	6.45%	6.97%
Salary Growth rate	10.00%	10.00%
Attrition rate	10.33%	7.50%

42. FINANCIAL INSTRUMENTS

(i) Capital Management

The Group manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure. For the purpose of the Group's capital management, capital includes equity share Capital and Other Equity and Debt includes Borrowings and Current Maturities of Long term Debt net of Cash and bank balances and short term investments. The Group monitors capital on the basis of the following gearing ratio. There is no change in the overall capital risk management strategy of the Group compared to last year.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

Gearing Ratio:

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Borrowings	8,253.50	1,820.00
Short Term Investments	(1,625.81)	(535.67)
Cash and Bank Balances	(492.57)	(2,457.67)
Net Debt (A)	6,135.12	(1,173.34)
Total Equity (B)	37,998.81	38,726.48
Net Debt to equity ratio (A/B)	0.16	-0.03

(II) Categories of Financial Instruments

(a) Financial Assets

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Measured at fair value through Other Comprehensive Income (FVTOCI)		
- Investments	9.54	12.28
Measured at fair value through P&L (FVTPL)		
- Investments	1,625.81	535.67
Measured at amortised cost		
- Trade receivables	2,076.95	2,121.63
- Cash and Cash Equivalents	470.10	234.13
- Bank Balances other than above	22.47	2,223.54
- Other Financial Assets	252.99	486.46
Total	4,457.86	5,613.71

(b) Financial Liabilities:

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Measured at amortised cost		
- Borrowings	8,253.50	1,820.00
- Trade Payables	3,224.94	2,726.18
- Lease Liabilities	180.56	191.07
- Other financial liabilities	479.63	4,725.65
Total	12,138.63	9,462.90

(III) Financial Risk Management Framework

The Group manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

(IV) Foreign Currency Risk Management:

The Group undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arises. The Group has not entered into any derivative contracts during the year ended 31 March 2025 and there are no outstanding contracts as at 31 March 2025.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows:

(₹ in Lakhs)

Particulars	Currency	As at 31 March 2025		As at 31 March 2024	
		Amount in Foreign Currency	Amount	Amount in Foreign Currency	Amount
Capital Creditors	EUR	1,77,417.04	161.20	1,93,070.30	174.18
Capital Creditors	USD	1,57,248.00	136.65	-	-
Trade Payables	USD	6,87,377.63	595.98	1,22,870.00	102.44
Trade Payables	EURO	80,628.00	76.20	1,397.00	1.26
Trade Payables	GBP	-	-	1,346.52	1.42
Trade Receivables	USD	22,464.02	19.22	20,771.84	17.32

All of the above exposures have not been hedged.

(V) Foreign Currency sensitivity analysis:

The following table details the Group's sensitivity to a 5% increase and decrease in INR against the relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates a increase in profit/ decrease in loss and increase in equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or loss and equity and balance below would be negative.

Impact on Profit and loss for the reporting period

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025		For the year ended 31 March 2024	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(0.41)	0.41	(0.05)	0.05
EURO	(0.13)	0.13	(0.10)	0.10
GBP	-	-	(0.00)	0.00

Impact on total equity as at the end of the reporting period

(₹ in Lakhs)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(0.41)	0.41	(0.05)	0.05
EURO	(0.13)	0.13	(0.10)	0.10
GBP	-	-	(0.00)	0.00

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

Note:

This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Group at the end of the reporting period.

(VI) Forward foreign exchange contracts:

There are no forward foreign exchange contracts outstanding as at 31 March 2025.

(VII) Liquidity Risk Management:

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Group.

Liquidity and Interest Risk Tables:

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

(₹ in Lakhs)

Particulars	Upto 1 Year	1-3 Years	3-5 Years	5 years and above	Total
March 31, 2025					
Interest bearing	1,961.32	3,384.10	2,891.68	244.81	8,481.91
Non-interest bearing	3,536.52	48.98	13.31	57.91	3,656.72
Total	5,497.84	3,433.08	2,904.99	302.72	12,138.63
March 31, 2024					
Interest bearing	270.90	633.92	610.51	508.03	2,023.36
Non-interest bearing	7,337.81	37.09	3.39	61.25	7,439.54
Total	7,608.71	671.01	613.90	569.28	9,462.90

Interest Rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for term loan at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A change (decrease/increase) of 100 basis points in interest rates for term loan at the reporting date would increase/(decrease) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

