36th ANNUAL REPORT 2024-25

SMRUTHI ORGANICS LIMITED

Content

Company Overview 1

Corporate Information.....1

Statutory Reports..... 2 - 35

Notice 2

Management Discussion and Analysis.....14

Directors' Report.....15

Report On Corporate Governance 25

Financial Statements.....36 - 98

Auditors Report on Financial Statements.....36

Balance Sheet.....46

Statement of Profit and Loss.....47

Cash Flow Statements 48

Notes (Schedules for Financial Statements) 51

Notes to Standalone Financial Statements.....63

Corporate Information

BOARD OF DIRECTORS

Mr. Purushotham Eaga
Chairman & Managing Director

Mr. Swapnil Eaga
Jt. Managing Director & Chief Financial Officer

Mrs. Smruthi Eaga
Non-Executive Director

Mr. Prakash Wadgaonkar
Independent Non-Executive

Mr. Anoop Doshi
Independent Non-Executive

Mr. Dharmaraj Rao
Independent Non-Executive

COMPANY SECRETARY

Ms. Urvashi D. Khanna

REGISTERED OFFICE

165-A, Balaji Bhavan,
1st Floor, Railway Lines, Solapur 413 001

FACTORIES

Unit - I

Plot No. 273/274, MIDC, Akkalkot Road,
Solapur 413 006

Unit - II

Plot No. A-27, MIDC Area, Chincholi,
Post Kondi, Taluka Mohol, Dist. Solapur 413255

In house R & D Plant

A-27, A.P.I.E., Balanagar, Hyderabad,
Telangana - 500 037

STATUTORY AUDITORS

Gokhale and Sathe
Chartered Accountants
308/309 Udyog Mandir No-1
7c, Bhagoji Keer Marg, Mahim
Mumbai- 400016

BANKERS

State Bank of India
Industrial Finance Branch, Parinee Crescenzo,
202, Wing 'B', 2nd Floor, C-38/39 G Block,
Behind MCA Ground, BKC,
Bandra (E) | Mumbai – 400051

Axis Bank Ltd
Ground Floor, Kanale Kalyan Mandap, Dufferin Chowk,
Railway Lines, Solapur 413 001, Maharashtra

REGISTRAR AND TRANSFER AGENTS

M/s. Adroit Corporate Services Pvt. Ltd.,

19, Jaferbhoy Indl. Est., Makwana Road, Marol Naka,
Andheri (E), Mumbai - 400059
Contact No: 91 (0)22 42270427

Email: rtaclientservice@adroitcorporate.com

Notice

Notice is hereby given that the 36th Annual General Meeting ("AGM") of Smruthi Organics Ltd will be held on Friday, 20th June, 2025 at 12:00 p.m (IST) through Video Conference / Other Audio-Visual Means (VC / OAVM) without the physical presence of the members at a common venue to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2025 and the Reports of the Board of Directors and the Auditors thereon.

2. To declare a dividend of Rs 1.5/- per share (i.e 15 %) on 1,14,46,290 equity shares of Rs. 10/- each for the year ended 31st March, 2025.

3. To appoint a Director in place of Ms. Eaga Smruthi (DIN: 09268342) who retires by rotation and being eligible offers herself for re-appointment.

Special Business:

4. Increase in Remuneration payable to Related Party Mrs. Eaga Rimika, Executive – Business Development for holding Office or Place of Profit.

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

"RESOLVED THAT pursuant to the provisions of Section 188 (1)(f) of the Companies Act, 2013 read with Rule 15(3) (b) of the Companies (Meetings of Board and Its Powers) Rules, 2014 and other applicable provisions if any, of the Companies Act, 2013 read with Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (hereinafter referred to as "Act"), Regulation 23 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to the recommendations of the Nomination and Remuneration Committee(NRC), Audit Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded for revision in remuneration of Mrs. Eaga Rimika, Executive – Business Development, for holding office or place of profit in the Company on salary of Rs 2.5 lakhs per month i.e Rs 30 lakhs per annum plus allowances, benefits, perquisites, incentives and commission (as applicable) ("collectively called "remuneration") with annual increase not exceeding 15% of the relevant remuneration with liberty to the Board of Directors to alter the said remuneration and terms and conditions, from time to time in accordance with the provisions of the Act and other applicable regulations.

"RESOLVED LASTLY THAT Board of Directors of the Company be and is hereby authorized to file required form with Registrar of Companies and generally do all such acts, deeds and things as may be necessary or expedient for the purpose of giving effect to this resolution."

5. Ratification of remuneration to Cost Auditor for the Financial Year 2025-26:

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory amendment or modification or re- enactment thereof, for the time being in force), the remuneration of the Cost Auditor, Shriniwas Diddi & Associates, Cost Accountants, Solapur (Firm Registration No. 100516), to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2026, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby ratified."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above resolution."

6. Appointment of Mr. H. R. Thakur, Practising Company Secretary as Secretarial Auditor of the Company for an audit period of 5 years commencing from FY 2025-26 till FY 2029-2030 :

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

RESOLVED THAT pursuant to provisions of Section 204 of the Companies Act, 2013 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, if any, the relevant circulars issued by SEBI (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and Board of Directors of the Company, approval of the members of the company be and is hereby accorded for appointment of Mr. H. R. Thakur, Practising Company Secretary, Mumbai as Secretarial Auditor of the Company for Audit period of 5 years commencing from FY 2025-26 till FY 2029-2030 and that the Board of Directors (or Committee thereof) be and is hereby authorized to fix such remuneration as may be determined from time to time in consultation with the said Auditor.

RESOLVED LASTLY THAT Board of Directors of the Company be and is hereby authorized to file required form with Registrar of Companies and generally do all such acts, deeds and things as may be necessary or expedient for the purpose of giving effect to this resolution.

7. Re-appointment of Mr E. Purushotham (DIN No. 00033583) as Managing Director of the Company:

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

"RESOLVED THAT in accordance with the provisions of Section 196, 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 read with the relevant Rules made thereunder (including any amendments, modifications or re-enactment for the time being in force), the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of the Articles of Association

of the Company and recommendations of the Nomination and Remuneration Committee and the Board of Directors, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. E. Purushotham (DIN No. 00033583), as Managing Director of the Company, for a further period of three years with effect from 01st April 2025 to 31st March 2028 on salary of Rs 15 lakhs per month i.e Rs 180 lakhs per annum, plus allowances, benefits, perquisites, incentives and commission (as applicable) (collectively called "remuneration") with annual increase not exceeding 25% of the relevant remuneration with liberty to the Board of Directors to alter the said remuneration and terms and conditions, from time to time in accordance with the provisions of the Act and other applicable regulation.

"RESOLVED FURTHER THAT in the event of any inadequacy or absence of profits in any financial year or years, the aforementioned remuneration approved herein be continued to be paid as minimum remuneration to Mr. E. Purushotham for his entire term subject to such other approvals as may be necessary."

"RESOLVED LASTLY THAT Board of Directors of the Company be and is hereby authorized to file required form with Registrar of Companies and generally do all such acts, deeds and things as may be necessary or expedient for the purpose of giving effect to this resolution.

8. Re-appointment of Mr E Swapnil (DIN No: 01241535) as Joint Managing Director of the Company:

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

"RESOLVED THAT in accordance with the provisions of Section 196, 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 read with the relevant Rules made thereunder (including any amendments, modifications or re-enactment for the time being in force), the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of the Articles of Association of the Company and recommendations of the Nomination and Remuneration Committee and the Board of Directors, approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. E. Swapnil (having DIN No. 01241535), as Joint Managing Director and Chief Financial officer (CFO) of the Company, for a further period of three years with effect from 01st June 2025 to 31st May 2028 on salary of Rs 10 lakhs per month i.e Rs 120 lakhs per annum , plus allowances, benefits, perquisites, incentives and commission (as applicable) ("collectively called "remuneration") with annual increase not exceeding 25% of the relevant remuneration with liberty to the Board of Directors to alter the said remuneration and terms and conditions, from time to time in accordance with the provisions of the Act and other applicable regulation.

"RESOLVED FURTHER THAT in the event of any inadequacy or absence of profits in any financial year or years, the aforementioned remuneration approved herein be continued to be paid as minimum remuneration to Mr. E. Swapnil for his entire term subject to such other approvals as may be necessary."

"RESOLVED LASTLY THAT Board of Directors of the Company be and is hereby authorized to file required form with Registrar of Companies and generally do all such acts, deeds and things as may be necessary or expedient for the purpose of giving effect to this resolution."

By Order of the Board of Directors

Urvashi Khanna
Company Secretary
Membership No ACS:46544

Place : Solapur
Date : 05th May, 2025

NOTES:

1. In compliance with the General Circular No. 09/2024, dated 19th September, 2024 read with Circular No. 09/2023 dated 25th September, 2023 , Circular Nos.10/2022 dated 28th December, 2022, 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020,20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 21/2021 dated 14th December, 2021 and all other relevant Circulars ("MCA Circulars") issued by the Ministry of Corporate Affairs ("MCA") and Circular No. SEBI/HO/DDHS/P/CIR/2023/0164 dated 6th October, 2023 ("SEBI Circular") issued by the Securities and Exchange Board of India ("SEBI")and relevant provisions of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 36th Annual General Meeting ("AGM") will be held without the physical presence of Shareholders at a common venue.
2. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
3. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email to cs@smruthiorganics.com with a copy marked to rtaclientservice@adroitcorporate.com
4. The register of directors and key managerial personnel (KMP) and their shareholding, maintained under Section 170 of the Act, the register of contracts or arrangements in which the directors are interested maintained under Section 189 of the Act, will be available for electronic inspection without any fee from the date of circulation of this Notice up to the date of AGM, i.e. 20th June, 2025. Members may write to the Company at cs@smruthiorganics.com in that regard, by mentioning "Request for Inspection" in the subject of the e-mail.
5. The Register of Members and share transfer books of the Company will remain closed from Saturday, 14th June, 2025 to Friday, 20th June, 2025 (both days inclusive), for the purpose of AGM and Dividend. The Dividend, if declared, will be paid on or before 15th July, 2025, to those Shareholders whose names are registered as such in the Register of Members of the Company as on **Friday, 13th June, 2025 ("record date")** and to be beneficiary holders as per the beneficiary list as on

Friday, 13th June, 2025 provided by the NSDL and CDSL. Dividend will be paid electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent to their registered addresses. To avoid delay in receiving dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.

6. Pursuant to Finance Act, 2020, dividend income is taxable in the hands of Shareholders with effect from 1st April, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the Shareholders at the prescribed rates.

   For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

   The Shareholders are requested to update their PAN with the Company/RTA (in case of shares held in physical mode) and their respective Depository Participant(s) (in case of shares held in dematerialised 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 cs@smruthiorganics.com/ rtaclientservice@adroitcorporate.com by 13th June, 2025. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

   Resident Shareholders whose dividend is liable for deduction of TDS at a concessional or Nil rate as per Section 197 of the Income-tax Act, 1961can submit the certificate/letter issued by the Assessing Officer, to avail the benefit of lower rate of deduction or non-deduction of tax at source by e-mail to cs@ smruthiorganics.com / rtaclientservice@adroitcorporate.com by 13th June, 2025.

   Non-resident Shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing the 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 by sending an e-mail to cs@smruthiorganics.com. The aforesaid declarations and documents need to be submitted by the Shareholders by 13th June, 2025.

7. Members are requested to address all correspondence, including dividend-related matters, to cs@smruthiorganics.com with a copy marked to rtaclientservice@adroitcorporate.com.

8. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or with the Company Secretary, at the Company's registered office or at cs@smruthiorganics.com. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.

9. In compliance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the LODR Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (e-voting) facility provided by Central Depository Services (India) Limited (CDSL). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the 'Instructions for e-voting' section which forms part of this Notice.

   Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

10. In compliance with the Circulars, the Integrated Annual Report 2024-25, the Notice of the 36th AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s) (DP).

11. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, Adroit Corporate Services Pvt. Ltd. at rtaclientservice@adroitcorporate.com , to receive copies of the Integrated Annual Report 2024-25 in electronic mode.

12. Members may also note that the Notice of the 36th AGM and the Integrated Annual Report 2024-25 will also be available on the Company's website, https://smruthiorganics.com/investor-relation/ , websites of the stock exchanges, i.e. BSE and MSEI, at www.bseindia.com and www.msei.com, respectively.

13. Additional information, pursuant to Regulation 36 of the LODR Regulations, in respect of the director seeking reappointment at the AGM, forms part of this Notice.

14. The Board has appointed Mr. H.R. Thakur, Practicing Company Secretary, Mumbai , as the scrutinizer ("Scrutinizer") for conducting the e-voting process in a fair and transparent manner.

15. The Scrutinizer will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes

cast through remote e-voting), not later than 48 (forty eight) hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges and RTA, and will also be displayed on the Company's website, https://smruthiorganics.com/investor-relation/.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETING 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) The voting period begins on Tuesday, 17th June, 2025 at 9.00 a.m (IST) and ends on Thursday, 19th June, 2025 at 05.00 p.m (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, 13th June, 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.

(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.

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	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 & New System Myeasi 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 & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

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

3.1) For CDSL: 16 digits beneficiary ID,

3.2) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

3.3) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(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 <Company Name> 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 cs@smruthiorganics.com , 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 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 **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@smruthiorganics.com 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 cs@smruthiorganics.com.

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.

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

ITEM No 4:

Pursuant to the provisions of Section 188(1)(f) of the Act, the Board of Directors in its meeting held on 04th February, 2025, approved the appointment of Mrs. Rimika Eaga, Executive (Business Development), with effect from 01st February, 2025 to hold the office or place of profit in the Company.

Taking into consideration her experience and knowledge, your Directors have approved, subject to the approval of members, the continuation of her appointment holding office or place of profit in the Company with the increased remuneration, generally comparable with the remuneration drawn by any other employees of the same category in the Company.

Mrs. Rimika Eaga (BE Computer Science) , wife of Mr. Swapnil Eaga , Joint Managing Director & CFO of the Company. Hence, the continuation of the aforesaid appointment will be deemed to be holding an office or place of profit by a relative of a Director within the meaning of Section 188(1)(f) of the Act, and accordingly the approval of the members by an ordinary resolution is being sought in terms of the requirements of the Act and the rules made there under in view of her proposed annual remuneration exceeding Rs. 30 Lakhs. The said related party transaction is not a material RPT as defined under regulation 23(1) of the Listing Regulations. The continuation of her employment at an increased remuneration is duly recommended by the NRC , Audit Committee and the Board of Directors at their meetings held on 04th February 2025 on the following terms and conditions which are being placed before the members of the Company for their consideration and approval viz.:

1) **Salary:** Rs. 30,00,000/- (Rupees Thirty Lakhs Only) per annum, with annual increase not exceeding 15% of the relevant remuneration with liberty to the Board of Directors to alter the said remuneration and terms and conditions, from time to time in accordance with the provisions of the Act and other applicable regulation.

2) **Perquisites and other benefits:** In addition to the above, she shall be entitled to perquisites such as car, driver, petrol expenses, maintenance expenses etc. and other benefits i.e Gratuity, Provident Fund, Leave encashment, Ex-Gratia etc .The monetary value of such perquisites and benefits to be determined in accordance with the Income Tax Rules, 1962, with a provision for increase of not more than 15% per annum over the previous year and to be decided by Remuneration and Nomination Committee and the Board.

None of the Directors / Key Managerial Personnel (KMP) of the Company and their relatives except the appointee, Mr E. Purushotham , Mr E Swapnil and Ms. E. Smruthi are concerned or interested in this resolution.

The Board of Directors recommend the ordinary resolution at Item No. 4 for your approval.

ITEM No 5:

The Board, on the recommendation of the Audit Committee, has approved the appointment of and remuneration payable to Shriniwas Diddi & Associates, Cost Accountants for conducting the audit of the cost records of the Company for the financial year ending 31st March, 2026 on a Audit Fees of Rs 55000/- plus service GST as applicable and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution.

The Board recommends the Resolution for your approval.

Item No. 6:

In terms of Section 204 of Companies Act, 2013 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) ('LODR') Regulations, 2015, the Secretarial Auditor shall be appointed on the recommendation of the Board with the approval of shareholders of the Company.

Accordingly, the Board has recommended the appointment of Mr. H. R. Thakur, Practising Company Secretary, Mumbai (who has been conducting secretarial audit of the company since FY 2014-2015), for a Audit period of 5 years commencing from FY 2025-26 till FY 2029-2030 for the approval of shareholders.

The fees proposed for the financial year 2025-2026 is Rs. 60,000/- (Rupees Sixty Thousand only) excluding taxes and reimbursement of out of pocket expenses for carrying out Secretarial Audit and for further period at such fees as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditor.

Mr. H. R. Thakur is a Practising Company Secretary since FY 2000. Mr. H. R. Thakur provides professional services in the field of Corporate Laws, SEBI Regulations, FEMA Regulations including carrying out Secretarial Audit and Compliance Audits. Mr. H. R. Thakur is Peer Reviewed by the Institute of Company Secretaries of India (Peer Reviewed and Certificate no. 1457 /2021).

Mr. H. R. Thakur has confirmed that he has not incurred any disqualification and eligible to be appointed as Secretarial Auditor of the Company in terms of Regulation 24 (1A) of SEBI (LODR) Regulations, 2015.

None of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

The Board recommends the resolution set forth in Item No. 6 for the approval of members as an Ordinary Resolution.

ITEM NO. 7:

Based on the recommendation of Nomination and Remuneration Committee, Board has re-appointed Mr. E. Purushotham (DIN No:00033583) as Managing Director of the Company, for a period of three (3) years w.e.f. 01st April, 2025 up to 31st March, 2028 on revised terms and conditions subject to the approval of members. This explanatory statement mentions the terms and conditions required to be disclosed in compliance with Section 196 of the Companies Act, 2013.

Mr E. Purushotham is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Managing Director of the Company.

All other relevant details of Mr. E. Purushotham and information as required under Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Secretarial Standard – 2 on General Meetings issued by The Institute of Company Secretaries of India, are mentioned in **Annexure A** attached hereto.

None of the Directors / Key Managerial Personnel (KMP) of the Company and their relatives except the appointee, Mr. E. Swapnil and Ms. E. Smruthi are concerned or interested in this resolution. Mr. E. Purushotham shall not be liable to retire by rotation.

Information About the Managing Director

Mr. E. Purushotham, MSC (Org. Chem.) has over 40 years of experience in API industry. He has been associated with the company as Managing Director since its inception in 1989.

Job Profile & Suitability

Mr. E Purushotham is overall in-charge of the company particularly looking after technical, research & development and marketing matters. Due to untiring efforts and long term vision of Mr. E. Purushotham, the company has been able to register sustained growth and earn reputation as a quality supplier of the products in domestic as well as international markets in spite of intense competition and setbacks in the business.

Remuneration Proposed

Rs 15,00,000/- per month i.e. Rs 180 lakhs p.a. plus Commission / Allowances / Perquisites, which include free furnished residential accommodation, reimbursement of medical and leave travel expenses, personal accident insurance policies, company car with driver, contribution to Provident Fund and Gratuity, etc. Effective from 1st April, 2025 to 31st March, 2028.

Annual increase in remuneration excluding commission not to exceed 25% over the previous year as may be permissible under the provisions of the Act.

Comparative Remuneration

The remuneration proposed for the Mr. E Purushotham is in line with the one paid by companies of similar size and nature of business

Past Remuneration

For Mr. E. Purushotham Rs 15,00,000/- (Rupees Fifteen lakhs) per month, i.e. Rs 180 lakhs per annum Commission / Allowances / Perquisites, which include Provident Fund contribution, Gratuity as per rules of the Company, free furnished residential accommodation, reimbursement of medical and travelling expenses, personal accident insurance, free use of company's car with driver, etc.

Board Recommendation

Since Mr. E. Purushotham is associated with the company as Managing Director since its inception, his re- appointment is very much critical to the growth and long term prospects of the Company, the Directors recommend the Special Resolution for your approval.

ITEM NO. 8:

Based on the recommendation of Nomination and Remuneration Committee, Board has re-appointed Mr. Swapnil Eaga (DIN No:01241535) as Joint Managing Director and CFO of the Company, for a period of three (3) years w.e.f. 01st June, 2025 up to 31st May, 2028 on revised terms and conditions subject to the approval of members. This explanatory statement mentions the terms and conditions required to be disclosed in compliance with Section 196 of the Companies Act, 2013.

Mr. Swapnil Eaga is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Joint Managing Director and CFO of the Company.

All other relevant details of Mr. Swapnil Eaga and information as required under Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Secretarial Standard – 2 on General Meetings issued by The Institute of Company Secretaries of India, are mentioned in Annexure A attached hereto.

None of the Directors / Key Managerial Personnel (KMP) of the Company and their relatives except the appointee, Mr E. Purushotham and Ms. E. Smruthi are concerned or interested in this resolution.

Mr E Swapnil shall be liable to retire by rotation.

Information About the Joint Managing Director

Mr. E. Swapnil is a Bachelor of Science in Chemical Engineering from University of California Berkeley, USA and MBA from IESE Business School, Spain. He has 18 years of experience in the areas of technical, business development and finance functions. He has been associated with the company in various capacities since 2005 and as a Director since 2009.

Job Profile & Suitability

Mr. E. Swapnil is young and dynamic professional who is in charge of all technical, business development, finance, accounts, costing & MIS matters. His educational background and experience in the domain make him an ideal candidate to take the company's vision forward.

Remuneration Proposed

Rs 10,00,000/- (Rupees Ten Lakhs) per month. i.e. 1.20 Crores (Rupees One Crore Twenty lakhs) per annum plus Commission / Allowances / Perquisites which include free furnished residential accommodation, reimbursement of medical and leave travel expenses, personal accident insurance policies, company car with driver, contribution to Provident Fund and Gratuity, etc. effective from 1st June, 2025 to 31st May 2028.

Annual increase in remuneration not to exceed 25% of the relevant remuneration on such terms and other conditions as may be agreed to between the Board of Directors and Mr. Swapnil Eaga.

Comparative Remuneration

The remuneration proposed for the Mr. Swapnil Eaga is in line with the one paid by companies of similar size and nature of business

Past Remuneration

For Mr. Swapnil Eaga 10,00,000/- (Rupees Ten lakhs) per month i.e. Rs 120 lakhs per annum plus Commission / Allowances / Perquisites, which include Provident Fund contribution, Gratuity as per rules of the Company, free furnished residential accommodation, reimbursement of medical and traveling expenses, personal accident insurance, free use of company's car with driver, etc.

Board Recommendation

Since Mr. Swapnil Eaga has been discharging his functions as Executive Director & CFO effectively since past 18 years, his re-appointment is very much essential for the growth and profitability of the Company. The Directors recommend the Special Resolution for your approval.

PERQUISITES APPLICABLE TO BOTH THE APPOINTEES

1. **Allowances**

1.1. Leave with full pay as per the Rules of the Company, encashment of un-availed leave being allowed at the end of the tenure.

1.2. Free furnished residential accommodation with gas, electricity, water or unfurnished accommodation with gas, electricity, water and furnishings.

1.3. Re-imbursement of medical expenses incurred in India or abroad and including hospitalization, nursing home and surgical charges for himself and family.

1.4. Re-imbursement of actual traveling, lodging and boarding expenses for proceeding on leave from Solapur to any place in India or abroad and return there from once in a year with respect to himself and family.

1.5. Re-imbursement of membership fees for 2 clubs.

1.6. Personal accident insurance policy in accordance with scheme applicable to senior employees.

1.7. Free use of Company's car for Company's work as well for personal purposes along with driver.

1.8. Telephone, Cell Phone with Internet at residence at Company's cost.

2. Commission

Commission, in addition to salary, perquisites and allowances calculated with reference to the Net Profits of the Company for Particular Financial Year, subject to overall ceiling laid down under provisions of Section 197 of the Companies Act, 2013, as the Remuneration Committee / Board of Directors may decide in their absolute discretion.

3. Provident Fund and Gratuity Fund

Company's contribution to Provident Fund and Family Pension Scheme to the extent these either singly or together are not taxable under The Income Tax Act, 1961 and Gratuity payable as per the rules of the Company and encashment of leave at the end of their tenures shall not be included in computation of limits for remuneration or perquisites aforesaid.

4. Minimum Remuneration

In the event of any inadequacy or absence of profits in any financial year or years, the aforementioned remuneration approved herein be continued to be paid as minimum remuneration to Mr. E. Purushotham and Mr E Swapnil for their entire term subject to such other approvals as may be necessary.

The Board of Directors shall have the power to effect any variations, alterations or modifications in future in respect of the aforesaid terms of appointment and remuneration of Mr. E. Purushotham and Mr. E Swapnil as per provisions of the Companies Act, 2013 or any statutory modifications, substitutions or re-enactment's thereof, as may be agreed to by the Board of Directors upon recommendation of the Nomination and Remuneration Committee and Mr. E. Purushotham and Mr. E Swapnil

5. Memorandum of Interest

In case of Mr. E. Purushotham except the appointee, Ms. Smruthi Eaga and Mr. Swapnil Eaga are concerned or interested in the resolution. No other Key Managerial Personnel or their relatives are concerned or interested in the resolution.

In case of Mr. Swapnil Eaga except the appointee, Mr. E. Purushotham and Ms. Smruthi Eaga are concerned or interested in the resolution. No other Key Managerial Personnel or their relatives are concerned or interested in the resolution.

6. General Terms of Appointment

The appointees shall not divulge any confidential information concerning the company and not undertake any activities which shall adversely affect interests of the company

7. Termination

Appointment terminable with 3 months notice from either side.

Appointment to terminate if the concerned Director ceases to hold the Directorship for any reasons.

GENERAL INFORMATION

Additional Information relevant to appointment of the Mr. E Purushotham and Mr. E Swapnil are forming part of the explanatory statement as required under the Companies Act, 2013.

1. NATURE OF INDUSTRY:

The Company is manufacturer of bulk drugs, drug intermediates, fine chemicals & specialty chemicals.

The Company is also in the business of marketing finished dosage formulations in the domestic market.

2. The Company commenced commercial Production from December 1990.

3. Financial Performance based on Audited Financial Results for the year ended 31/03/2025:

Particulars	Rs in Lakhs
Net Sales & Other Income	12,609.67
Less: Total expenses	12,119.67
Profit/ (Loss) before Tax	490.00
Less: Tax Expense	133.71
Profit/ Loss after Tax	356.29

4. Export Performance and Foreign Exchange earned for the year ended 31/03/2025:

   During the year the Company's Exports amounted to Rs 2616.05 lakhs compared to Rs 3806.68 lakhs in previous year, registering the decrease of 31.28 %.

5. Foreign Investment or Collaborations, if any: Not Applicable

6. Pecuniary Relationship Directly or Indirectly with the Company, or Relationship with the Managerial Personnel, if any: Not Applicable except to the extent of proposed remuneration and related party transactions as reflected in the Annual Report.

OTHER INFORMATION:

(1) Reasons of loss or inadequate profits: The profits reduced due to increase in raw material cost , overheads and pressure on sales price due to severe market competition .

(2) Steps taken or proposed to be taken for improvement: Special efforts are being taken to increase sales in the overseas market where company expects to get better price than domestic sales and backward integration for reducing raw material cost.

DISCLOSURES:

The information in respect of Remuneration including performance criteria, service contract, notice period details if any have been given in the Corporate Governance Report.

By Order of the Board of Directors

Urvashi Khanna
Company Secretary
Membership No ACS:46544

Place : Solapur
Date : 05th May 2025

Annexure – A

Disclosure required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

Name	Mr. Eaga Swapnil	Mr. Eaga. Purushotham	Ms. Smruthi Eaga
Director Identification Number	01241535	00033583	09268342
Age	41	67	38
Date of first Appointment on the Board	06th April, 2009	Since incorporation- Subscriber to MOA	12/02/2022
Qualifications	B.S. (Chem) USA & MBA (Finance), Spain	MSC (Org. Chem.)	Masters in Pharmacy
Brief Resume / Experience in Specific Functional Area	Technical, Business Development , accounts, costing, MIS & Finance	Organic Chemistry and Handling overall management of the company	Business Analyst
Terms and Conditions of Appointment / Re-appointment	Liable to retire by rotation	Not Liable to retire by rotation	Liable to retire by rotation
Details of remuneration sought to be paid	Rs 120 lakhs per annum	Rs 180 Lacs per annum	As per approval of the shareholders at AGM held on 05th August, 2023
Last drawn remuneration	Rs 120 lakhs per annum	Rs 180 Lacs per annum	Rs 59,34,746
Relationship with other Directors and Key Managerial Personnel	Son of Mr. E Purushotham, MD and Brother of Ms E Smruthi, Non Executive Director	Father of Mr E Swapnil, Jt MD Father of Ms. E Smruthi, Non Executive Director	Daughter of Mr. Purushotham Eaga (Chairman and Managing Director) and sister of Mr Swapnil Eaga (Joint Managing Director and CFO)
Directorship in other Companies	1	1	Nil
Listed entities from which the person has resigned in the past three years	Nil	Nil	Nil
Chairman/Member in the Committees of the Boards of other Listed Companies	Nil	Nil	Nil
No. of Shares held in the Company	600144	4718936	89,702
Number of meetings of the Board attended during the year	4	4	3

Note: For other details such as the number of meetings of the Board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the Report on Corporate Governance which is a part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

During the year under review, the Company reported Net Sales and Other Income of Rs.12,609.67 lakhs as compared to Rs.12,771.86 lakhs in the previous year, registering a marginal decline of 1.3%. The net profit stood at Rs.356.29 lakhs, closely aligned with the previous year's figure of Rs.359.03 lakhs. Despite persistent pricing pressures in domestic markets, the Company successfully sustained profitability through robust export performance and cost optimization measures.

Company Performance and Operational Highlights

The Company's strategic thrust on expanding exports has yielded strong results, with export sales growing by 38% year-on-year. Notably, China emerged as a key market contributing significantly to this growth. However, stagnant and, in some cases, declining product prices continued to exert pressure on overall margins—a trend consistent with the previous financial year. This was largely mitigated by targeted cost reduction initiatives and process improvements across product lines.

Building on previous years' focus on operational efficiency, FY 2024–25 saw the successful execution of backward integration and raw material cost optimization initiatives. These process improvements, spearheaded by our R&D centres in Hyderabad and Solapur, have not only lowered input costs but also contributed to quality enhancements and improved yields across several key APIs. These developments mark a continued transition from dependency on external intermediates to in-house manufacturing, further securing our supply chain and cost structure.

In FY 2024–25, the R&D team also developed two new APIs and worked on multiple improvement programs that enhanced product quality, yield, and environmental compliance. These efforts, while not detailed in this report, align with our long-term goal of strengthening in-house capabilities and broadening our therapeutic footprint.

The Company undertook a capital expenditure of Rs.1151.50 lakhs during the year, funded partially through a term loan. This investment was directed towards modernization of plant infrastructure, automation, and utility upgrades.

In line with our global regulatory roadmap, the Company submitted 12 new Drug Master Files (DMFs) across international authorities in Russia, China, Africa and Korea during FY 2024–25. These submissions build upon the 22 DMFs filed in the prior year and underscore our commitment to expanding in regulated, high-value markets.

We are preparing for regulatory inspections by ANVISA (Brazil) and EDQM (Europe) in FY 2025–26. These inspections are critical milestones toward entering regulated markets, expected to catalyze product approvals and revenue growth from these regions.

The FDF division recorded secondary sales of Rs.37.27 lakhs, down from Rs.58.57 lakhs in the previous year—a decline of 36.4%. This was primarily due to reduction in geographic coverage and field-force attrition.

Outlook

Looking ahead, the Company remains cautiously optimistic. While pricing pressures persist domestically, the continued export momentum, enhanced operational efficiencies, and deepening of regulatory compliance should improve growth. We anticipate stronger revenue contributions from China and Russia, supported by our increasing regulatory presence:

We will continue our focus on:

- Expanding our product pipeline through in-house R&D,
- Driving backward integration and cost rationalization,
- Strengthening regulatory readiness to tap into EU, Brazil, and South Korea,
- Sustained DMF filings in key global markets.

The management is confident that the foundations laid over the past three years—ranging from infrastructure modernization and cost optimization to global compliance—will translate into enhanced shareholder value in the medium to long term.

Directors' Report

Dear Members,

Your Directors are pleased to present the 36th Annual Report and the Audited Financial Statements for the financial year ended 31st March, 2025.

1. Financial Highlights

A summary of the Company's financial results for the year ended 31st March, 2025 compared to the financial results for the previous year ended 31st March, 2024, is as under:

(Figures in lakhs)

Particulars	Financial Year 2024-25	Financial Year 2023-24
Revenue from operations	12,600.79	12764.31
Other Income	8.88	7.55
Total Income	12,609.67	12771.86
Expenses	11382.57	11568.74
Profit before Depreciation, Finance Cost and Tax	1227.1	1203.12
Less: Finance Cost	187.00	140.85
Less: Depreciation expenses	550.10	565.30
Profit Before Tax (PBT)	490.00	496.97
Tax Expense	133.71	137.94
Profit for the year	356.29	359.03
Other Comprehensive Income (Net of Tax)	16.48	16.08
Total Comprehensive Income for the year	372.76	375.11

2. Operational Performance and State of Company's Affairs:

During the year under review, Net Sales & Other Income of the Company was Rs 12,609.67 lakhs as compared to Rs 12,771.86 lakhs in the previous year registering decrease of 1.27% over the previous year.

The Profit for the year was Rs 356.29 lakhs compared to Rs 359.03 lakhs in the previous year registering a decrease of 0.76 % . The profitability was effected due to decrease in sales by 1.28 %, increase in finance cost and other expenses by 32.76 % and 6.48% inspite of decrease in raw material consumption by 9.42% .

A detailed overview has been provided under Management Discussion and Analysis Report.

3. Dividend

Based on the Company's Performance, the Board recommended a Dividend of Rs 1.5 /- per equity share (15%) on equity share capital of 1,14,46,290 equity shares of Rs 10/- each for the year ended 31st March, 2025 as against Rs 1.5/- per equity share (15 %) for the year ended 31st March 2024.

4. Transfer to Reserves

During the year under review, the Board does not propose to transfer any amount to general reserve.

5. Material changes and commitments, if any, affecting the financial position of the company, having occurred since the end of the Year and till the date of the Report

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

6. Share Capital

The paid up Equity Share Capital as at 31st March, 2025 stood at Rs 1144.629 lakhs. During the year under review, the Company did not issue any Equity Shares. Further, the Company has not issued any convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants. There has been no change in the capital structure of the Company during the year.

7. Human Resource Development (HRD) & Industrial Relations

The Company continues to focus on the development of its human resources to improve its performance and skills. The Company has approximately 267 employees and it is their precious contribution that has primarily resulted in our Company's position in the industry.

The Company has adopted a safety first theme across all plants. Visible controls and fool proof systems are being provided to ensure prevention of accidents. Regular communication, periodic reviews of practices and training has also been conducted on a continuous basis to maintain world class safety standards.

The relationship with the workmen and staff remained cordial and harmonious during the year and management received full cooperation from employees at all the units and locations.

8. Management Discussion and Analysis

Please refer to the detailed Management Discussion and Analysis on page no 14.

9. Cautionary Statement

Statements in this Management Discussion and Analysis section of this report describing the Company's objectives, estimates and expectations may be "forward looking statements" within the meaning of the applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

10. Internal Control Systems

The Company has adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods.

11. Key Financial Ratios

Refer Note No 44 to the Notes to Standalone Financial Statement as on 31st March, 2025.

12. Directors' Responsibility Statement

As stipulated under the provisions contained in Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013 ("Act"), the Board of Directors, to the best of its knowledge and belief and according to the information and explanations obtained by it, hereby states that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for that period;

iii. the directors 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;

iv. the directors have prepared the annual accounts of the Company on a going concern basis;

v. the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

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

13. Directors and Key Managerial Personnel

The Board of Directors is chaired by Executive Promoter Chairman and Managing Director and has an optimum combination of Executive, Non- Executive and Independent Directors.

Ms. E. Smruthi (DIN:09268342) is retiring by rotation and being eligible offers herself for reappointment. You are requested to appoint her.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 04th February, 2025 had re-appointed Mr E. Purushotham (DIN No: 00033583) as Managing Director of the Company, for a period of three (3) years w.e.f 01st April, 2025 with revised terms and conditions. Being in the interest of the company, you are requested to consider re-appointment of Mr E Purushotham as Managing Director of the Company.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 04th February, 2025 had re-appointed Mr E. Swapnil (DIN No: 01241535) as Joint Managing Director of the Company, for a period of three (3) years w.e.f 01st June, 2025 with revised terms and conditions. Being in the interest of the company, you are requested to consider re-appointment of Mr E Swapnil as Joint Managing Director of the Company.

The Company has Code of Conduct for Directors and senior management personnel. All the Directors and senior management personnel have confirmed compliance with the said code.

None of the Directors is disqualified as on 31st March, 2025 from being appointed as a Director under Section 164 of the Act. As required by law, this position is also reflected in the Auditors' Report.

Details with respect to the composition of the Board, the meetings of the Board held during the year and the attendance of the Directors thereat have been provided separately in the Annual Report, as a part of the Report on Corporate Governance.