Impact on Profit and Loss for the reporting period

(₹ in Lakhs)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Increase by	Decrease by	Increase by	Decrease by
	100 bps	100 bps	100 bps	100 bps
Impact on Profit and Loss for the reporting period	0.00	0.00	0.00	0.00

Impact on Total Equity as at end of the reporting period

(₹ in Lakhs)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Increase by	Decrease by	Increase by	Decrease by
	100 bps	100 bps	100 bps	100 bps
Impact on Total Equity as at end of the reporting period	0.00	0.00	0.00	0.00

The following tables detail the Group's remaining contractual maturity for its non-derivative financial Assets with agreed repayment periods. The Group does not hold any derivative financial instrument.

(₹ in Lakhs)

Particulars	Upto 1 Year	1-3 Years	3-5 Years	5 years and above	Total
March 31, 2025					
Interest bearing	1,651.80	28.69	22.32	133.88	1,836.69
Non-interest bearing	2,599.40	12.23	–	9.54	2,621.17
Total	4,251.20	40.92	22.32	143.42	4,457.86
March 31, 2024					
Interest bearing	2,878.01	8.25	224.06	91.51	3,201.83
Non-interest bearing	2,367.43	28.64	1.22	14.60	2,411.88
Total	5,245.44	36.89	225.28	106.11	5,613.71

Non-interest rate bearing financial assets disclosed above includes Trade Receivable, Cash, Balances with banks held in current accounts and Other Financial Assets.

Fixed interest rate instruments disclosed above represents balances with banks held in deposit accounts and discounted financial assets.

(VIII) Credit Risk:

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The carrying amount of the financial assets recorded in these financial statements, grossed up for any allowance for losses, represents the maximum exposures to credit risk.

(IX) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Management considers that the carrying amount of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

(X) Offsetting of financial assets and financial liabilities

The Group has not offset financial assets and financial liabilities.

43. FAIR VALUE HIERARCHY

This note provides information about how the Group determines fair value of various financial assets and liabilities.

(I) Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

(₹ in Lakhs)

Particulars	Fair Value as at		Fair Value Hierarchy	Valuation techniques and key inputs
	31 March 2025	31 March 2024		
Financial Assets				
- Investment in quoted Equity Instruments at FVTOCI	9.54	12.28	Level 1	Quoted bid prices in an active market
- Other Investments at FVTPL	1,625.81	535.67	Level 1	Based on fund statement
Total	1,635.35	547.95		

(II) Fair value of financial assets and financial liabilities that are not measured at fair value (Non-recurring):

(₹ in Lakhs)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortised cost:				
- Trade receivables	2,076.95	2,076.95	2,121.63	2,121.63
- Cash and Cash Equivalents	470.10	470.10	234.13	234.13
- Bank Balances other than above	22.47	22.47	2,223.54	2,223.54
- Other financial assets	252.99	252.99	486.46	486.46
Total	2,822.51	2,822.51	5,065.76	5,065.76
Financial liabilities held at amortised cost:				
- Borrowings	8,253.50	8,253.50	1,820.00	1,820.00
- Trade Payables	3,224.94	3,224.94	2,726.18	2,726.18
- Lease Liabilities	180.56	180.56	191.07	191.07
- Other financial liabilities	479.63	479.63	4,725.65	4,725.65
Total	12,138.63	12,138.63	9,462.90	9,462.90

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

Fair value hierarchy as at 31 March 2025

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
- Cash and Cash Equivalents	470.10	-	-	470.10
- Bank Balances other than above	22.47	-	-	22.47
- Trade receivables	-	-	2,076.95	2,076.95
- Other financial assets	22.32	-	230.67	252.99
	514.89	-	2,307.62	2,822.51
Financial liabilities held at amortised cost:				
- Borrowings	-	-	8,253.50	8,253.50
- Trade Payables	-	-	3,224.94	3,224.94
- Lease Liabilities	-	-	180.56	180.56
- Other financial liabilities	-	-	479.63	479.63
	-	-	12,138.63	12,138.63

Fair value hierarchy as at 31 March 2024

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
- Cash and Cash Equivalents	234.13	-	-	234.13
- Bank Balances other than above	2,223.54	-	-	2,223.54
- Trade receivables	-	-	2,121.63	2,121.63
- Other financial assets	224.06	-	262.40	486.46
	2,681.73	-	2,384.03	5,065.76
Financial liabilities held at amortised cost:				
- Borrowings	-	-	1,820.00	1,820.00
- Trade Payables	-	-	2,726.18	2,726.18
- Lease Liabilities	-	-	191.07	191.07
- Other financial liabilities	-	-	4,725.65	4,725.65
	-	-	9,462.90	9,462.90

44. SEGMENT INFORMATION

Description of segments and principal activities

The Group identifies its operating segment based on the nature and class of product and services, nature of production process and assessment of differential risks and returns and financial reporting results reviewed by the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of performance. Operating segments have been identified on the basis of the nature of products/services and have been identified as per the quantitative criteria specified in the Ind AS. For financial statements presentation purposes, individual operating segments have been aggregated into a single operating segment after taking into consideration the similar nature of the products, production processes and other risk factors.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

Specifically, the Group's reportable segments under Ind AS are as follows:

- 1) Chemicals and related Products/Services
- 2) PVC-O Pipes

Geographical segments

The geographical segments considered for disclosure are based on markets, broadly as India and Others.

Segment accounting policies

In addition to the significant accounting policies applicable to the business segment as set out in note 1.17, the accounting policies in relation to segment accounting are as under:

Operating revenues and expenses related to both third party and inter-segment transactions are included in

determining the segment results of each respective segment. Inter segment sales are eliminated in consolidation.

Other income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Group level for segment reporting.

The total assets disclosed for each segment include all operating assets used by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude, deferred tax assets and income tax etc.

Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities etc.

I. Segment revenues and results

(₹ in Lakhs)

Particulars	Business segments		Total
	Chemicals and related Products/Services	PVC-O Pipes	
Revenue			
- Current Year	20,292.38	13,145.05	33,437.43
- Previous Year	20,150.37	12,612.00	32,762.37
Less: Inter-segment revenue			
- Current Year	-	-	-
- Previous Year	-	32.69	32.69
Total			
- Current Year	20,292.38	13,145.05	33,437.43
- Previous Year	20,150.37	12,579.31	32,729.68
Segment result before exceptional item			
- Current Year	(2,310.07)	3,049.01	738.94
- Previous Year	86.67	3,067.74	3,154.41
Less: Exceptional Item			
- Current Year	988.77	-	988.77
- Previous Year	-	-	-
Segment result after exceptional item			
- Current Year	(3,298.84)	3,049.01	(249.83)
- Previous Year	86.67	3,067.74	3,154.41
Finance Cost			
- Current Year	-	-	492.50
- Previous Year	-	-	94.22

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

I. Segment revenues and results (Contd.)

(₹ in Lakhs)

Particulars	Business segments		Total
	Chemicals and related Products/Services	PVC-O Pipes	
Operating income			
- Current Year	-	-	(742.33)
- Previous Year	-	-	3,060.19
Other income			
- Current Year	-	-	711.79
- Previous Year	-	-	854.46
Profit before taxes			
- Current Year	-	-	(30.54)
- Previous Year	-	-	3,914.65
Tax expense			
- Current Year	-	-	663.49
- Previous Year	-	-	1,282.34
Profit for the year			
- Current Year	-	-	(694.03)
- Previous Year	-	-	2,632.31
Other information			
Material items of expenses			
Cost of Materials Consumed			
- Current Year	4,760.88	5,451.16	10,212.04
- Previous Year	3,208.10	4,156.79	7,364.89
Other Direct Manufacturing Expenses			
- Current Year	11,167.24	712.99	11,880.23
- Previous Year	10,808.68	407.93	11,216.61

II. Segment Assets and Liabilities

(₹ in Lakhs)

Particulars	Business segments		Total
	Chemicals and related Products/Services	PVC-O Pipes	
Segment assets			
- Current Year	31,617.08	15,858.21	47,475.29
- Previous Year	31,150.03	15,402.95	46,552.98
Unallocable assets			
- Current Year	-	-	4,706.96
- Previous Year	-	-	3,479.20

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

II. Segment Assets and Liabilities

(₹ in Lakhs)