14. Key Managerial Personnel

In terms of Section 203 of the Act, the Company has the following Key Managerial Personnel : Mr. E Purushotham, Chairman and Managing Director, Mr. E Swapnil, Managing Director and Chief Financial Officer and Ms Urvashi Khanna, Company Secretary.

15. Board Evaluation

In terms of the applicable provisions of the Act, the SEBI Listing Regulations, Nomination and Remuneration Committee and the Board of Directors have approved a framework, which lays down a structured approach, guidelines and processes to be adopted for carrying out an evaluation of the performance of all the Directors, the Board as a whole and its Committees. The evaluation process has been separately explained in this Annual Report, as a part of the Report on Corporate Governance. For the year under review, the Board carried out the evaluation of its own performance and that of its Committees and the individual Directors and the evaluation results, as collated and presented, were noted by the Board.

16. Meetings of the Board

The Board met 4 (Four) times during the financial year. The meeting details are provided in the Report on Corporate Governance that forms part of this Annual Report.

The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Act and the SEBI Listing Regulations.

17. Internal Financial Control systems and their adequacy

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

18. Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, in the 33rd Annual General Meeting M/s. Gokhale & Sathe, Chartered Accountants, Mumbai (Reg. No.: 103264W) were appointed as the Statutory Auditors of the Company for a term of five years commencing from Financial year 2022-2023 to 2026-2027.

The Auditors' Report on the Financial Statements of the Company for the year under review, is clean and there are no qualifications in the Report. Also, no frauds in terms of the provisions of Section 143(12) of the Act have been reported by the Statutory Auditors in their report for the year under review. The Notes to the Financial Statements are self-explanatory and do not call for any further comments.

19. Secretarial Audit Report

The Secretarial Audit Report submitted by the Secretarial Auditor Mr. H. R. Thakur, Practicing Company Secretary, Mumbai, in the prescribed form MR-3 is attached as "Annexure – I" and forms part of this report.

There are no qualifications or adverse remarks in the Report.

Further the Company has also obtained from the Secretarial Auditor, the Annual Secretarial Compliance Report for the financial year ended 31st March, 2025, thereby confirming compliance of the applicable SEBI Regulations and circulars / guidelines issued thereunder, on behalf of the Company.

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

20. Cost Audit

For Financial Year 2025-2026, the Company has re-appointed M/s. Shrinivas Diddi and Associates, Cost Accountants, Solapur for conducting cost audit of its cost records pertaining to the products falling under the product categories – Drugs and pharmaceuticals. M/s. Shrinivas Diddi and Associates are appointed on a remuneration of Rs 55,000 plus GST and out of pocket expenses.

The Company is seeking the ratification of the Shareholders for the remuneration to be paid to the cost auditors vide Resolution No. 5 of the Notice of the ensuing Annual General Meeting.

21. Conservation of Energy, Technology Absorption & Foreign Exchange

The statement giving the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required in terms of Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed to this Report as "Annexure II".

22. Particular regarding Employees Remuneration

Disclosure comprising particulars with respect to the remuneration of directors and employees, as required to be disclosed in terms of the provisions of Section197(12) of the Act and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as "Annexure III".

23. Particulars of Loans, Guarantees or Investments

Company did not give any loans, guarantees and make any Investment covered under the provisions of Section 186 of the Companies Act, 2013.

24. Related Party Transactions

Related Party Transactions entered into during the year under review were approved by the Audit Committee and the Board of Directors, from time to time and the same are disclosed in the Financial Statements of the Company for the year under review. Further, pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board of Directors has, on recommendation of its Audit Committee, adopted a Policy on Related Party Transactions and the said policy is available on the website of the Company i.e.www.smruthiorganics.com.

In terms of the provisions of Section 188(1) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations, all contracts/ arrangements/ transactions entered into by the Company with its related parties, during the year under review, were in the ordinary course of business of the Company and on an arm's length basis.

There were no material Related Party transactions during the year.

25. Corporate Governance

The Company is in full compliance with the requirements and disclosures that have to be made in terms of the requirements of Corporate Governance specified in SEBI Listing Regulations.

Corporate Governance Report is enclosed as a part of the Annual Report along with the certificate from the Secretarial Auditor Mr. H. R. Thakur, Practicing Company Secretary confirming compliance of the code of Corporate Governance as stipulated Para E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

26. Audit Committee

The Company has an Audit Committee in place in terms of the provisions of Regulation 18 of SEBI Listing Regulations read with Section 177 of the Companies Act, 2013.

The Composition of the Audit Committee is in compliance with the requirements as prescribed under the Act and Listing Regulations and forms part of Report on Corporate Governance. The recommendations made by the Audit Committee to the Board, from time to time during the year under review, have accepted by the Board. The details with respect to the Audit Committee such as its terms of reference, the meetings of the Audit Committee and attendance thereat of the members of the Committee, are separately provided in this Annual Report, as a part of the Report on Corporate Governance.

27. Remuneration Policy

The policy on remuneration and other matters provided in Section 178(3) of the Act along with reconstituted committee details has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on website of the company www.smruthiorganics.com.

28. Risk Management Policy

The Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing/ mitigating the same. The requirements of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with regard to the constitution of a Risk Management Committee are not applicable to our Company.

29. Corporate Social Responsibility (CSR)

Pursuant to Section 135(1) of the Act, the Company has constituted Corporate Social Responsibility (CSR) Committee. The Composition of the CSR Committee is disclosed separately in the Corporate Governance report forming part of this Annual Report. The Company has in place, the CSR policy which outlines Company's philosophy towards Company's CSR program implementation. The CSR policy is available on the Company's website www.smruthiorganics.com.However, for FY 2024-25 , the Company had no CSR liability to spend therefore CSR annexure is not applicable for FY 2024-2025.

30. Vigil Mechanism – Whistle Blower Policy

The Company has a Whistle Blower Policy to report genuine concerns and grievances. The policy provides adequate safeguards against victimisation of persons who use the Whistle Blower mechanism. Details with respect to implementation of the Whistle Blower Policy are separately disclosed in this Annual Report, as a part of the Report on Corporate Governance. The same is also available on the website of the Company at www.smruthiorganics.com.

31. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2025 is available on the Company's website on https://smruthiorganics.com/investor-relation/.

32. Investor Education and Protection Fund (IEPF)

The Company was not required to transfer any amount to the Investor Education and Protection Fund established by the Central Government (IEPF) during the financial year 2024-25 except the dividend declared for the financial year 2023-24 on the shares already transferred to IEPF.

33. Compliance with Secretarial Standards

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

34. Acknowledgements

Your Directors wish to express their grateful appreciation for the co-operation and continued support received from customers, collaborators, vendors, investors, shareholders, banks, regulatory authorities and the society at large during the year. We also place on record our appreciation for the contribution made by our employees at all levels and for their commitment, hard work and support in driving the growth of the Company.

For & on behalf of the Board

E. Purushotham
Chairman & Managing Director
DIN:00033583

Place: Solapur
Date: 05th May, 2025

Annexure I to the Directors Report

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2025

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

The Members,
Smruthi Organics Ltd
165 A Balaji Bhavan Railway Lines
Solapur MH 413001 IN

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Smruthi Organics Ltd (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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 authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 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, 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. **(Not applicable to the Company during audit period).**

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

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

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

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during audit period);**

   d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during audit period);**

   e. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 **(Not applicable to the Company during audit period);**

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the Company during the audit period);**

   g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,2021 **(Not applicable to the Company during audit period);**

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

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

vi. I have also examined compliance with the applicable clauses of the following:

   a. The Drugs and Cosmetics Act,1940, and

   b. Narcotic Drugs, and Psychotropic Substances Act, 1985

   c. Secretarial Standards issued by The Institute of Company Secretaries of India as in force from time to time.

   d. The Listing Agreements entered into by the Company with BSE Limited, Mumbai and Metropolitan Stock Exchange of India, Mumbai.

During the period under review the Company has filed forms / returns within stipulated time period and has complied with the provisions of the Act, Rules, Regulations and Guidelines, Standards etc. mentioned above.

I further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting .

As per 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.

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

H. R. Thakur
F.C.S 2090 C.P3193

Place: Mumbai
Date: 05th May, 2025

UDIN: F002090G000264011

Annexure II to the Directors Report

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014.

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

Conservation Of Energy:

The company has taken several measures towards energy conservation in FY 2024-2025. Some of the important measures are listed below:

Boiler

A new 12 TPH boiler has been installed, replacing the old 3 TPH and 4 TPH boilers due to its higher efficiency. This upgrade, implemented in the middle of Quarter IV, has resulted in a monthly operating cost saving of Rs. 11,34,000/-

MEE plant

A new screw press machine has been installed as a standby to the decanter to reduce downtime and save both time and energy.

Electrical

- Approximately 427 LED lights have been installed, resulting in an annual energy savings of 27,824 KWH and a cost reduction of Rs. 2,92,151/-.
- LED lighting has been implemented in Production Block - C2 Packing, RM Store drum area, RLF, and DTA section (totalling 35 units). This has led to a 50% reduction in energy consumption while providing improved illumination.
- Solar street lights (18 units) have been installed to enhance outdoor illumination and achieve energy savings.
- Variable Frequency Drives (VFDs) have been installed on reactors in production Blocks A, C, D, and G to enable speed control for new production batches, resulting in up to 50% power savings compared to the rated capacity.

Cooling Tower

The replacement of honeycomb PVC fills in the cooling towers of E Block, F Block, MEE Plant, and BCD Column areas has led to a significant reduction in heat load and improved power efficiency.

Production

A new economy system high vacuum pump has been installed in E Block for Amlodipine production, resulting in improved yield and enhanced overall process efficiency.

Utility

A new 25 HP screw air compressor has been installed to enhance CFM capacity and reduce electricity costs compared to the previous reciprocating compressor. This has resulted in a cost saving of Rs. 6,73,294/-.

Solvent Recovery Column

The main shell has been replaced with a new one to prevent solvent leakages, resulting in improved distillation rates and reduced solvent loss.

Technology Absorption

The Efforts Made Towards Technology Absorption: NIL

The benefits derived like Product Improvement, Cost Reduction, Product Development or Import Substitution:

The company has modified several processes, which have been implemented at the plant level and have delivered lower raw material and manufacturing costs.

In Case of Imported Technology (imported during the last three years reckoned from the beginning of the financial year): NIL

Expenditure on Research & Development (R & D):

Sr.	Particulars No.	2024-25 (Rs in lakhs)	2023-24 (Rs in lakhs)
(a)	**Capital**		
	(i) Solapur R&D Centre	5.58	2.10
	(ii) Hyderabad R&D Centre	15.86	11.24
	Total Capital Expenditure (a)	**21.44**	**13.34**
(b)	**Recurring**		
	(i) Solapur R&D Centre	73.24	124.73
	(ii) Hyderabad R&D Centre	357.25	302.19
	Total Recurring Expenditure (b)	**430.48**	**426.92**
	Gross Total of Expenditure on R&D (a) + (b)	**451.92**	**440.26**
	Total R&D Expenditure as a Percentage of Total Turnover	**3.58%**	**3.45%**

FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs in Lakhs)

Particulars	FY 2024-25	FY 2023-24
Foreign exchange outgo	2644.45	3806.68
Foreign exchange earned	6452.34	4644.55

For & on behalf of the Board

E. Purushotham
Chairman & Managing Director
DIN:00033583

Place: Solapur
Date: 05th May 2025

Annexure III to the Directors Report

Details pertaining to remuneration as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year 2024-2025:

Name of the Directors	Ratio to median Remuneration
*Non-Executive Directors	
Ms. E. Smruthi	20.95
(Non- Executive Non Independent Director)	
Mr Anoop Doshi	Nil
(Non-Executive and Independent Director)	
Mr. Prakash Wadgaonkar	Nil
(Non-Executive and Independent Director)	
Mr. Dharmaraj Rao	Nil
(Non-Executive and Independent Director)	
Executive Directors	
Mr. E. Purushotham	63.55
(Chairman and Managing Director)	
Mr. E. Swapnil	42.37
Jt. Managing Director and Chief Financial Officer)	

*Sitting fees paid to Non-Executive Directors not considered as remuneration.

2. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr.E. Purushotham (Chairman and Managing Director)	--
Mr.E. Swapnil (Jt Managing Director and Chief Financial Officer)	--
Ms. Urvashi D. Khanna (Company Secretary)	13.79

3. The percentage increase in the median remuneration of employees in the financial year: 9.77%

4. The number of permanent employees on the rolls of Company: 267

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: NA

6. Affirmation that the remuneration is as per the remuneration policy of the Company: It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

7. Statement pursuant to Section 197(12)of the Companies Act, 2013 read with Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Employed throughout the financial Year under review and in receipt of remuneration for the Financial year in the aggregate of not less than Rs 1,02,00,000 per annum or not less than Rs. 8,50,000/- per month during any part of the Financial Year:

Name	Designation	#Remuneration (in Rs)	Qualification and Experience	Date of commencement of employment	Age (in years)	Last employment held
Mr. E. Purushotham	Managing Director	2,01,60,000	MSC (Org. Chem.) 41 years	*11/07/1989	67	NA
Mr E. Swapnil	Joint Managing Director	1,34,40,000	B.S(CHEM) USA, MBA Spain (Technical and Business Development) 16 years	06/04/2009	41	NA

#Remuneration includes PF

*since incorporation

For & on behalf of the Board

E. Purushotham
Chairman & Managing Director
DIN:00033583

Solapur, 05th May, 2025

REPORT ON CORPORATE GOVERNANCE

Your Director's present the Company's report on Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the year ended 31st March, 2025.

1. Company's Philosophy on Code of Governance:

The Company believes in abiding by the Code of Governance so as to be a responsible corporate citizen and to serve the best interests of all the stakeholders, viz., the employees, shareholders, customers, vendors and the society at large. The Company seeks to achieve this goal by being transparent in its business dealings, by disclosure of all relevant information in an easily understood manner, and by being fair to all stakeholders, by ensuring that the Company's activities are managed by a professionally competent and independent Board of Directors.

2. Board of Directors:

2.1. Composition:

The Company has an optimum combination of Executive and Non-Executive/Independent Directors which is in conformity with the Companies Act, 2013 and the Listing Regulations.The number of Independent Directors on the Board is in conformity with the requirement of Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. None of the Independent Non- Executive Directors have any material pecuniary relationship or transactions with the company. None of the Directors on the Board are members of more than 10 committees or chairman of more than 5 committee as specified in Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amongst all companies in which they are Directors.

The Board of Directors comprises of six Directors as detailed below. (Position as on 31st March, 2025)

Category of Directors	Name of Directors
Promoters Executive	Mr. E. Purushotham, Mr. E. Swapnil
Promoters Non- Executive	Ms. E. Smruthi
Independent Non- Executive	Mr Anoop Doshi, Mr. Prakash Wadgaonkar, Mr. Dharmaraj Rao

Executive and Non-Executive Promoter Directors are related to each other as Father / Daughter / Son.

2.2. Meetings and attendance:

Four Board Meetings were held during the Financial Year on the following dates:-

- 06th May, 2024
- 27th July, 2024
- 14th November, 2024
- 04th February, 2025

Details regarding attendance of the Directors at the Board Meetings held during the Financial Year 2024-2025 and at the last Annual General Meeting held on 14th September, 2024 are given below:

Sr. No	Name	Designation & DIN	Status	No of Board meetings attended	Attended last AGM
1	Mr. E. Purushotham	Chairman & Managing Director DIN-00033583	Executive	4	Yes
2	Mr. E. Swapnil	Joint Managing Director & Chief Finance Officer DIN- 01241535	Executive	4	Yes
3	Ms. E. Smruthi	Director DIN-09268342	Non-Executive	4	Yes
4	*Mr. K. R. Dhole	Independent Director DIN- 01076675	Non-Executive	2	NA
5	*Mr. J. H. Ranade	Independent Director DIN-00004814	Non-Executive	2	NA
6	*Dr. K. Rama Swamy	Independent Director DIN- 05273930	Non-Executive	2	NA
7	# Mr. Prakash Wadgaonkar	Independent Director DIN- 07435777	Non-Executive	2	Yes
8	# Mr. Anoop Doshi	Independent Director DIN- 09309871	Non-Executive	2	Yes
9	# Mr. Dharmaraj Rao	Independent Director DIN- 10614251	Non-Executive	2	Yes

* ceased to be a Independent Director on account of completion of term w.e.f 28th July, 2024

appointed as Independent Director w.e.f 29th July, 2024.

2.3. Number of Board of Directors or Committees (other than the Company) in which the Director is a Chairman/ Member (excluding private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013) as on 31st March, 2025, is as follows:

Sr. No	Name	No. of Directorship held in other Companies	Attended last AGM	No. of Committee positions held in other Companies.	
				Chairman of Committee	Member of Committee
1	Mr. E. Purushotham	Nil	Yes	Nil	Nil
2	Mr. E. Swapnil	Nil	Yes	Nil	Nil
3	Ms. E. Smruthi	Nil	Yes	Nil	Nil
4	Mr. Prakash Wadgaonkar	Nil	Yes	Nil	Nil
5	Mr. Anoop Doshi	Nil	Yes	Nil	Nil
6	Mr. Dharmaraj Rao	Nil	Yes	Nil	Nil

Names of listed entities where director is a director and category of directorship (Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.:- Nil

2.4 Number of meetings of the Board held and dates on which held during the year are given in Clause 2(b) above.(f)

2.5 Disclosure of Shareholding of Non-Executive Directors:

Name of the Director	Shares held as on 31.3.2025
Ms. E. Smruthi	89702
Mr. Prakash Wadgaonkar	Nil
Mr. Anoop Doshi	Nil
Mr. Dharmaraj Rao	Nil

2.6 Familiarization programmes to Independent Directors:

Details of familiarization programme imparted to Independent Directors is available on Company's website: www.smruthiorganics.com

2.7 A Chart / Matrix setting out the skills / expertise / competence of the Board of Directors

Competency is defined as the experience, knowledge, skills, attitudes, values and beliefs of the person (member).