Particulars	Business segments		Total
	Chemicals and related Products/Services	PVC-O Pipes	
Total assets			
- Current Year	-	-	52,182.25
- Previous Year	-	-	50,032.18
Segment liabilities			
- Current Year	3,546.82	2,181.34	5,728.16
- Previous Year	4,012.32	5,274.04	9,286.36
Unallocable liabilities			
- Current Year	-	-	8,455.28
- Previous Year	-	-	2,019.34
Total liabilities			
- Current Year	-	-	14,183.44
- Previous Year	-	-	11,305.70
Other information			
Capital expenditure			
- Current Year	4,556.50	5,681.72	10,238.21
- Previous Year	5,467.16	3,712.83	9,179.99
Depreciation and amortisation			
- Current Year	1,948.81	1,684.32	3,633.13
- Previous Year	1,605.34	629.74	2,235.08

Information on geographic segments:

(₹ in Lakhs)

Geographical Segment	Revenues for the year ended 31 March 2025	Non - Current Assets as at 31 March 2025 (Refer Note 2 below)
India		
- Current Year	33,341.35	37,667.93
- Previous Year	32,652.59	37,297.83
Others		
- Current Year	96.08	-
- Previous Year	77.09	-

Note:

- Also Refer Note 1.17.
- Non current assets excludes deferred tax assets and income tax assets.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

45. EMPLOYEE STOCK OPTION SCHEME

a) The details of the Employee stock option schemes approved by the shareholders are as below:

Option Plan	Number	Grant Date	Exercise price in ₹	Fair value on the date of grant in ₹
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	3,22,000	29-Oct-20	97.83	139.75
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	24,400	23-May-22	134.79	192.55
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	6,000	12-Aug-23	227.12	324.45

The options may be exercised within a period of 12 months from the date of vesting and the vesting plan of the stock option schemes are as below:

CAESOS 2020
25% of the Options - One year from the date of grant.
25% of the Options - Two years from the date of grant.
25% of the Options - Three years from the date of grant.
25% of the Options - Four years from the date of grant.

b) Employee stock options details as on the balance sheet date are as follows:

Particulars	For the year ended 31 March 2025		For the year ended 31 March 2024	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]				
Option outstanding at the beginning of the year:	1,33,300	108.72	2,23,400	101.87
Add: Granted during the year:			6,000	227.12
Less: Exercised during the year:				
	(89,000)	97.93	(70,000)	97.83
	(6,100)	134.79	(6,100)	134.79
Less: Lapsed during the year:	(6,000)	227.12	(20,000)	97.83
Options outstanding at the end of the year:	32,200	111.56	1,33,300	108.72
The exercise price has been determined on the basis of the weighted average share price of Chemfab Alkalies Limited as at the grant date.		111.56		108.72

Weighted average remaining contractual life for options outstanding as at 31 March 2025 - 0 Years (As at 31 March 2024 - 1 Years).

* Out of the above, shares relating to Nil options are pending allotment as at 31 March 2025 (PY 42,000).

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

c) The assumptions used in this model for calculating fair value on date of grant are as below:
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020] (Using Black-Scholes model)

(₹ in Lakhs)

Assumptions	25% options	25% options	25% options	25% options
Risk Free Interest Rate	7.50%	7.50%	7.50%	7.50%
Expected Life	1	2	3	4
Expected Annual Volatility of Shares	64.78%	55.79%	57.14%	55.92%
Expected Dividend Yield	12.50%	12.50%	12.50%	12.50%

d) Stock Options exercised during the year

Option Plan	Number Exercised	Exercise date	Exercise price in ₹
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	600	06-Apr-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	2,500	07-Apr-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	400	09-Apr-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	3,000	10-Apr-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	600	15-Apr-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	400	20-Apr-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	200	05-May-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	300	08-May-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	14-Jun-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	18-Jun-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	19-Jun-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	20-Jun-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	22-Jun-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	24-Jun-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	2,000	26-Jun-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	27-Jun-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	28-Jun-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	500	21-Aug-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	1,000	08-Sep-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	6,100	24-Sep-24	134.79
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	3,000	27-Sep-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	2,000	07-Oct-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	9,000	21-Oct-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	5,000	29-Oct-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	2,500	31-Oct-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	5,000	05-Nov-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	13,000	06-Nov-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	5,000	11-Nov-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	6,000	14-Nov-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	6,000	22-Nov-24	97.83
"CAESOS 2020" [Chemfab Alkalies Employees Stock Option Scheme 2020]	8,000	23-Nov-24	97.83

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For the year ended 31 March 2025

d) Stock Options exercised during the year (Contd.)

(₹ in Lakhs)

Option Plan	Number Exercised	Exercise date	Exercise price in ₹
"CAESOS 2020" [Chemfab Alkalys Employees Stock Option Scheme 2020]	3,000	24-Nov-24	97.83
"CAESOS 2020" [Chemfab Alkalys Employees Stock Option Scheme 2020]	1,000	26-Nov-24	97.83
"CAESOS 2020" [Chemfab Alkalys Employees Stock Option Scheme 2020]	1,000	13-Jan-25	97.83

e) Total expense accounted for by the Parent Company on account of the above are given below:

(₹ in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
ESOP cost accounted by the Company (Refer Note 34)	11.16	37.51
Total	11.16	37.51

46. STATEMENT OF NET ASSETS AND PROFIT OR LOSS ATTRIBUTABLE TO OWNERS:

(₹ in Lakhs)

Name of the Entities in the group	Net Assets (Total Assets minus Total Liabilities) as at 31 March 2025		Share in Profit or (Loss) for the year ended 31 March 2025		Share in Other Comprehensive Income for the year ended 31 March 2025		Share in Total Comprehensive Income for the year ended 31 March 2025	
	As a % of consolidated	Amount	As a % of consolidated	Amount	As a % of consolidated	Amount	As a % of consolidated	Amount
A. Parent								
Chemfab Alkalys Limited	69.55%	26,429.75	-221.75%	1,539.01	100.00%	38.43	-240.61%	1,577.44
B. Wholly Owned Subsidiary								
Chemfab Alkalys Karaikal Limited	30.45%	11,569.06	321.75%	(2,233.04)	0.00%	-	340.61%	(2,233.04)
Total	100.00%	37,998.81	100.00%	(694.03)	100.00%	38.43	100.00%	(655.60)

(₹ in Lakhs)

Name of the Entities in the group	Net Assets (Total Assets minus Total Liabilities) as at 31 March 2024		Share in Profit or (Loss) for the year ended 31 March 2024		Share in Other Comprehensive Income for the year ended 31 March 2024		Share in Total Comprehensive Income for the year ended 31 March 2024	
	As a % of consolidated	Amount	As a % of consolidated	Amount	As a % of consolidated	Amount	As a % of consolidated	Amount
A. Parent								
Chemfab Alkalys Limited	74.26%	28,756.97	113.92%	2,998.69	100.00%	21.94	113.80%	3,020.63
B. Wholly Owned Subsidiary								
Chemfab Alkalys Karaikal Limited	25.74%	9,969.51	(13.92%)	(366.38)	0.00%	-	(13.80%)	(366.38)
Total	100.00%	38,726.48	100.00%	2,632.31	100.00%	21.94	100.00%	2,654.25

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

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RATIOS	Numerator	Denominator	2024-25	2023-24	Variance%	Reason for Variance
(a) Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.65	1.09	51%	Increased mainly due to increase in current investments under the head current assets.
(b) Debt- equity Ratio (in times)	Debts consists of borrowings and lease liabilities	Total Equity	0.22	0.05	327%	There is an increase in debt equity ratio on account of increase in borrowings in the current year.
(c) Debt Service Coverage Ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	-3.58	-35.10	-90%	There is an improvement in the ratio due to reduction in repayment of loan during the year.
(d) Return on Equity Ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	-1.81%	7.03%	-126%	There is decrease in ratio due to decrease in profitability mainly due to decrease in realisation of products.
(e) Inventory turnover ratio (in times)	Revenue from Operations	Average Inventory	15.48	19.86	-22%	No major variance.
(f) Trade Receivables turnover ratio (in times)	Revenue from Operations	Average Trade Receivables	15.93	15.24	5%	No major variance.
(g) Trade payables turnover ratio (in times)	Total Expenses - Finance Cost - Depreciation and Amortisation Expenses	Average Trade Payables	9.77	9.95	-2%	No major variance.
(h) Net capital turnover ratio (in times)	Revenue from Operations	Average working capital (i.e. Total current assetsless Total current liabilities)	7.09	37.55	-81%	There is a decrease in the ratio mainly due to increase in current investments under the head current assets.
(i) Net profit ratio (in %)	Profit for the Year	Revenue from Operations	-2.08%	8.04%	-126%	There is decrease in ratio due to decrease in profitability mainly due to decrease in realisation of products.
(j) Return on Capital employed (in %)	Profit before tax and finance costs	Capital employed = Tangible Net Worth + Total Debt + Deferred Tax Liability- Deferred Tax Asset	1.05%	10.51%	-90%	There is decrease in ratio due to decrease in profitability mainly due to decrease in realisation of products.
(k) Return on investment (in %)	Income generated from Other investments under Current Financial Assets	Average of Other investments under Current Financial Assets	1.93%	8.45%	-77%	Decreased due to lower average amount invested in Current Investments during the period.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