A list of core skills/ expertise/ competencies identified by the Board, as required in the context of its business(es)and sector(s) for it to function effectively, is as follows:

Competencies:

Competency	Definition
Strategic Expertise	Ability to understand, review and guide Strategy by analysing the company's competitive position and benchmarking taking into account market and industry trends
Business and Finance	Demonstrate Techno-Commercial and Business perspective, Ability to comprehend, interpret and guide on Financial Statements, Audit Committee presentations and matters of business
Risk Management	Experience in providing guidance on major risks, compliances and various Legislations
Building High Performance Teams	Build and nurture talent to create strong and competent future business leaders
Industry Knowledge	Experience in similar industries

Personal Qualities:

Personal quality	Definition
Integrity	Fulfilling a Director's duties and responsibilities, putting the organization's interests above personal interests, acting ethically
Curiosity and Courage	Must have the curiosity to ask questions and the courage to persist in asking or to challenge management and fellow board members where necessary
Interpersonal skills	Must work well in a group, listen well, be tactful but able to communicate his/her point of view frankly
Instinct	Good business instincts and acumen, ability to get the crux of the issue quickly
An Active Contributor	The member must be one who participates and contributes actively and must allocate quality time to the organization's affairs

Details of the skills/ expertise/ competencies possessed by the Directors who were part of the Board as on 31st March, 2025, are as follows:

Name	Age	Qualifications	Industry Experience
Mr. E. Purushotham	67	MSC	Organic Chemistry
Mr. E. Swapnil	41	B.S(CHEM) USA, MBA Spain	Technical and Business Development
Ms. E. Smruthi	38	Masters in Pharmacy	Business Development Executive
Mr. Prakash Wadgaonkar	65	PhD, University of Pune ,1985 [Research carried out at NCL, Pune] MSc, Shivaji University, Kolhapur, 1979	Emeritus Scientist
Mr. Anoop Doshi	41	B Com & MBA(Finance)	Corporate Finance and Management
Mr. Dharmaraj Rao	67	Master of Science in Chemistry from the Indian Institute of Technology Bombay – 1980	Scientific Advisor and Consultant

2.8 The Board hereby confirms that in its opinion, the Independent Directors of the Company fulfil the conditions as specified in the SEBI Listing Regulations and are independent of the management.

2.9 Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided – During the year, no Independent Director resigned before the expiry of his/ her tenure.

Code of Conduct for Board of Directors and Senior Management:

The Board has laid down the Code of Conduct for all Board members and Senior Managerial Personnel of the Company and the compliance of such Code has been affirmed by them. The Code of Conduct is available on the website of the Company at www.smruthiorganics.com. The Annual Report contains a declaration to this effect signed by the Managing Director and Chief Financial Officer.

3. Audit Committee:

The Audit Committee constituted on 30th December 2005 enjoys all powers / terms of reference as mentioned in Regulation 18 of (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Section 177(4) of the Companies Act 2013. The scope of the Audit Committee includes all matters stated in Regulation 18 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations.

The Audit Committee acts in accordance with the terms of reference specified by the Board which includes the recommendation for appointment, remuneration and terms of appointment of auditors of the Company, review and monitor the auditor's independence and performance and effectiveness of the audit process, examination of the financial statements and the auditor's report thereon, approval or any subsequent modification of transactions of the Company with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the Company wherever it is necessary, evaluation of internal financial controls and risk management systems, monitoring the end use of funds raised through public offers and related matters.

Composition of Audit Committee conforms to the requirements Listing Regulations as under:-

The details of composition of the Committee and their attendance at the meetings as at 31.03.2025 are given below:

Name	Designation	Category	No. of Meetings attended
#Mr. J. H. Ranade	Chairman	Independent	2
#Dr. K. Rama Swamy	Member	Independent	2
#Mr. K. R. Dhole	Member	Independent	2
*Mr. Anoop Doshi	Chairman w.e.f 29th July, 2024	Independent	2
*Mr. Dharmaraj Rao	Member	Independent	2
*Mr. Prakash Wadgaonkar	Member	Independent	2

Ceased to be a Independent Director on account of completion of term w.e.f 28th July, 2024.

*Appointed as Independent Director w.e.f 29th July, 2024.

During the Financial year 2024-2025, Four Meetings of Audit Committee were held which are as under:-

- 06th May, 2024
- 26th July, 2024
- 14th November, 2024

❖ 04th February, 2025

Audit Committee meetings were attended by the Chairman and Managing Director, Statutory Auditors and Company Secretary were invited for such meeting. Members of the Audit Committee have requisite financial and management expertise. Chairman of the Audit Committee was present at the Annual General Meeting held on 14th September, 2024.

4. Nomination and Remuneration Committee:

The Remuneration Committee was constituted on 24th April 2006 for the purpose of approving remuneration of the managerial personnel as envisaged under the provisions of Companies Act, 2013 and Listing Regulations.

Terms of reference:

The role, broad terms and reference of the committee includes the following:

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

b. Formulation of criteria for evaluation of Independent Directors and the Board;

c. Devising a policy on Board diversity;

d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The Committee is comprised of:-

Name	Designation	Category	No. of Meetings attended
#Mr. J. H. Ranade	Chairman	Independent	1
#Dr. K. Rama Swamy	Member	Independent	1
#Mr. K. R. Dhole	Member	Independent	1
*Mr. Anoop Doshi	Chairman w.e.f 29th July, 2024	Independent	1
*Mr. Dharmaraj Rao	Member	Independent	1
*Mr. Prakash Wadgaonkar	Member	Independent	1

ceased to be a Independent Director on account of completion of term w.e.f 28th July, 2024

*appointed as Independent Director w.e.f 29th July, 2024

All the members of the Nomination and Remuneration Committee are Non-Executive Directors.

During the Financial year 2024-2025, Two Meetings of the Committee were held on 26th July, 2024 and 04th February, 2025.

The Committee also evaluates performance of the Independent Directors on the basis of their involvement in the Board functioning and discharge of their responsibilities as contemplated under Companies Act, 2013 and SEBI Listing Regulations.

5. Remuneration of Directors:

❖ **Remuneration Policy:**

The Company has adopted a Remuneration Policy for its Directors, Key Managerial Personnel and other employees. The Remuneration Policy has laid down the criteria for determining qualifications, positive attributes, Independence of Director and Board diversity. The Policy lays down the factors for determining remuneration of Whole-time Directors, Non-Executive Directors, Key Managerial Personnel, and other employees. The policy also lays down the evaluation criteria of the Independent Directors and the Board.

❖ **Remuneration to Key Managerial Personnel:**

Remuneration to Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

❖ **Remuneration to Executive Directors:**

(Amount in Rs)

Particulars	Mr.E. Purushotham Managing Director	Mr. E. Swapnil Executive Director & Chief Financial Officer
Salary & Other Allowances	1,80,00,000	1,20,00,000
Contribution to Provident & Other Funds	21,60,000	14,40,000
Other perquisites	10,83,137	7,10,932

❖ **Remuneration to Non-Executive Directors:**

The sitting fees payable to the Non- Executive Directors is as under:-

(Amount in Rs.)

Name	Board Meeting	Audit Committee Meeting	Nomination & Remuneration Committee Meeting	Independent Directors Meeting	Stakeholder relationship committee	Total Total
#Dr. K. Ramaswamy	40,000	30,000	30,000	15,000	--	1,15,000
#Mr. J. H. Ranade	40,000	30,000	30,000	15,000	--	1,15,000
#Mr. K. R. Dhole	40,000	30,000	30,000	15,000	--	1,15,000
Ms. E. Smruthi	60,000	--	--	--	--	60,000
* Mr. Prakash Wadgaonkar	40,000	30,000	15,000	--	--	85,000
*Mr. Anoop Doshi	40,000	30,000	15,000	--	15,000	1,00,000
*Mr. Dharmaraj Rao	40,000	30,000	15,000	--	--	85,000

#ceased to be a Independent Director on account of completion of term w.e.f 28th July, 2024

* appointed as Independent Director w.e.f 29th July, 2024.

6. Stakeholders Relationship Committee:-

In our Company, the Stakeholders' Grievance Committee is known by the name of Stakeholders' Relationship Committee.The Committee reviews all matters connected with Shareholders complaints, if any, like transfer/transmission of shares, non-receipt of Balance Sheet, issue of duplicate share certificates, non-receipt of dividend etc. During the financial year 2024-2025, one (1) meeting was held on 04th February 2025.

The Committee was comprised of:

Name	Designation	Category
Mr. Anoop Doshi	Chairman w.e.f 29th July, 2024	Non-Executive (Independent)
Mr. E. Purushotham	Member	Executive (Promoter)
Mr E. Swapnil	Member	Executive (Promoter)

During the year, 1 complaint was received from a shareholder Mr Babulal Hastimal Shah on 24th March, 2025 which was resolved on 26th March 2025. There was no complaint pending at the end of financial year.

❖ **Independent Directors Meeting:**

The Independent Directors of the Company have been appointed in accordance with the provisions of Section 149 of the Companies Act, 2013 and applicable provisions of SEBI Listing Regulations.

Separate meeting of Independent Directors:

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI Listing Regulations, 1 (One) Separate Meeting of the Independent Directors was held during the year i.e. on 27th July, 2024.

The meeting of the Independent Director was without the attendance of Non-Independent Directors and members of management.

The Independent Directors at their meetings also consider:

a. Review of the performance of the Non-Independent Directors and the Board as a whole;

b. Review of the performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non-Executive Directors;

c. Assessing the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Name of the Director	Number of meetings of the Independent Directors attended during the year ended 31st March, 2025
#Mr. J. H. Ranade	1
#Mr. K. R. Dhole	1
#Dr. K. Rama Swamy	1

#ceased to be a Independent Director on account of completion of term w.e.f 28th July, 2024

7. General Body Meetings:

7.1. Details of the Annual General Meetings held during the preceding 3 years and Special Resolutions passed thereat are given below:-

Financial Year	Date and time	Venue	No. of Directors Present
2023-24	14th September, 2024 at 12:30 p.m	Held through Video Conferencing	6
2022-23	05th August, 2023 at 12:30 p.m	Held through Video Conferencing	6
2021-22	06thAugust, 2022 at 12:30 p.m	Held through Video Conferencing	6

7.2. Details of Special Resolutions Passed:-

FY 2023-2024: Appointment of Mr. Prakash Purushottam Wadgaonkar (DIN: 07435777) as Independent Director (Non-Executive) of the Company

Appointment of Mr. Anoop Anil Doshi (DIN: 09309871) as Independent Director (Non-Executive) of the Company

Appointment of Mr. Dharmaraj Rao (DIN: 10614251) as Independent Director (Non-Executive) of the Company

FY 2022-23: Approve payment of remuneration to Ms. E. Smruthi (DIN: 09268342), Non-Executive Non-Independent Director of the company.

FY 2021-22: Re-appointment of Mr. E.Purushotham as Managing Director for a term of three years

Re-appointment of Mr. E. Swapnil as Joint Managing Director for a term of three years

7.3. As at 31st March, 2025, no Special Resolution is proposed to be conducted through Postal Ballot.

7.4. Postal Ballot whenever conducted will be carried out as per the procedure mentioned in Rule 22 of Companies (Management and Administration) Rules, 2014, including any amendment thereof.

8. Means of Communication:

8.1 Quarterly Results: The quarterly results are published in accordance with the applicable provisions of the SEBI Listing Regulations.

8.2 Newspaper in which results are normally published: Generally the results are published in The Free Press Journal/ Navashakti, Active Times/ Mumbai Lakshdeep, Daily Sakal / Sanchar and Divya Marathi (Local News Paper).

8.3 Any website, where displayed: www.smruthiorgaincs.com

9. General Shareholder Information:

9.1. Annual General Meeting :

The ensuing AGM of the Company will be held on Friday, 20th June, 2025 at 12.00 p.m through video conferencing or other audio visual means.

9.2. Financial Calendar (Tentative) : April 2025 to March 2026

Particulars of Meetings	Date
Un-audited Quarterly Result for the quarter ended 30th June 2025	2nd week of Aug 2025
Un-audited Quarterly Result for the quarter ended 30th September 2025	2nd week of Nov. 2025
Un-audited Quarterly Result for the quarter ended 31st December 2025	2nd week of Feb 2026
Audited /Un-Audited Financial Result for the quarter - ended 31st March, 2026	Last week of May, 2026

9.3. Date of Book Closure :

Saturday, 14th June, 2025 to Friday, 20th June, 2025 (Both days inclusive)

9.4. Dividend payment date: on or before 15th July, 2025

9.5. Listing on Stock Exchanges :The Equity Shares of the Company are listed at BSE Limited and Metropolitan Stock Exchange of India Limited.

DEMAT : ISIN Number: INE172E01011

CIN : L24119PN1989PLC052562

Company has paid Annual Listing Fees to each of the Stock Exchanges where it is listed.

9.6. Registrar and Transfer Agents :

M/s. Adroit Corporate Services Pvt. Ltd., 19, Jaferbhoy Indl. Est., Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059.
Tel. No.: +91 (0)22 42270423
Fax: +91 (0)22 28503748
E-mail: info@adroitcorporate.com

9.7. Share Transfer System :

In terms of Regulation 40 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, securities can be transferred only in dematerialized form, except in case of request received for transmission or transposition of securities. Further, SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 mandated the listed Companies to issue the securities only in dematerialized form while processing the service requests viz. issue of duplicate Securities certificate, Claim from unclaimed Suspense Account, renewal / exchange of Securities certificate, Endorsement, Subdivision / splitting of Securities certificate, Consolidation of Securities certificate / folios, Transmission and Transposition. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Shareholders who desire to demat their shares can get in touch with any Depository Participant having registration with SEBI to open a demat account and follow the procedure for dematerialization of share.

9.8 Reconciliation of Share Capital Audit :

The Company Secretary in practice carried out reconciliation of share capital audit which confirms that Issued / Paid-up Capital is in agreement with the aggregate of the total number of shares in Physical &Demat Form.

9.9. Share Distribution Schedule :

Shareholding of Nominal Value of Shareholders share amount (as on 31.03.2025)

Shares	Number	% to total	Total Shares	Rs.	% to total
Upto-5000	5953	97.94	2156328	21563280	18.83
5001-10000	70	1.15	491361	4913610	4.29
10001-20000	24	0.39	334792	3347920	2.92
20001 – 50000	21	0.35	616746	6167460	5.39
50001 & Above	11	0.18	7847063	78470630	68.56
Total	**6079**	**100.00**	**11446290**	**114462900**	**100.00**

9.10. Shareholding Pattern:

Category	No. of Shares	% to share capital
Promoter & Promoter Group (A)	7408902	64.73
Public (B)		
Individuals	3299990	28.83
NRI	137441	1.20
Bodies Corporate	398028	3.48
IEPF	113757	0.99
Hindu Undivided Family (HUF)	88172	0.77
Total (B)	**4037388**	**35.27**
Total	**11446290**	**100.00**

9.11. Dematerialization of shares:

10921790 shares have been dematerialized as on 31st March 2025 constituting 95.42 % of total Paid up Share Capital.

9.12. Subsidiary Company: The Company does not have any Subsidiary Company.

9.13. Outstanding GDRs / ADRs / Warrants and other Convertible Instruments, conversion dates and likely impact on equity:

The Company has not issued any GDRs / ADRs / Warrants and other Convertible instruments.

9.14. Plant locations:

Unit- I : Plot No.273,274, MIDC, Akkalkot Road, Solapur – 413006.
Unit-II : Plot No. A-27, MIDC Chincholi, Solapur – 413255.
R & D Center:
A-27, A.P.I.E., Balanagar, Hyderabad, Telangana- 500037
16. Address for correspondence:
Registered: 165-A, Balaji Bhavan, 1st Floor,
Railway Lines, Solapur – 413001.
Tel. No. : 0217-2310267, 367
Fax No.: 0217-2310268
Email id: changale@smruthiorganics.com; cs@smruthiorganics.com; investors@smruthiorganics.com
website: www.smruthiorganics.com

9.15. List of credit ratings obtained by the entity during the financial year: The ratings given by CARE EDGE RATINGS for short-term and long-term bank facilities are CARE BBB; Negative and CARE A3 + respectively.

10. Other Disclosures:

10.1. There were no transactions, which were materially significant during the year with promoters, directors or their relatives that have potential conflict with the interest of the Company. Transactions with related parties are disclosed under notes to accounts in the annual report.

10.2. There were no instances of non-compliance of any matter related to the capital markets during the last three years.

10.3. The Company has followed accounting treatment as prescribed in Accounting Standards applicable to the Company.

10.4. The Company has a Vigil mechanism called Whistle Blower policy, all employees have been provided to access direct to the Audit committee.

10.5. The company has complied with the mandatory corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI LODR 2015.

10.6. The Company does not have a material subsidiary as defined under Regulation 16 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

10.7. Related party Transactions:

The Company did not enter into any materially significant related party transactions, which had potential conflict with the interest of the Company at large. The related party transactions entered into with the related parties as defined under the Companies Act, 2013 and as per Listing Regulations during the financial years were in the ordinary course of business and the same have been approved by the Audit Committee/ Board of Directors Transactions with the related parties are disclosed under Notes forming part to the financial statements in the Annual Report. The Board of Directors have approved a policy of related party transactions which has been uploaded on the website of the Company www.smruthiorganics.com.

10.8 Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32 (7A) :NA

10.9. Certificate from Mr. H.R. Thakur Practicing Company Secretary, Mumbai about non-debarrment /disqualification of Directors of the Company is attached.

10.10. Total fees for all services paid by the listed entity to the statutory auditor: Rs 5,00,000/- plus GST plus reimbursement of out of pocket expenses

11. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.

Details of any non-compliance of any requirement of corporate governance report of sub-paras (2) to (10)

All the mandatory requirements have been complied with as stated in this report on Corporate Governance.

There is no non-compliance with any requirement of corporate governance report of sub-paras (2) to (10) of the Corporate

Governance report as given in Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations), have been made in this Corporate Governance report.

Risk Management:

The Audit Committee reviews Risk Management strategy of the Company to ensure effectiveness of risk management policies and procedures.

CEO/CFO Certification:

The Managing Director and Joint Managing Director & CFO have furnished the requisite certificate to the Board of Directors as required under Regulation 17 (8) of the SEBI Listing Regulations.

Code of Ethics / Vigil Mechanism / Whistle Blower Policy:

The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The objective of the Policy is to explain and encourage the directors and employees to raise any concern about the Company's operations and working environment, including possible breaches of Company's policies and standards or values or any laws within the country or elsewhere, without fear of adverse managerial action being taken against such employees. The details of the policy is also listed on the company's website: www.smruthiorganics.com.

12. The Company has complied with the mandatory requirements and shall comply with the discretionary requirements specified under Part E of Schedule II of Securities and Exchange Board of India (Listing obligations and disclosure requirements) Regulations, 2015 at the appropriate time.

13. Secretarial Department:- The Company's Secretarial Department headed by the Company Secretary who is also Compliance Officer is situated at the Registered Office. Investors may contact the department for any assistance.

For & on behalf of the Board

Place: Solapur

Date: 05th May, 2025

E. Purushotham
Chairman & Managing Director
DIN: 00033583

COMPLIANCE WITH CODE OF BUSINESS CONDUCT:

As required under Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2025.

For & on behalf of the Board

Place: Solapur

Date: 05th May, 2025

E. Purushotham
Chairman & Managing Director
DIN: 00033583

To
The Members of Smruthi Organics Ltd

I have examined the compliance of conditions of Corporate Governance by Smruthi Organics Ltd - CIN: L24119PN1989PLC052562 ('the Company') for the year ended on 31st March, 2025 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreements of the said Company with Stock Exchanges ('the Regulations').

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as specified in the Regulations referred above.

I further 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.

Place: Mumbai
Date: 05th May, 2025

UDIN: F002090G000264033

H R Thakur
F.C.S 2090 C.P. 3193

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To,
Board of Directors
Smruthi Organics Limited.

We have reviewed the Financial Statements and the Cash Flow Statement of Smruthi Organics Limited for the year ended 31st March, 2025 and that to the best of our knowledge and belief, we state that;

(a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;

(ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.

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

(c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

(d) we have indicated to the Auditors and the Audit Committee:

(i) significant changes, if any, in the internal control over financial reporting during the year.

(ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and

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

Yours faithfully

E. Swapnil
Joint Managing Director & CFO
DIN: 01241535

E. Purushotham
Chairman & Managing Director
DIN: 00033583

Place: Solapur
Date: 05th May, 2025

Independent Auditor's Report

To the Members of SMRUTHI ORGANICS LIMITED

REPORT ON THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Ind AS Financial Statements of SMRUTHI ORGANICS LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flow for the year ended on that date, and Notes to the Financial Statements, including a Summary of Material Accounting Policies and Other Explanatory Information (hereinafter referred to as "the Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"), as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS 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 Financial Statements of the current period. These matters were addressed in the context of our audit of the 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.

PARTICULARS	HOW THEY WERE ADDRESSED IN OUR AUDIT
INVENTORIES Inventories of INR 2830.67 Lakh constitute 44.69% of Current Assets of the Company and 25.33% of the Total Assets of the Company as at March 31, 2025 and therefore determined to be a key audit matter given the relative size of the balance in the financial statements and significant judgement involved in the consideration of factors in determination of valuation of inventory including the allocation of overheads. The inventory is lying at factory locations and majorly constitutes Raw Material, Work in Progress and Finished Goods. The inventory is valued at the lower of cost and net realizable value. These inventories are counted by the Company on a cyclical basis.	Our audit procedures in respect of this matter included: • Understood management policy and process for verification and valuation of inventory on cyclical basis. • Attending inventory counts at factory locations during the reporting period, including performing testing of controls and evaluating the results of the counts performed by the management for assessing, obtaining an understanding of the design, implementation and operating effectiveness of management's key internal controls relating to physical verification of inventories and valuation of inventory. • Compared the cost of the finished goods with the estimated net realizable value and checked if the finished goods were recorded at lower of net realizable value and the cost as on the balance sheet date. • Sample testing of the methodology followed by the management in allocation of overheads to inventory based on factors / constant identified by the management's judgment and used as basis for allocation of overheads. • Assessed the adequacy of the relevant disclosure in the notes to the financial statements. • Our procedures did not identify any material exceptions.

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

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information but does not include the Ind AS financial statements and our auditors' report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE IND AS FINANCIAL STATEMENTS

The Company's Management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i. Identify and assess the risks of material misstatement of the 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.

ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Ind AS Financial Statements made by the Management and Board of Directors.

iv. Conclude on the appropriateness of the Management and the Board of Directors 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 auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements of the year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;

   c. the Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d. in our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

   e. on the basis of 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. with respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g. the reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014

   h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position except those disclosed in Note No. 40 and 46(p).

      ii. The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. In respect of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014,

         a. The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds

or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed by the Board of directors for the year ended 31 March 2024 and paid during the current year by the Company is in compliance with section 123 of the Act.

As stated in Note 43 to the financial statements, the Board of Directors of the Company has proposed a final dividend for the year ended 31 March 2025, which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act to the extent applicable.

vi. Based on our examination, which included test checks, the company has used Tally Prime Edit Log version accounting software and EasyERP Business Operations Software to maintain its books of account for the year ended March 31, 2025. The audit trail (edit log) functionality was enabled in TallyPrime with effect from August 21, 2023 through migration to Edit Log version. Since the migration, the audit trail (edit log) functionality has operated through-out the year for all relevant transactions recorded in the Tally software with no instances of tampering observed. The audit trail logs that are required to be preserved by the company from April 01, 2023, in accordance with the statutory requirements for record retention, are available from August 21, 2023.

The company has commissioned and has gone live with effect from April 1, 2023 on EasyERP Software that facilitates maintaining its business operations and processes through the software and financial transaction once authorized, cannot be edited or deleted. The audit trail (edit log) feature has been effective from the go live date.

The software vendor has certified the fact that audit trail (edit log) feature as enabled in the software cannot be disabled as effected at the application level of the software from date of its commissioning. However, in the absence of specific report being available to be extracted from the said software, we are unable to comment whether the audit trail (edit log) feature was operational throughout the year and not tampered with. The audit trail in EasyERP Software has been preserved by the company as per the statutory requirements for record retention.

Further, the audit trail (edit log) feature has not been enabled at database level of EasyERP Software.

3. With respect to the matter to be included in Auditors' Report under section 197(16) of the Act:

i. According to information and explanation given to us and based on our examination of the records of the Company, the Company has paid Managerial Remuneration in excess of eleven percent of the net profits of the company for current year in pursuance of the special resolution passed by the company in its 33rd and 34th Annual General Meetings and in accordance with the proviso to item (A) in Section II under Part II of Schedule V read with section 197 of Companies Act, 2013.

ii. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **Gokhale & Sathe,**
Chartered Accountants
Firm Registration No.: 103264W

CA Kaustubh Deshpande,
Partner
Membership No.: 121011
UDIN: 25121011BMIJPV5665

Place: Solapur
Date: May 5, 2025

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SMRUTHI ORGANICS LIMITED of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment including full particulars of intangible assets.

(b) We are informed that the company has a program of physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and nature of its fixed assets. No material discrepancies have been noticed on such verification.

(c) According to the information and explanations given by the management and based on the examination of the books of accounts and other records, the title deeds of immovable properties, included in property, plant and equipment of the company are held in the name of the Company except in following cases as have also been disclosed in Note No. 46(m).

Description of the Property	Original Agreement Value	Held in the name of	Whether Promoter, Director or their relative or employee	Property held for number of years
Gat No. 230/2/A/2	75000	Eaga Purushotham	Managing Director	24
Gat No. 230/2/B/2	75000	Eaga Purushotham	Managing Director	24
Gat No. 233/2/B	150000	Eaga Purushotham	Managing Director	24
Gat No. 231/2/B	75000	Eaga Purushotham	Managing Director	24

(d) The Company has not revalued any of its Property, Plant, Equipment and Intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were notice on such physical verification. Based on the information and explanation provided by the Management and our examination of the methods, procedures and the coverage of physical verification, as followed by the management, we report that these were observed to be appropriate.

(b) The company has been sanctioned working capital limits in excess of five crore rupees in aggregate from State Bank of India and Axis Bank on the basis of security of current assets. Based on the information and explanation provided by the Management and our examination that has been conducted to determine whether quarterly statements submitted with the bank agree with the books of account we report as under. The difference is on account of Trade Receivables being considered gross of advances and Trade Payables being considered gross of advances and before forex and provision adjustments. These have been reasoned in Note No. 46(j).

Stock Statement for Quarter ended June 2024 to March 2025

(Amount in Lakhs)

Sr No.	Quarter	As per bank stock statement submitted		As per Books of Account	Difference (Short) / Excess Submitted	
		SBI	Axis		SBI	Axis
1	Jun-24	3237.59	3237.00	3228.52	(9.07)	(8.48)
2	Sep-24	3321.00	3315.00	3321.00	0.00	6.00
3	Dec-24	3386.04	3386.00	3386.11	0.07	0.11
4	Mar-25	2830.58	2831.00	2830.67	0.09	(0.33)

Trade Receivables net of advances Statement for Quarter ended June 2024 to March 2025

(Amount in lakhs)

Sr No.	Quarter	As per bank stock statement submitted		As per Books of Account	Difference (Short) / Excess Submitted	
		SBI	Axis		SBI	Axis
1	Jun-24	2930.00	2930.00	2901.91	(28.09)	(28.09)
2	Sep-24	2280.53	2280.00	2246.33	(34.2)	(33.67)
3	Dec-24	2675.28	2675.00	2678.82	3.54	3.82
4	Mar-25	3268.18	3268.00	3247.44	(20.74)	(20.56)

Trade Payable net of Advances Statement for Quarter ended June 2024 to March 2025

(Amount in lakhs)

Sr No.	Quarter	As per bank stock statement submitted		As per Books of Account	Difference (Short) / Excess Submitted	
		SBI	Axis		SBI	Axis
1	Jun-24	1672.01	1672.00	1693.79	21.78	21.79
2	Sep-24	1551.23	1551.00	1507.84	(43.39)	(43.16)
3	Dec-24	1659.21	1659.00	1650.13	(9.08)	(8.87)
4	Mar-25	1734.49	1734.00	1599.18	(135.31)	(134.82)

(iii) (a) According to the information and explanations given to us and based on the examination of the Books of Account, during the year the company has not made any investment or financial guarantee or provided any security to any person or entity or provided any advance in nature of loan to any entity. As the company has no subsidiaries, joint venture and associate the requirements under paragraph 3(iii)(a)(A) are not applicable to the company. During the year, the company has provided advance in nature of loan to its employees. The details of such loans to employees given during the year are as under:

Particulars	Loans to Employees
Aggregate amount granted / provided during the year to Other Parties	INR 2.10 Lakh
Balance outstanding as at balance sheet date in respect of Other Parties	INR 2.92 Lakh

(b) The company has neither entered into any agreement or arrangement with the employees in respect of loans given nor has it stipulated the schedule of repayment of principal and payment of interest on loans given to employees. Accordingly, we are unable to make specific comment on,

- whether the loans to employees are prejudicial to the interest of the company,
- the regularity of repayment of principal,
- payment of interest in respect of such loans,
- the amount of loan overdue more than ninety days and the reasonable steps taken by the management to recover such loans,
- loans granted which have fallen due during the year and have been renewed or extended or fresh loans granted to settle the overdues of existing loans.

(c) The company has not granted any loans or advances in nature of loans to Promoters or Related parties. However, the company has granted loans to employees without specifying any terms or period of repayment. The aggregate amount of such loan outstanding as on the balance sheet date was Rs. 2.92 Lakh and the same constituted 100% of the total loans given by the company.

(iv) The company has neither granted any loans nor made investments nor given guarantees nor security in contravention to the provisions of section 185 and 186 of the Act.

(v) The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder are applicable. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 148(1) of the companies Act, 2013, and Cost Audit Report made available to us till the date of our report and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) In our opinion, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, goods and service tax, cess and other material statutory dues applicable to it. According to information and explanations given to us, no undisputed amounts payable were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of any dispute.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year except for the term loan from Axis Bank, where the monthly interest of INR 1.11 lakh, due at the end of November 2024, was paid upon being charged by the bank on December 1, 2024. Refer Note No. 46(n)

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) The Company has utilized the money raised by way of term loans during the year for the purpose for which they were raised.

(d) According to the information and explanations given to us and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on a short-term basis have been used for long-term purposes by the company.

(e) The Company does not have subsidiaries, associates or joint ventures during the year and therefore paragraphs 3(ix)(e) and (f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by management.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by us, in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. According to the information and explanations given to us, no reporting of fraud has been done by the Cost Auditor and Company Secretary.

(c) According to the information and explanations given to us, there were no whistle-blower complaints received during the year by the company.

(xii) The Company is not a Nidhi Company and hence, reporting under paragraph 3 (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, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements 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 during the year up to the periods ended March 31, 2025, along with management responses till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45- IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) Further, the Company has not conducted any Non-Banking Financial or housing finance activities during the year.

(c) & (d) In our opinion, the Company is not a Core Investment Company and there is no other core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c) and (d) of the Order is not applicable.

(xvii) According to the information and explanation given to us, the company has neither incurred cash losses during the current financial year nor during the immediately preceding financial year and accordingly the requirements of 3(xvii) is not applicable.

(xviii) There were no resignations of the statutory auditors during the year and accordingly the requirements of 3(xviii) is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 it should not be construed as a guarantee or 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) According to the information and explanations given to us and based on the examination of the Books of Account, the company had no unspent amount in relation to 'other than ongoing projects' that was required to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act and accordingly, reporting under paragraphs 3(xx)(a) is not applicable to the Company.

(b) According to the information and explanations given to us and based on the examination of the Books of Account and reports filed by the company, the company was not required to spend on CSR activities during the year under consideration accordingly, the company did not have any unspent amount under sub section (5) of the section 135 of the Companies Act pursuant to 'ongoing project' that was required to be transferred to the unspent CSR account and accordingly, reporting under paragraphs 3(xx)(b) is not applicable to the Company.

(xxi) The Company is not required to prepare Consolidated Financial Statements and therefore reporting under clause 3(xxi) of the Order is not applicable for the year.

For Gokhale & Sathe,
Chartered Accountants
Firm Registration No.: 103264W

CA Kaustubh Deshpande,
Partner
Membership No.: 121011
UDIN: 25121011BMIJPV5665

Place: Solapur
Date: May 5, 2025

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to Ind AS Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

OPINION

We have audited the internal financial controls with reference to Ind AS Financial Statements of SMRUTHI ORGANICS LIMITED ("the Company") as of 31st March 2025 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to IND AS financial statements and such internal financial controls were operating effectively as at 31st March 2025, based on the internal financial controls with reference to Ind AS Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 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 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to IND AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Ind AS Financial Statements.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether 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 Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of such internal financial controls, 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 Ind AS financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO IND AS FINANCIAL STATEMENTS

A company's internal financial controls with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial controls with reference to Ind AS financial statements include those policies and procedures that –

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO IND AS FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Gokhale & Sathe,
Chartered Accountants
Firm Registration No.: 103264W

CA Kaustubh Deshpande,
Partner
Membership No.: 121011
UDIN: 25121011BMIJPV5665

Place: Solapur
Date: May 5, 2025

Smruthi Organics Limited

BALANCE SHEET AS AT MARCH 31, 2025

Amount in Lakhs

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4	4467.33	3962.87
(b) Capital Work-in-progress	5	255.34	143.37
(c) Other Intangible Assets	4	15.66	17.49
(d) Intangible Asset under development	5	-	-
(e) Right of use assets	4	13.51	18.96
(f) Financial Assets			
(i) Investments	6	16.26	13.29
(ii) Other Financial Assets	7	72.22	0.75
(g) Other Non Current Assets	8	0.63	120.19
Total Non Current Asset		**4840.95**	**4276.92**
2 Current Assets			
(a) Inventories	9	2830.67	2977.65
(b) Financial Assets			
(i) Trade Receivables	10	3247.44	4102.61
(ii) Cash and Cash equivalents	11	43.57	47.95
(iii) Other Bank Balances	12	7.19	9.50
(iv) Other Financial Assets	13	10.76	5.52
(c) Current Tax Asset (Net)	20	1.29	-
(d) Other Current Assets	14	192.42	398.92
Total Current Asset		**6333.33**	**7542.15**
TOTAL ASSETS		**11174.29**	**11819.07**
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	15	1144.63	1144.63
(b) Other Equity	16	6018.31	5817.24
Total Equity		**7162.94**	**6961.87**
Liabilities			
2 Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	812.68	556.17
(ii) Other Financial Liabilities	18	3.52	8.64
(b) Provisions	19	-	-
(c) Deferred tax liabilities (net)	20	87.57	86.24
Total Non Current Liabilities		**903.77**	**651.05**
3 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	867.25	614.17
(ii) Trade Payables :-	22		
(A) total outstanding dues of micro and small enterprises		185.12	100.92
(B) total outstanding dues of creditors other than micro and small enterprises		1414.06	2763.22
(iii) Other Financial Liabilities	23	255.26	44.50
(b) Other Current Liabilities	24	37.19	238.66
(c) Provisions	25	348.69	364.16
(d) Current Tax Liability (Net)	20	-	80.53
Total Current Liabilities		3107.58	4206.15
TOTAL EQUITY AND LIABILITIES		**11174.29**	**11819.07**

The accompanying Notes are an integral part of the financial statements.

As per our Report of even date attached.
For Gokhale & Sathe,
Chartered Accountants,
FRN: 103264W

CA Kaustubh Deshpande
Partner
ICAI Membership No. 121011

Place : Solapur
Date : May 05, 2025

For & on behalf of Board of Directors

Eaga Purushotham
Managing Director
DIN: 00033583

Eaga Swapnil
Joint Managing Director & CFO
DIN : 01241535

Urvashi Khanna
Company Secretary & Compliance Officer

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31 2025

Amount in Lakhs

	Particulars	Note No.	Year Ended March 31, 2025	Year Ended March 31, 2024
I	Revenue from Operations	26	12600.79	12764.31
II	Other Income	27	8.88	7.55
III	**Total Income (I + II)**		**12609.67**	**12771.86**
IV	**EXPENSES**			
	Cost of Material Consumed	28	6785.77	7491.55
	Purchases of Stock-in-Trade	28	13.91	9.56
	Changes in inventories of finished goods, Stock-in-trade and work-in-progress	29	60.81	(265.68)
	Employee Benefits Expense	30	1735.07	1715.97
	Finance Cost	31	187.00	140.85
	Depreciation and Amortization Expenses	32	550.10	565.30
	Other Expenses	33	2787.01	2617.34
	Total Expenses (IV)		**12119.67**	**12274.89**
V	Profit/(loss) before Exceptional items and Tax (III-IV)		490.00	496.97
VI	Exceptional items		-	-
VII	Profit/(loss) after Exceptional items and before Tax (V-VI)		490.00	496.97
VIII	Tax expense:			
	(1) Current Tax	20	129.46	158.02
	(2) Deferred Tax	20	(3.21)	(22.69)
	(3) Other Income Tax	20	7.46	2.61
	Total Tax Expenses		**133.71**	**137.94**
IX	**Profit/(Loss) for the period from continuing operations (VII-VIII)**		**356.29**	**359.03**
X	Profit/(Loss) from discontinued operations		-	-
XI	Tax expenses of discountinued operations		-	-
XII	Profit/(Loss) from discontinued operations		-	-
XIII	**Profit/(Loss) for the period (XI+XII)**		**356.29**	**359.03**
XIV	Other Comprehensive Income			
	A. (i) Items that will not be reclassified to Profit or Loss	27	21.02	21.03
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss	20	(4.54)	(4.95)
	B. (i) Items that will be reclassified to Profit or Loss		-	-
	(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
XV	**Total Comprehensive Income for the period (XIII-XIV) comprising profit/ (Loss) and other comprehensive income for the period**		**372.76**	**375.11**
XVI	Earning per equity share (for discontinued operations):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVII	Earning per equity share (for discontinued & continuing operations): In INR Per Share	34		
	(1) Basic		3.11	3.14
	(2) Diluted		3.11	3.14

The accompanying Notes are an integral part of the financial statements.