48. RELATIONSHIP WITH STRUCK OFF COMPANIES

(₹ in Lakhs)

Name of the Struck off Company	Nature of transactions with struck off Company	"Balance outstanding (Amount ₹ In Lakhs)"	Relationship with the struck off Company, if any, to be disclosed
Year ended 31 March 2025			
Nathanz Chemicals Pvt Ltd.	Receivables	0.27	NA
Advance Valves Private Limited (Refer Note below)	Payables	0.00	NA
Pyrotech Electronics (P) Limited (Refer Note below)	Payables	0.00	NA
Year ended 31 March 2024			
Nathanz Chemicals Pvt Ltd.	Receivables	0.27	NA
Ram-Nath & Co. Pvt. Ltd.	Payables	0.00	NA
Shivalik Agro Poly Products Ltd	Payables	0.00	NA

Note: The Parent Company had transactions with the parties during the year, however closing balance as at 31 March 2025 was Nil.

49. The Board of Directors of the Parent Company have recommended a final dividend of 12.50% (₹ 1.25 per Equity Share of ₹ 10 each) for the financial year 2024-25 which is subject to the approval of the shareholders in the forthcoming Annual General Meeting of the Parent Company.

50 ADDITIONAL REGULATORY INFORMATION

- (i) The Group has not revalued any of its property, plant and equipment and intangible assets during the year.
- (ii) No proceedings have been initiated during the year or are pending against the Group as at 31 March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (iii) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (iv) The Group has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. The Group has not been declared wilful defaulter

by any bank or financial institution or government or any government authority.

- (v) The quarterly returns or statements comprising (stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Group with such banks or financial institutions are in agreement with the unaudited books of account of the Group of the respective quarters.
- (vi) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (viii) 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:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

- (ix) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (x) The Group does not have any Scheme of Arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Act.
- (xi) The Group has complied with the the number of layers prescribed under of Section 2(87) of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (xii) The Group has utilised the borrowing amount taken from financial institutions for the purpose as stated in the sanction letter.
- (xiii) As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Group uses only such accounting softwares for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made and who made those changes within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year.

However, in respect of an payroll software and in respect of an accounting software used for maintaining the financial records, in the absence of service organization control reports from the respective vendors, the Group is unable to assess whether the audit trail features were enabled and operated throughout the relevant periods for all relevant transactions recorded in the payroll software

(for the full year) and the accounting software (for the audit period January 01, 2025, to March 31, 2025).

The Group has established and maintained an adequate internal control framework over its financial reporting and based on its assessment, has concluded that the internal controls for the year ended March 31, 2025 were effective.

The Companies (Accounts) Fourth Amendment Rules, 2022 dated 06 August 2022, mandates that the backup of the books of account and other books and papers of the Company maintained in electronic mode including at a place located in India on a daily basis. The Group is maintaining daily backups for all the accounting software in a server which is physically located within India. However, in respect of an accounting software used for maintaining the financial records, the management is unable to assess on the backup of books of accounts due to non-availability of the Service Organisation Control (SOC) report covering the period from January 01, 2025, till March 31, 2025.

51. The Code on Wages, 2019 and Code of Social Security, 2020 ("the Codes") relating to employee compensation and post employment benefits that received Presidential assent and the related rules thereof for quantifying the financial impact have not been notified. The Group will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes become effective.

52. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE:

- (i) The Board of Directors of the Parent Company in their meeting held on 14 May 2025 have approved the sale of 667.49 acres of land at Salt Division 2 Chemical division which is expected to be consummated during FY 2025-2026.
- (ii) The Company Secretary has been relieved from the duties and responsibilities of the Company Secretary and Compliance Officer with effect from the close of office hours on 18 April 2025, consequent upon resignation.

Notes forming part of the Consolidated Financial Statements

For the year ended 31 March 2025

53. The Board of Directors of the Parent Company has reviewed the realisable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these consolidated financial statements in its meeting held on 14 May 2025.

For and on behalf of the Board of Directors

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809
Place: Chennai

V M Srinivasan
Chief Executive Officer
Place: Chennai

S Prasath
Chief Financial Officer
Place: Chennai
Date: 14 May 2025



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