As per our Report of even date attached.
For Gokhale & Sathe,
Chartered Accountants,
FRN: 103264W

CA Kaustubh Deshpande
Partner
ICAI Membership No. 121011

Place : Solapur
Date : May 05, 2025

For & on behalf of Board of Directors

Eaga Purushotham
Managing Director
DIN: 00033583

Eaga Swapnil
Joint Managing Director & CFO
DIN : 01241535

Urvashi Khanna
Company Secretary & Compliance Officer

Statement of Cash Flow for the period ended March 31, 2025

Amount in Lakhs

Sr No.	Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before income tax	511.02	518.00
	Non cash adjustment to reconciled profit before tax to net cash flows		
	Depreciation and Amortization	550.10	565.30
	Fair Valuation (Gain) / Loss on Investments	(21.02)	(21.03)
	Interest Expenditure	183.40	100.41
	Foreign Exchange (Gain) / Loss Realized	(8.30)	1.87
	Foreign Exchange (Gain) / Loss Unrealized	6.47	-
	Transaction Cost Amortized relating to Long Term Borrowings	1.53	0.42
	Lease Liability Finance Cost	2.07	0.52
	Expected Provision for Losses	0.90	-
	Interest Income	(7.37)	(0.67)
	Operating Profit before Working Capital changes	1218.79	1164.83
	Movements in Working Capital		
	Increase/(Decrease) in Trade Payables	(1264.95)	398.54
	Increase/(Decrease) in Provisions	2.58	33.12
	Increase/(Decrease) in Other Current Liabilites	(190.91)	36.60
	Increase/(Decrease) in Other Current Financial Liability	200.02	6.62
	Increase/(Decrease) in Other Non Current Financial Liabilites	-	(1.61)
	Decrease/(Increase) in Trade Receivables	854.27	(406.52)
	Decrease/(Increase) in Inventories	146.97	(578.65)
	Decrease/(Increase) in Non Current Financial Assets	(71.47)	9.01
	Decrease/(Increase) in Current Other Financial Assets	(5.00)	(0.78)
	Decrease/(Increase) in Other Current Assets	206.50	(105.42)
	Decrease/(Increase) in Other Non-current assets	119.56	(11.31)
	Cash generated from / (used in) Operations	**1216.36**	**544.42**
	Direct taxes (net of refunds)	(218.74)	(104.33)
	Net cash flow from / (used in) Operating Activities (A)	**997.62**	**440.09**
B	**Cash Flow From Investing Activities**		
	Purchases of Fixed Assets, including intangible assets, CWIP & Capital advances	(1151.50)	(823.68)
	Investment in bank deposits (having orignal maturity of more than three months) and interest accrued thereon	2.30	106.69
	Interest Income	7.13	0.67
	Changes in Investments net of Fair Value Effects	-	-
	Net Cash from / (used in) Investing Activities (B)	**(1142.08)**	**(716.32)**
C	**Cash Flow from Financing Activities**		
	Proceeds from long term borrowings	524.83	674.49
	Repayment of long term borrowing	(168.28)	(28.28)
	Proceeds from Short term borrowings	151.07	(39.21)
	Unamortized Loan Processing Charges	-	(9.27)
	Interest Paid	(182.93)	(97.87)
	Foreign Exchange Gain/ Loss	1.84	(1.87)
	Dividend paid on equity shares	(171.69)	(228.93)
	Lease Liability Payments	(14.75)	(3.52)
	Net cash flow from / (used in) Financing Activities (C)	**140.08**	**265.54**
	Net Increase/(Decrease) in cash & cash equivalants (A)+(B)+(C)	**(4.38)**	**(10.69)**
	Cash & Cash equivalants at the beginning of the period	47.95	58.63
	Cash & Cash equivalants at the end of the period (Net of Forex Effect for Current Period)	43.57	47.95

Statement of Cash Flow for the period ended March 31, 2025

Note:

1 The above Cash Flow Statement has been prepared by using "Indirect Method" as set out in the Indian Accounting Standard (IND AS-7) - Statement of cash flow.

2 Reconciliation of Debt

Particulars	Long Term	Short Term
Opening Balance as at 01.04.2023	**84.54**	**474.00**
Cash Flows		
Proceeds from Borrowings	674.49	-
Repayment of Borrowings	28.28	39.21
Non Cash Adjustments	2.55	8.12
Closing Balance as at 31.03.2024	**733.30**	**442.91**
Opening Balance as at 31.03.2024	**733.30**	**442.91**
Proceeds from Borrowings	524.83	151.07
Repayment of Borrowings	168.28	-
Non Cash Adjustments	0.45	(0.48)
Closing Balance as at 31.03.2025	**1090.30**	**593.50**

The accompanying Notes are an integral part of the financial statements.

As per our Report of even date attached.
For Gokhale & Sathe,
Chartered Accountants,
FRN: 103264W

CA Kaustubh Deshpande
Partner
ICAI Membership No. 121011

Place : Solapur
Date : May 05, 2025

For & on behalf of Board of Directors

Eaga Purushotham
Managing Director
DIN: 00033583

Eaga Swapnil
Joint Managing Director & CFO
DIN : 01241535

Urvashi Khanna
Company Secretary & Compliance Officer

Statement of Changes in Equity for the year ended March 31, 2025

A. Equity Share Capital

Amount in lakhs

Balance as at April 1, 2024	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2024	Changes in equity share capital during the current period	Balance as at March 31, 2025
1144.63	-	1144.63	-	1144.63

Amount in lakhs

Balance as at April 1, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2023	Changes in equity share capital during the current period	Balance as at March 31, 2024
1144.63	-	1144.63	-	1144.63

B) Other Equity

Amount in lakhs

	Reserves & Surplus				Total
	Capital Reserve	Other Reserves (General Reserve)	OCI	Retained Earnings	
Balance as at April 1, 2024	21.09	102.33	45.94	5647.88	5817.24
Net Profit after Tax for the year	-	-	-	356.29	356.29
Dividends	-	-	-	(171.69)	(171.69)
Other Comprehensive Income	-	-	16.47	-	16.47
Balance as at March 31, 2025	**21.09**	**102.33**	**62.41**	**5832.48**	**6018.31**

Amount in lakhs

	Reserves & Surplus				Total
	Capital Reserve	Other Reserves (General Reserve)	OCI	Retained Earnings	
Balance as at April 1, 2023	21.09	102.33	29.86	5517.78	5671.06
Net Profit after Tax for the year	-	-	-	359.03	359.03
Dividends	-	-	-	(228.93)	(228.93)
Other Comprehensive Income	-	-	16.08	-	16.08
Balance as at March, 31 2024	**21.09**	**102.33**	**45.94**	**5647.88**	**5817.24**

NOTES TO STANDALONE FINANCIAL STATEMENT AS ON 31.03.2025

1. Corporate Information

Smruthi Organics Limited, incorporated in the year 1989, is a manufacturer of Active Pharmaceutical Ingredient (API) products in the Anti – Diabetic, Anti – Hypertension and Anti – Infectives Therapeutic categories catering to both the Indian domestic as well as rest of the world (ROW) markets, with clients spanning across the world. Its shares are listed on Bombay Stock Exchange and Metropolitan Stock Exchange of India Limited.

The company has 2 manufacturing facilities in Solapur, India. The API facility is spread across 22-acre land. The R&D Facility based in Hyderabad, India, works on developing novel synthetic routes for API and other product and process improvement.

Finished Dosage Form (FDF) Marketing

We are actively involved in the marketing of Finished Dosage Forms (FDFs) across the states of Maharashtra, Andhra Pradesh, and Telangana. Our portfolio includes a wide range of high-quality, affordable medicines across key therapeutic segments.

2. Basis of preparation

a. Statement of compliance

The financial statements of the Company have been prepared in accordance with and comply in all material respects with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (amended from time to time) notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act and presentation requirement of Div II to Schedule III of the Companies Act 2013.

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March, 2025, the Statement of Profit and Loss for the year ended 31 March 2025, the Statement of Cash Flows for the year ended 31 March 2025 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'financial statements'). The application of Ind ASs, with additional disclosure when necessary, is presumed to result in financial statements that present a true and fair view.

Details of the Company's accounting policies are included in Note 3. The accounting policies set out below have been applied consistently to the years presented in these financial statements. The financial statements were authorised for issue by the Company's Board of Directors on Monday, 05th May, 2025.

b. Basis of measurement: The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities as explained below:

- Financial instruments - measured at fair value.
- Plan assets under defined benefit plans – measured at fair value

The accounting policies are applied consistently to all the periods presented in the Financial Statements. All assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities

c. Functional and Presentation Currency

In addition, the financial statements are presented in INR which is also the Company's functional currency and all values are rounded to the nearest Lakh (INR 00,000), except when otherwise indicated. Wherever the amount represented '0' (zero) construes value less than Rupees five thousand.

3. Summary of Material Accounting Policies:

3.1 Use of Estimates, Judgements and Assumptions

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates according to the nature of the assumption and other circumstances.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The following are areas involving critical estimates and judgments:

Judgements:

- Evaluation of recoverability of deferred tax assets, and estimation of income tax payable (Note No. 20)
- Provisions (Note No. 19 and 25)
- Contingencies (Note No. 40)

Estimates:

- Impairment (Note No 3.9 and 3.19)
- Accounting for Defined benefit plans (Note No. 41)
- Useful lives of property, plant and equipment and intangible assets (Note No. 3.7 and 3.8)
- Financial Instruments (Note No. 47)
- Fair Value of Financial Instruments (Note No. 47)
- Valuation of Inventories (Note No. 9)

3.2 Current versus non-current classification

The company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting Period.

All other assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified a period of twelve months as its operating cycle.

3.3 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Trade receivables that are more than 365 days overdue are presumed to have a significantly increased credit risk. As such expected credit loss is recognized for these receivables:

These receivables are evaluated individually or as part of a specific risk segment based on customer type, days past due, and past default history.

A provision rate of 2.5% to 7.5% is typically applied, unless there is objective evidence to support a different expected recovery.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. On an annual basis, the Management presents the valuation results to the Audit Committee and the Company's independent auditors. This includes a detailed discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

3.4 Foreign currency translation

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates (functional currency). The Financial Statements of the Company are presented in Indian currency INR, which is also the functional currency of the Company.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain/(loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit and Loss. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gain/(loss) presented in the Statement of Profit and Loss are on a net basis.

3.5 Revenue recognition

Revenue from contract with customer is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the transaction price of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

a. Revenue from Sale of Goods:

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on dispatch/delivery of the goods or terms as agreed with the customer. The normal credit term is 60 to 90 days from the date of dispatch. In determining the transaction price for the sale of goods, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

b. Interest Income:

Interest income from a financial asset is recognized 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 principle 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.

c. Export benefits:

Export incentives are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Contract assets

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs its obligation by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

a. Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Refer Note No. 3.19 to accounting policies of financial assets in (Financial instruments – initial recognition and subsequent measurement.) Refer to accounting policies of financial assets in Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

3.6 Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

a. Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax

liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

c. Minimum alternate tax (MAT)

Minimum alternate tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. The same is not applicable to the company as it has exercised the option to pay tax under Section 115BAA of The Income Tax Act, 1961.

3.7 Property, Plant and Equipment (PPE)

Property, plant and equipment (PPE) and capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of acquired 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, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The cost of a self-constructed asset comprises the comprises the cost of materials , direct labour, borrowing cost, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dis mantling and removing the item and restoring the site where it is located.

Property, plant and equipment that are not ready for intended use as on the date of Balance Sheet are disclosed as 'capital work-in-progress. Items of stores and spares that meet the definition of Property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Depreciation is calculated on written-down value basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for assets where management believes and based on independent technical evaluation, assets estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Leasehold land is amortized over the lease period on a straight-line basis.

The residual values are not more than 5% of the original cost of the item of Property, Plant and Equipment. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The depreciation rates charged are over following estimated useful lives:

Asset class	Useful life
Office Equipment	5 Years
Computers	3 Years
Buildings	30 Years
Vehicles	8 Years
Furniture & Fixtures	10 Years
Laboratory Equipment	10 Years
Plant and Machinery and Other Factory Equipment	23 Years*
Research and Development Equipment	23 Years*

*Useful life of Plant and Machinery, Other Factory Equipment and Research and Development Equipment has been estimated by the management supported by technical advice.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

3.8 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Cost includes acquisition and other incidental cost related to acquiring the intangible asset. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method

for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. A summary of the policies applied to the Company's intangible assets is as follows:

Asset class	Useful life
Trademarks	5 Years
Software	10 Years

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

The Company has elected to continue with the carrying value for all of its intangible assets as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Research and Development Cost:

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 amortization 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 unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

Intangible assets under development:

Expenditure incurred on acquisition/development of intangible assets which are not ready for their intended use at balance sheet date are disclosed under intangible assets under development.

3.9 Impairment of Assets

At the end of each reporting year, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets 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). Where 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. Where 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, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell 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

3.10 Inventories

Inventories comprise of raw materials, spares and stores, consumables, supplies and loose tools are valued at the lower of the cost or net realizable value after providing for obsolescence and other losses. Cost includes all the charges in bringing the goods to the present location and conditions.Net realizable value is determined based on estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost of necessary to make the sale.

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead

expenditure. Fixed overheads are allocated on the basis of normal operating capacity or more appropriate factor. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition and non-refundable taxes paid. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Costs of inventories are determined on First in First out (FIFO) basis.

3.11 Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset

As a lessee:

a. The company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

b. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation and cumulative impairment, if any

c. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

d. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate

e. Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee

f. The nature of lessee's leasing activities is as follows:

   i. Leasing of Immovable Property for Office Use

g. Short-term leases and leases of low-value assets:

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term

3.12 Provision

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3.13 Employee benefits:

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, post-retirement medical benefits and bonus.

Short-terms Employee Benefits:

Employee benefits such as salaries, wages, cost of bonus, ex-gratia and performance linked rewards falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the related service. The obligations are presented as current liability in the balance sheet if the entity does not have an unconditional right to defer the settlement for atleast 12 months after reporting date.

Post-employment benefits:

- **Defined contribution plan**

  The Company's state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/ payable under the schemes is recognised during the period in which the employee renders the related service.

- **Defined benefit plan**

  Defined benefit plans comprising of gratuity are recognized based on the present value of defined benefit obligations which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or, included in cost of assets as permitted in para 121 of Ind AS 19.

  The Projected Unit Credit method (PUC) is used to assess the plan's present value of obligation (liabilities) and the related current service cost, and where applicable past service cost.

  The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

  The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in Other Comprehensive Income and is reflected in Retained earnings and the same is not eligible to be reclassified to Profit or Loss.

- **Other Employee benefit obligations**

  Other Employee benefit comprises of leave encashment towards un-availed leave and compensated absences. These are accounted as current employee cost as these are payable by the company within subsequent 12 months.

  Re-measurements of leave encashment towards un-availed leave are recognized in the Statement of profit or loss except those included in cost of assets as permitted in the period in which they occur. Accumulated leaves are not allowed to be carried forward beyond 12 months.

3.14 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

3.15 Segment information

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Common allocable costs, wherever allocated, are allocated to each segment on an appropriate basis.

3.16 Earnings per Share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders after tax by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share

Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

3.17 Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between

the end of the reporting period and the date when the financial statements are approved by the Board of Directors in case of a company, and, by the corresponding approving authority in case of any other entity for issue.

Two types of events can be identified;

- those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period)

3.18 Contingent Liabilities and Contingent assets

A contingent liability is;

- a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or
- a present obligation that is not recognised because, it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

3.19 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. 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 Statement of Profit and Loss (FVTPL)) 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 Statement of Profit and Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

I. Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost

- FVTOCI - Debt Investment

- FVTOCI – Equity Investment or

- FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

a. Subsequent Measurement

i. Financial asset measured at Amortised cost:

Financial assets are subsequently measured at amortised cost, using the EIR method less impairment, if any, if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The amortization of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss

ii. Financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial asset is, except trade receivables and contract assets that are measured at transaction price, measured at FVTOCI if it is held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at

fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method

iii. Financial assets measured at Fair Value Through Profit or Loss (FVTPL)

Financial asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

iv. Other Equity investment

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments are recognised in Statement of Profit and loss when the Company's right to receive payment is established.

b. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material lay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

c. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected Credit Losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date), if the credit risk on a financial instrument has not increased significantly; or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument),if the credit risk on a financial instrument has increased significantly.

For trade receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

Trade receivables that are more than 365 days overdue are presumed to have a significantly increased credit risk. As such expected credit loss is recognized for these receivables:

These receivables are evaluated individually or as part of a specific risk segment based on customer type, days past due, and past default history.

A provision rate of 2.5% to 7.5% is typically applied, unless there is objective evidence to support a different expected recovery.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Other Financial Assets

Other Financial Assets mainly consists of Advances to employees and Security Deposit. Following are the policy for specific financial assets:-

Type of financial asset	Policy
Security Deposit	Security deposit is in the nature of statutory deposits like electricity, telephone deposits. Since they are kept with Government bodies, there is low risk.
Loans and advances to employee	Loan and advances to employee are considered to be good and there are neither been any past instances of default and also management doesn't expect any default in case of Company receivables.

II. Financial liabilities

a. Subsequent Measurement

Financial liabilities are classified as measured at Amortised cost or 'FVTPL.

Financial Liability - FVTPL

A Financial Liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition

A financial liability is classified as held for trading if:

- it has been incurred 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 manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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;
- 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; or

- it forms part of a contract containing one or more embedded derivatives, and IND AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with IND AS 109

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included item in the Statement of Profit and Loss. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI.

Other financial liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

b. Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

III. Offsetting financial instrument

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle financial asset and liability on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

3.20 Recent Accounting Pronouncement

Ministry of Corporate Affairs has not made any amendments to the Ind AS which are effective from 1st April 2025 as are applicable to the company.

3.21 Accounting Policy for Capitalisation of Borrowing Cost

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss. The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Note 4: A) Property, Plant and Equipment

(Amount in Lakhs)

Particulars	Freehold Land	Lease Hold Factory Land	Plants and equipment	Computers	Vehicles	Furnitures & Fixtures	Building	(E) Plant & Machinery	Electrical Installation	Laboratory Equipments	Office Equipments	ROU Assets	Total
Gross Block													
Balance as at 1st April, 2023	5.87	30.76	7576.38	109.97	376.50	179.80	2332.64	362.41	7.56	958.45	276.72	-	12217.08
Additions during the year	-	-	484.01	4.31	1.05	5.09	169.33	37.76	-	82.49	17.84	21.67	823.56
Deletions/ Impairment during the year	-	-	11.65	-	-	-	-	-	-	-	-	-	11.65
Balance as at 31st March 2024	**5.87**	**30.76**	**8048.74**	**114.29**	**377.55**	**184.89**	**2501.96**	**400.17**	**7.56**	**1040.94**	**294.56**	**21.67**	**13028.98**
Depreciation													
Balance as at 1st April, 2023	-	4.82	5502.22	93.41	207.84	148.99	1443.81	258.63	2.29	676.61	175.74	-	8514.35
Charge for the year	-	0.18	283.26	8.72	50.06	7.02	89.17	15.06	0.56	60.72	15.34	2.71	532.80
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2024	**-**	**5.00**	**5785.48**	**102.13**	**257.90**	**156.01**	**1532.98**	**273.69**	**2.85**	**737.32**	**191.08**	**2.71**	**9047.15**
Gross Block													
Balance as at 1st April, 2024	5.87	30.76	8048.74	114.29	377.55	184.89	2501.96	400.17	7.56	1040.94	294.56	21.67	13028.98
Additions during the year	-	-	765.65	1.51	16.79	0.64	214.80	5.79	-	22.10	11.93	7.75	1046.96
Deletions/ Impairment during the year	-	-	-	0.02	-	-	-	-	-	-	-	-	0.02
Balance as at 31st March 2025	5.87	30.76	8814.40	115.77	394.34	185.54	2716.76	405.96	7.56	1063.04	306.49	29.42	14075.92
Depreciation													
Balance as at 1st April, 2024	-	5.00	5785.48	102.13	257.90	156.01	1532.98	273.69	2.85	737.32	191.08	2.71	9047.15
Charge for the year	-	0.18	300.69	5.27	39.55	6.05	98.62	15.58	0.49	53.83	14.47	13.20	547.93
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2025	-	5.17	6086.16	107.41	297.45	162.06	1631.60	289.27	3.34	791.15	205.55	15.91	9595.08
Net Block													
As at 31st March 2024	5.87	25.77	2263.27	12.15	119.65	28.88	968.98	126.48	4.72	303.61	103.48	18.96	3981.83
As at 31st March 2025	**5.87**	**25.59**	**2728.23**	**8.37**	**96.90**	**23.47**	**1085.16**	**116.69**	**4.23**	**271.89**	**100.94**	**13.51**	**4480.84**

B) Other Intangible Assets

Particulars	Amount in Lakhs
Gross Block	
Balance as at 1st April, 2023	3.36
Additions during the year	18.40
Deletions during the year	-
Balance as at 31st March 2024	**21.76**
Depreciation	
Balance as at 1st April, 2023	2.22
Charge for the year	2.06
Accumulated depreciation on deletions	-
Balance as at 31st March 2024	**4.27**
Gross Block	
Balance as at 1st April, 2024	21.76
Additions during the year	0.32
Deletions during the year	-
Balance as at 31st March 2025	**22.08**
Depreciation	
Balance as at 1st April, 2024	4.27
Charge for the year	2.15
Accumulated depreciation on deletions	-
Balance as at 31st March 2025	**6.42**
Net Block	
As at 31st March 2024	**17.49**
As at 31st March 2025	**15.66**

Note 5 (A): Capital Work-In-Progress [CWIP] and Intangible Assets under Development

(Amount in Lakhs)

Particulars	Capital WIP	Total	Intangible Assets Under Development	Total
Gross Block				-
Balance as at 1st April, 2023	192.22	192.22	7.20	7.20
Additions during the year	143.37	143.37	-	-
Deletions during the year	173.43	173.43	7.20	7.20
Balance as at 31st March 2024	**162.16**	**162.16**	**-**	**-**
Depreciation				-
Balance as at 1st April, 2023	-	-	-	-
Impairment for the year	18.79	18.79	-	-
Accumulated depreciation on deletions	-	-	-	-
Balance as at 31st March 2024	**18.79**	**18.79**	**-**	**-**
Gross Block				-
Balance as at 1st April, 2024	143.37	143.37	-	-
Additions during the year	253.45	253.45	-	-
Deletions during the year	141.48	141.48	-	-
Balance as at 31st March 2025	**255.34**	**255.34**	**-**	**-**
Depreciation				-
Balance as at 1st April, 2024	-	-	-	-
Charge for the year	-	-	-	-
Accumulated depreciation on deletions	-	-	-	-
Balance as at 31st March 2025	-	-	-	-
Net Block				
As at 31st March 2024	**143.37**	**143.37**	**-**	**-**
As at 31st March 2025	**255.34**	**255.34**	**-**	**-**

Note 5 (B) : Right of Use Assets and Lease Liability

Carrying value of right of use assets and movement during the year

Particulars	Immovable Property	Total
As at 1 April, 2023	**-**	**-**
Additions	21.67	21.67
Depreciation	2.71	2.71
As at 31 March, 2024	**18.96**	**18.96**
Additions	7.75	7.75
Depreciation	13.20	13.20
As at 31 March, 2025	**13.51**	**13.51**

Movement in lease liabilities during the year

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	19.19	-
Additions during the year	7.75	21.67
Finance costs incurred during the year	2.07	0.52
Payments of Lease Liabilities	14.75	3.00
Closing Balance	**14.26**	**19.19**

Maturity analysis of lease liabilities

Maturity analysis – contractual undiscounted cash flows	As at March 31, 2025	As at March 31, 2024
Less than one year	12.00	12.00
One to five years	3.25	9.00
More than five years	-	-
Total undiscounted lease liabilities	**15.25**	**21.00**
Lease liabilities included in the Financial Statement	14.26	19.19
Current Liability	10.74	10.56
Non Current Liability	3.52	8.64

Amounts recognised in profit or loss

Particulars	As at March 31, 2025	As at March 31, 2024
Interest on lease liabilities	2.07	0.52
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-of-use assets	-	-
Expenses relating to short-term leases	14.05	15.78
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-
Depreciation expense of right-of-use assets	13.20	2.71
Total Expenses	**29.32**	**19.01**

Amounts recognised in the statement of cash flows

Particulars	As at March 31, 2025	As at March 31, 2024
Total cash outflow for leases	**14.75**	**3.52**

The impact of Effective Interest Rate (EIR) on security deposit has not been considered as the amount is immaterial.

Note 6: Investments

Non-Current Investments

Amount in Lakhs

Particulars	Paid up value	As at March 31, 2025		As at March 31, 2024	
		No. of shares	Amount	No. of shares	Amount
Investment in Equity Instruments					
Unquoted (at Fair Value through OCI)	Rs. 10 each	49310.00	16.26	49310.00	13.29
Greenfield CET Plant Pvt. Ltd. Solapur					
Total		**49310.00**	**16.26**	**49310.00**	**13.29**

More Information relating to the Valuation Methodologies are provided in Note No. 3

Note 7: Other Financial Assets - Non-Current

Amount in Lakhs

Particulars	As at Mar 31, 2025	As at March 31, 2024
Bank Deposits more than 12 months maturity - BG Margin for MPCB and MSEDCL	34.66	0.75
Security Deposits	37.56	-
Total	**72.22**	**0.75**

Note 8: Other Non Current Assets

Amount in Lakhs

Particulars	Details	As at Mar 31, 2025	Details	As at March 31, 2024
Security Deposits				119.56
Other Advances		0.63		0.63
Opening Balance of Advances	4.42		4.42	
Add: Additions during the Year	-		-	
Less: Provison for Doubtful Receivable relating to Forged Cheque Case	(4.42)		(4.42)	
Closing Balance of Advances	-		-	
Total		**0.63**		**120.19**

Note 9: Inventories

Amount in Lakhs

Particulars	As at Mar 31, 2025	As at March 31, 2024
Inventories		
Valued at FIFO basis and at lower of Cost or Net Realizable Value		
(a) Raw Materials and Spares	1113.91	1201.17
(b) Packing Materials	22.87	21.78
(c) Work in Process	834.46	925.60
(d) Finished Goods	859.43	829.09
Total	**2830.67**	**2977.65**

All of the above listed inventories have been hypothecated along-with Other Current Assets on First Pari pasu charge basis with State Bank of India and Axis Bank against Cash Credit Limits of INR 1000 Lakhs and 500 Lakhs respectively, as sanctioned and against Term Loan Facility of INR 1200 Lakhs availed from Axis Bank.

Note 10: Trade Receivables

Amount in Lakhs

Particulars	As at Mar 31, 2025	As at March 31, 2024
Unsecured, Considered Good	3248.34	4102.61
Provision for Expected Credit Loss	(0.90)	-
Total	**3247.44**	**4102.61**

Trade Receivables have been hypothecated along with other current assets on first Pari Pasu Charge basis with SBI and Axis Bank agaist cash credit limits of INR 1000 Lakhs and 500 Lakhs respectively, as sanctioned and against Term Loan facility of INR 1200 Lakhs availed from Axis Bank

Receivables from export of INR 1315.88 Lakhs is denominted in foreign currency and company has not entered in any hedge contract for mitigation of foreign currency risk

Trade Receivables Ageing Schedule

Amount in Lakhs

Particulars	Outstanding for following periods from due dates of payments as at 31st March 2025					
	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 -3 Years	More than 3 Years	Total
Undisputed - Considered good	3005.75	6.44	7.22	9.26	219.67	3248.34
Undisputed - Which have significant increase in Credit Risk	-	-	-	-	-	-
Undisputed - Credit impaired	-	-	-	-	-	-
Disputed - Considered good	-	-	-	-	-	-
Disputed - Which have significant increase in Credit Risk	-	-	-	-	-	-
Disputed - Credit impaired	-	-	-	-	-	-
Provision for Expected Credit Loss	-	-	(0.22)	(0.44)	(0.24)	(0.90)
Total	**3005.75**	**6.44**	**7.01**	**8.82**	**219.42**	**3247.44**

Particulars	Outstanding for following periods from due dates of payments as at 31st March 2024					
	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 -3 Years	More than 3 Years	Total
Undisputed - Considered good	3784.60	38.87	28.07	34.92	216.15	4102.61
Undisputed - Which have significant increase in Credit Risk	-	-	-	-	-	-
Undisputed - Credit impaired	-	-	-	-	-	-
Disputed - Considered good	-	-	-	-	-	-
Disputed - Which have significant increase in Credit Risk	-	-	-	-	-	-
Disputed - Credit impaired	-	-	-	-	-	-
Total	**3784.60**	**38.87**	**28.07**	**34.92**	**216.15**	**4102.61**

The company has filed legal case for recovery against four parties (P.Y. four parties) of trade receivables amounting to INR 216.15 Lakhs (P.Y. INR 216.15 Lakhs) as on March 31, 2025. The hearing in the said cases is under process before various Honourable Courts. The management expects the entire recovery to be made in relation to the outstanding amount.

Note 11: Cash and Cash equivalents

Amount in Lakhs

Particulars	As at Mar 31, 2025	As at March 31, 2024
Balance with Bank		
In current accounts	42.88	44.82
Cash on Hand (Including Foreign Currency)	0.69	3.13
Total	**43.57**	**47.95**

Foreign Currency in Hand INR 0.05 (P.Y. INR 2.48)

Note No. 12: Other Bank Balances other than Cash and Cash Equivalents

Amount in Lakhs

Particulars	As at Mar 31, 2025	As at March 31, 2024
In Term Deposit Accounts		
Term deposits with maturity more than 3 months but less than 12 months BG Margin for MPCB	7.19	9.50
Total	**7.19**	**9.50**

Note 13: Other Financial Assets - Current

Amount in Lakhs

Particulars	As at Mar 31, 2025	As at March 31, 2024
Interest accrued but not due	5.76	5.52
Security Deposits - Current	5.00	-
Total	**10.76**	**5.52**

Note 14: Other Current Assets

Amount in Lakhs

Particulars	As at Mar 31, 2025	As at March 31, 2024
Capital Advances	0.67	37.95
Advances other than Capital Advances		
Advances to Staff and Vendors	3.91	73.30
Other Prepaid Expenses	44.87	48.64
Input Tax Credit (GST) Receivable	36.92	146.26
IGST on Exports Refundable	63.00	74.90
Duty Draw Back / ROTEP Incentive Receivable	23.93	17.88
GST Set-Off Hold Against 180 Day	0.45	-
Advance paid for DSIR income tax	18.67	-
Total	**192.42**	**398.92**

Note 15: Equity Share Capital

Amount in Lakhs

Particulars	As at Mar 31, 2025	As at March 31, 2024
Authorised		
1,20,00,000 Equity Shares of Rs. 10/- each	1200.00	1200.00
Issued and Subscribed and Paid Up		
1,14,46,290 Equity Shares of Rs. 10/- each fully paid	1144.63	1144.63

a) Reconciliation of number of Ordinary (Equity) Shares and amount outstanding

Amount in Lakhs

Particulars	As at Mar 31, 2025		As at March 31, 2024	
	No. of Shares	Rupees in lakhs	No. of Shares	Rupees in lakhs
Equity Shares				
Issued and Subscribed :				
Balance as at the beginning of the Year	1,14,46,290	1144.63	1,14,46,290	1144.63
Add : Issued during the year for cash	-	-	-	-
Less: Shares Brought Back during the Year	-	-	-	-
Less: Shares Cancelled During the Year	-	-	-	-
Balance as at the end of the Year	1,14,46,290	1144.63	1,14,46,290	1144.63

b) Rights, preferences and restrictions attached to shares Equity shares

The Company has one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, 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) Details of aggregate number of shares issued for consideration other than in cash during the period of five years immediately preceding the reporting date

Particulars	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Fully Paid up Pursuant to Contracts without payment being received in Cash	-	-	-	-	-
Fully Paid up by way of Bonus Shares	-	76,30,860	-	-	-
Shares Brough Back	-	-	-	-	-

d) Details of Shareholders holding more than 5% shares in the company

Name of the Shareholder	As at Mar 31, 2025		As at March 31, 2024	
	No.of Shares	% of holding	No.of Shares	% of holding
Mr.Eaga Purushotham	47,18,936	41.23%	46,36,404	40.51%
Mrs.Eaga Vaishnavi	17,48,120	15.27%	17,32,520	15.14%
Mr. Eaga Swapnil	6,00,144	5.24%	6,00,144	5.24%

e) Promoter's Shareholding

Name of the Promoter	As at Mar 31, 2025		As at March 31, 2024		% change during the year
	No.of Shares	% of holding	No.of Shares	% of holding	
Eaga Purushotham Malaiah	47,18,936	41.23%	46,36,404	40.51%	1.78%
Eaga Swapnil Purushotham	6,00,144	5.24%	6,00,144	5.24%	0.0%
Vaishnavi Purushotham Eaga	17,48,120	15.27%	17,32,520	15.14%	0.90%
Smruthi Purushotham Eaga	89,702	0.78%	85,965	0.75%	4.35%
Yadagiri M Eaga	6,000	0.05%	6,000	0.05%	0.0%
Smruthi Chemicals and Intermediates Limited LLP	2,46,000	2.15%	2,46,000	2.15%	0.0%
TOTAL	**74,08,902**	**64.73%**	**73,07,033**	**63.84%**	1.39%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

f) Particulars of Dividend Declared

Amount in Lakhs

Particulars	As at Mar 31, 2025	As at March 31, 2024
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 March 2024: INR 1.5 per share paid during the year	171.69	-
Final dividend for the year ended on 31 March 2023: INR 2 per share	-	228.93

The Board of Directors at their meeting held on May 5, 2025 has declared Final Dividend of INR 1.50 (15%) per Equity shares of the face value of INR 10/- each for the financial year 2024-25, which will be paid on or after approval of shareholders in 36th AGM.

g) Unpaid Dividend

Amount in Lakhs

Particulars	As at Mar 31, 2025	As at March 31, 2024
Unclaimed Dividend FY 2018-19	2.74	3.49
Unclaimed Dividend FY 2019-20	4.79	5.92
Unclaimed Dividend FY 2020-21	10.50	13.37
Unclaimed Dividend FY 2021-22	11.73	14.59
Unclaimed Dividend FY 2022-23	7.01	7.14
Unclaimed Dividend FY 2023-24	5.66	-
Total	**42.43**	**44.50**

Note No. 16: Other Equity

Amount in Lakhs

Particulars	As at Mar 31, 2025	As at March 31, 2024
Capital Reserve		
Opening	21.09	21.09
Additions	-	-
Closing	21.09	21.09
OCI (FV Changes in Gratuity and Investment)		
Opening	45.94	29.86
Add: OCI Effect during the year	16.47	16.08
Closing	62.41	45.94
General Reserve		
Opening	102.33	102.33
Less: Adjustments	-	-
Closing	102.33	102.33
Retained Earnings		
Opening Balance	5647.88	5517.78
Net Profit/ (Loss) for the year as per the Statement of Profit and Loss	356.29	359.03
Less: Dividend Paid	171.69	228.93
Less: Adjustments	-	-
Closing balance	5832.48	5647.88
Total	**6018.31**	**5817.24**

Nature and Purpose of Reserves

a) General Reserve
General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013

b) Capital Reserve
These also include WMDC Capital Incentive and Seed Capital received by the company.

c) OCI
Includes FV Changes in Gratuity and Investment.

Note No. 17: Borrowings - Non Current

Amount in Lakhs

Particulars	As at Mar 31, 2025	As at March 31, 2024
Term loans from Banks - Secured		
Term Loan from Axis Bank	820.00	534.72
Axis Bank - Car Loan	-	30.30
Less: Unamortized Transaction Cost	(7.32)	(8.85)
Term Loans from Others	-	-
Unsecured	-	-
Total	**812.68**	**556.17**

Axis Bank Car Loan availed by the company in relation to purchase of Motor Vehicle that has been hypothecated with the bank.

Term Loan facility from Axis Bank has been availed by the company towards renovation of Factory Building and Installation of Machinery against hypotecation of entire Fixed Assets created out of said Bank Finance. Hypothecation of entire Current Assets both present and future on First Pari Pasu basis with SBI

Term Loan secured by against EM of following properties on First Pari Pasu basis with SBI, NA Land Gat No. 231/2/B, 230/2/B/2, 233/2/B and 230/2/A/2 situated at Chincholi Kati, Tal Mohol, Dist. Solapur owned by Mr. Purushotham Eaga along-with Industrial Land and Building at Plot No. A-27 situated at Chincholi Industrial Area, Solapur Leased from MIDC by the Company and Industrial Land and Building situated at Gat No. 273 and 274 Akkalkot Road, MIDC Solapur Leased from MIDC by the Company.

Charge on NA Land Gat No. 231/2/B, 230/2/B/2, 233/2/B and 230/2/A/2 situated at Chincholi Kati, Tal Mohol, Dist. Solapur, are released by SBI during the year as per its letter IFBM/ AMT-II/ 2024-25/ SOL/ 1019 dated 13/02/2025.

Facilities from Axis Bank are secured against personal Guarantee of Purushotham Eaga to the extent of value of property.

Amount in lakhs

Particulars of Non Current Borrowings	Maturity	Terms of repayment	Interest rate per annum	As at March 31, 2025	As at March 31, 2024
Car Loan - Axis Bank	10-03-2026	Monthly Instalments	8.6%	-	30.30
Term Loan - Axis Bank	31-08-2029	72 Months including Moratorium of 12 Months	9.50% to 9.25%	820.00	534.72

Note No. 18: Other Financial Liabilities

Amount in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Security Deposits		
Lease Liability Payable - Refer Note 5 (B)	3.52	8.64
Total	**3.52**	**8.64**

Note No. 19: Provisions - Non Current

Amount in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for Employee Benefits		
Provision for Gratuity	-	-
Provision for Leave Encashment	-	-
Total	**-**	**-**

Movement in Provisions

Amount in Lakhs

Particulars	Leave Encashment	Gratuity	Total
Balance as at 1 April 2023	27.97	-	27.97
Add: Provisions made during the year	-	-	-
Less: Provisions utilised during the year	27.97	-	27.97
Less: Provisions reversed during the year	-	-	-
Balance as at 31 March 2024	-	-	-
Add: Provisions made during the year	-	-	-
Less: Provisions utilised during the year	-	-	-
Less: Provisions reversed during the year	-	-	-
Balance as at 31 March 2025	**-**	**-**	**-**

Note No. 20: Deferred Tax Liabilities (Net)

a) Current Tax Liabilities

Amount in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance		
Add: Current Taxes Payable for the Year	-	158.02
Less: Taxes Paid	-	77.49
Closing Balance	**-**	**80.53**

The closing balance of current tax liability is net of advance tax and tax deducted at source.

b) Current Tax Assets

Amount in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	-	-
Less: Current Taxes Payable for the Year	129.46	-
Add: Taxes Paid	130.75	-
Closing Balance	**1.29**	**-**

The closing balance of current tax asset is net of provision for tax.

c) Deferred Tax Liabilities

Amount in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred Tax Liability - A		
Written Down Value of Fixed Assets	190.20	189.11
Unamortized Transaction Cost	1.85	2.23
ROU Asset	3.39	-
Deferred Tax Assets - B		
Provision for Employee Benefits - Bonus	16.53	13.44
Provision for Employee Benefits - Gratuity	76.63	82.56
Provision for Employee Benefits - Leave Encashment	11.12	9.09
Lease Liabilities	3.59	-
Net Deferred Tax Liability [A-B]	**87.57**	**86.24**

d) Movement in Deferred Tax Liability

Amount in Lakhs

Particulars	Charge/(Credit) to Statement of P&L		Charge/(Credit) to OCI	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Deferred Tax Liability - A				
Written Down Value of Fixed Assets	1.10	(9.21)	-	-
Unamortized Transaction Cost	(0.38)	2.23	-	-
ROU Asset	3.39	-	-	-
Deferred Tax Assets - B				
Provision for Employee Benefits - Bonus	(3.09)	(2.41)	-	-
Provision for Employee Benefits - Gratuity	1.39	(12.44)	4.54	4.95
Provision for Employee Benefits - Leave Encashment	(2.03)	(0.85)	-	-
Lease Liabilities	(3.59)	-	-	-
Total	**(3.21)**	**(22.69)**	**4.54**	**4.95**

e) Income tax expense reported in the statement of profit and loss

Amount in Lakhs

Particulars		Year ended 31st Mar 25	Year ended 31st Mar 24
i)	**Current tax**		
	Current tax on profit for the year	129.46	158.02
	Adjustments for current tax of prior periods	-	-
	Total current tax expense	129.46	158.02
ii)	**Deferred tax**		
	(Decrease)/Increase in deferred tax liabilities	4.11	(6.99)
	Decrease/(Increase) in deferred tax assets	(7.32)	(15.70)
	Total deferred tax expense/(benefit)	(3.21)	(22.69)
iii)	**Other Income Taxes**		
	Short Provision for FY 23-24	7.46	-
	Tax Demand Paid for FY 14-15	-	0.06
	Short Provision for FY 22-23	-	1.46
	Tax Demand Paid for FY 22-23	-	0.04
	Income Tax Demand / (Refund) FY 21-22	-	1.05
	Total Other Income Taxes	**7.46**	**2.61**

f) Income tax expense reported in the other comprehensive income

Amount in Lakhs

Particulars		Year ended ended 31st Mar 25	Year ended 31st Mar 24
i)	**Current tax**		
	Current tax on profit for the year	-	-
	Adjustments for current tax of prior periods	-	-
	Total current tax expense	**-**	**-**
ii)	**Deferred tax**		
	Changes in deferred tax liabilities	-	-
	Changes in deferred tax assets	4.54	4.95
	Total deferred tax expense/(benefit)	**4.54**	**4.95**

Note No. 21: Borrowings (Current)

Amount in Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
From Bankers		
Secured		
Cash Credit	593.16	442.69
Car Loan	30.30	28.28
Interest Accrued but not due	3.45	2.97
From Others		
Unsecured	-	-
Loans From Related Parties - Repayble on Demand	-	-
ICICI Bank Credit Card - (Corporate Card)	0.34	0.22
Current maturities of Long Term Borrowings	240.00	140.00
Total	**867.25**	**614.17**

Secured Cash Credit Loans:

First Pari Pasu Charge of entire current assets (present and future) of the company including raw material, stock in process, finished goods, receivables.

First Pari Pasu Charge on all Fixed Assets of the Company (Present and Future) including Plant and Machinery.

First Pari Pasu Mortgage Charge on NA Land Gat No. 231/2/B, 230/2/B/2, 233/2/B and 230/2/A/2 situated at Chincholi Kati, Tal Mohol, Dist. Solapur owned by Mr. Purushotham Eaga along-with Industrial Land and Building at Plot No. A-27 situated at Chincholi Industrial Area, Solapur Leased from MIDC by the company and Industrial Land and Building situated at Gat No. 273 and 274 Akkalkot Road, MIDC Solapur Leased from MIDC by the Company.

Hypothecation of entire Fixed Assets of the company created out of Axis Bank Finance both present and future on exclusive basis.

Inventories and Trade Recivables have been hypothecated under 1st Pari Pasu Charge with State Bank of India and Axis Bank against Cash Credit Limits of Rs. 1000 Lakhs and Rs. 500 Lakhs respectively, as sanctioned.

Current Maturities on Long Term Borrowings pertain Axis Bank Car Loan availed by the company in relation to purchase of Motor Vehicle that has been hypothecated with the bank and Term Loan facility availed by the company from Axis Bank towards renovation of Factory Building and Installation of Machinery against Hypothecation of entire Fixed Assets of the company created out of Axis Bank Finance both present and future on exclusive basis together with hypothecation of entire Current Assets both present and future on First Pari Pasu basis with SBI.

Charge on NA Land Gat No. 231/2/B, 230/2/B/2, 233/2/B and 230/2/A/2 situated at Chincholi Kati, Tal Mohol, Dist. Solapur, are released by SBI during the year as per its letter IFBM/ AMT-II/ 2024-25/ SOL/ 1019 dated 13/02/2025.

Facilities from Axis Bank are secured against personal Guarantee of Purushotham Eaga to the extent of value of property.

Amount in Lakhs

Particulars of Current Borrowings	Maturity	Terms of repayment	Interest rate per annum	As at March 31, 2025	As at March 31, 2024
Current maturities of Long Term Car Loan	10-03-2026	Monthly Instalments	8.60%	30.30	28.28
Current maturities of Long Term Loan	31-08-2029	Monthly in 72 months with 12 months moratorium	9.50% to 9.25%	240.00	140.00
Cash Credit SBI	04-10-2025	12 Months due 04.10.2025	10.40% to 10.15%	106.28	201.32
Cash Credit Axis Bank	02-07-2025	12 Months due 02.07.2025	9.50% to 9.25%	486.88	241.38
Interest Accrued but not due on Cash Credit	05-04-2025	5th of subsequent month	9.50% to 9.25%	3.30	2.69
Interest Accrued but not due on Term Loan	10-04-2025	10th of subsequent month	8.60%	0.15	0.28

Note No. 22: Trade Payables - Current

Amount in Lakhs

Particulars	As at Mar 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	185.12	100.92
Total outstanding dues of creditors other than micro enterprises and small enterprises	1414.06	2763.22
Total	**1599.18**	**2864.14**

Payables from import of INR 635.86 Lakh is denominted in foreign currency and company has not entered in any hedge contract for mitigation of foreign currency risk

Dues to micro and small enterprises - As per Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED' Act)

This information has been determined to the extent such parties have been identified on the basis of information available with the Company

Particulars	As at Mar 31, 2025	As at March 31, 2024
Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	185.12	100.92
Interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	0.03	-
Amount of interest accrued and remaining unpaid at the end of each accounting year	0.06	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Trade Payables Ageing Schedule

Amount in Lakhs

Particulars	Unbilled dues	Outstanding for following periods from due dates of payments as at 31st March 2025				Total
		Less than 1 years	1-2 years	2-3 years	More than 3 Years	
MSME (Less than 45 days due)	-	185.12	-	-	-	185.12
Others	104.99	1309.07	-	-	-	1414.06
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	**104.99**	**1494.19**	**-**	**-**	**-**	**1599.18**

Amount in Lakhs

Particulars	Unbilled dues	Outstanding for following periods from due dates of payments as at 31st March 2024				Total
		Less than 1 years	1-2 years	2-3 years	More than 3 Years	
MSME	-	100.92	-	-	-	100.92
Others	163.33	2599.89	-	-	-	2763.22
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	**163.33**	**2700.81**	**-**	**-**	**-**	**2864.14**

Note No. 23: Other Financial Liabilities

Amount in Lakhs

Particulars	As at Mar 31, 2025	As at March 31, 2024
Unpaid Dividends Refer Note 15(g)	42.43	44.50
Lease Liability Refer Note No. 5 (B)	10.74	-
Salary and Wages Payble	99.32	-
Ex-Gratia - Payable	26.72	-
Employee Insurance Payable	0.10	-
Salary on Hold	10.28	-
Bonus Payable	56.18	-
Bonus payable to left emplyees	9.49	-
Total	**255.26**	**44.50**

Note No. 24: Other Current Liabilities

Amount in Lakhs

Particulars	As at Mar 31, 2025	As at March 31, 2024
Salary and Wages Payable	-	101.86
Bonus Payable	-	53.40
Employee Statutory Dues Payable	14.77	15.04
Statutory Dues Payable	19.17	18.54
Lease Liability Refer Note No. 5 (B)	-	10.56
Employee Insurance Payable	-	0.22
Other Expenses payable	1.79	1.78
Salary on Hold	-	8.90
Security Deposit from Distribution Channel Partners	1.46	5.00
Ex-Gratia Payable	-	23.37
Total	**37.19**	**238.66**

Note No. 25: Provisions (Current)

Amount in Lakhs

Particulars	As at Mar 31, 2025	As at March 31, 2024
Provisions for employees benefits		
Provision for Leave Encashment	44.19	36.13
Provision for Gratuity	304.50	328.03
Total	**348.69**	**364.16**

Movement in Provisions

Amount in Lakhs

Particulars	Leave Encashment	Gratuity	Total
Balance as at 1 April 2023	4.80	298.28	303.08
Add: Provisions made during the year	36.13	30.54	66.67
Less: Provisions utilised during the year	4.80	0.79	5.59
Less: Provisions reversed during the year	-	-	-
Balance as at 31 March 2024	**36.13**	**328.03**	**364.16**
Add: Provisions made during the year	44.19	29.90	74.09
Less: Provisions utilised during the year	32.00	53.43	85.43
Less: Provisions reversed during the year	4.13	-	4.13
Balance as at 31 March 2025	44.19	304.50	348.69

Note No.26: Revenue from Operations

Amount in lakhs

Particulars	Year ended 31st Mar 25	Year ended 31st Mar 24
A) Revenue from contracts with customers disaggregated based on nature of product or services		
Revenue from Sale of Products		
a. Manufactured goods		
i) Bulk Drugs and Drug Intermediates	12438.03	12756.02
ii) Formulation	37.28	(67.03)
Total (a)	**12475.31**	**12688.99**
Other Operating Revenues		
b. Export incentives	125.48	75.32
Total (b)	**125.48**	**75.32**
Total Revenue from Operations (i+ii)	**12600.79**	**12764.31**

Amount in lakhs

Particulars	Year ended 31st Mar 25	Year ended 31st Mar 24
B) Disaggregated revenue information		
The table below presents disaggregated revenue from contact with customers for the year ended March 2025 and March 2024. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors		
Revenue from contracts with customers disaggregated based on geography		
a. Domestic	5758.79	7834.08
b. Export	6716.52	4854.91
Total Revenue from Operation	**12475.31**	**12688.99**

Particulars	2024-25	2023-24
C) Reconciliation of Gross Revenue from Contracts With Customers		
Gross Revenue	12573.31	13156.35
Less : Returns	(98.00)	(467.36)
Net Revenue recognised from Contracts with Customers	12475.31	12688.99

The amounts receivable from customers become due after expiry of credit period which on an average is less than 90 days. There is no significant financing component in any transaction with the customers

Amount in lakhs

Particulars	2024-25	2024-25
D) Product-wise turnover	Units in KG	Amount
Diloxanide Furoate	122214	3110.89
Metformin HCL	1333763	3059.71
Phthaloyl Amlodipine	99050	1928.53

Amount in lakhs

Particulars	2023-24	2023-24
D) Product-wise turnover	Units in KG	Amount
Metformin HCL	1400211	3639.54
Diloxanide Furoate	108973	2759.10
Telmisartan	65737	2920.91

Ind AS 115 Revenue from Contract with Customers

The company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The company has assessed and determined the above categories for disaggregation of revenue in addition to that provided under segment disclosure.

Note No. 27: Other Income

Amount in lakhs

Particulars	Year ended 31st Mar 25	Year ended 31st Mar 24
Interest Income from deposits with banks and others	7.37	6.71
Discount Received	1.51	0.84
Total	**8.88**	**7.55**

Note No. 27.1: Net gains (losses) on fair value changes

Amount in lakhs

Particulars	Year ended 31st Mar 25	Year ended 31st Mar 24
Fair Value Changes in Equity Investment classified as FVTOCI	2.97	1.34
Remeasurement Gain Recognized in OCI on Plan Asset and Obligation	18.05	19.69
Total	**21.02**	**21.03**

Note No. 28: Cost of Material Consumed

Amount in lakhs

Particulars	Year ended 31st Mar 25	Year ended 31st Mar 24
Raw materials at the beginning of the year	1121.19	799.78
Add: Purchases and related expenses		
Purchase of Packing material	184.34	204.14
Purchase of Raw material including Purchases of Stock in Trade [Purchases of Stock in Trade included above INR 13.91 (PY 9.56)]	6052.18	7038.52
Customs Duty	203.46	303.04
Freight Inward	140.22	151.40
Job Work Charges	133.06	125.43
Less: Closing Stock of Stores Raw material	(1034.77)	(1121.19)
Total	**6799.68**	**7501.11**

Particulars	Year ended 31st Mar 25	Year ended 31st March 24
Cost of Material Consumed including Stock in Trade	6799.68	7501.11
Less: Purchase of Stock in Trade Consider Separately	13.91	9.56
Cost of Material Consumed excluding Stock in Trade	6785.77	7491.55

Note No. 29: Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Amount in lakhs

Particulars	Year ended 31st Mar 25	Year ended 31st Mar 24
Opening Balance		
Work in Process - (Bulk Drugs & Drug Intermediates)	925.60	742.50
Finished Goods - (Bulk Drugs & Drug Intermediates) and Stock-in-Trade	829.09	746.51
Total	**1754.69**	**1489.01**
Less : Closing Stock		
Work in Process - (Bulk Drugs & Drug Intermediates)	834.46	925.60
Finished Goods - (Bulk Drugs & Drug Intermediates) and Stock-in-Trade	859.42	829.09
Total	1693.88	1754.69
Total Changes in inventories of finished goods, work-in- progress and stock-in-trade	**60.81**	**(265.68)**

Note No. 30: Employee Benefit Expenses

Amount in lakhs

Particulars	Year ended 31st Mar 25	Year ended 31st Mar 24
Salaries,Wages, Bonus, Gratuity and Earned Leaves	1595.77	1582.26
Contribution to Provident Fund, ESIC and Other Funds	91.55	90.89
Staff welfare expenses including Medical Aid	47.75	42.82
Total	**1735.07**	**1715.97**

Note 31: Finance Costs

Amount in lakhs

Particulars	Year ended 31st Mar 25	Year ended 31st Mar 24
Interest on Cash Credit	58.41	67.98
Interest to Others	0.10	0.53
Interest on Term Loan	83.84	24.64
Bank Commission & Charges	37.16	39.49
Interest on Vehicle Loan	3.80	6.12
Interest on lease liabilities	2.07	0.52
Amortization of Transaction Cost in relation to Term Loan	1.53	0.42
Interest on Income Tax (22-23)	-	1.14
Interest to MSME	0.09	-
Total	**187.00**	**140.85**

Note 32: Depreciation and Amortization Expenses

Amount in lakhs

Particulars	Year ended 31st Mar 25	Year ended 31st Mar 24
Depreciation on plant, property and equipment	534.55	529.91
Depreciation on Leasehold Land	0.18	0.18
Amortisation on Intangible assets	2.15	2.06
Impairment of PPE and CWIP	0.02	30.45
Depreciation of Right-of-use Asset	13.20	2.71
Total	**550.10**	**565.30**

Note 33: Other Expenses

Amount in lakhs

Particulars	Year ended 31st Mar 25	Year ended 31st Mar 24
Power and Fuel	1155.19	1002.93
Stores and Consumables	236.72	255.00
Laboratory Expenses	83.67	98.19
Sales Commission & Promotion	270.87	218.37
Travelling & Conveyance	102.63	130.36
Travelling Foreign Expenses	70.20	74.44
Research & Development Admin Expenses	94.23	72.05
Rate Difference in Foreign Currency	(1.84)	19.13
Manpower Services	592.00	503.36
Other Miscellaneous Expenses	183.34	243.51
Total	**2787.01**	**2617.34**

Note No. 34: Earnings Per Share

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Face Value per Equity Share	INR 10	INR 10
Basic and Diluted Earnings per Share		
Profit/(Loss) for the period	356.29	359.03
Weighted average number of equity shares used as denominator for calculating Basic EPS (in Lakhs)	114.46	114.46
Basic and Diluted Earnings per Share	3.11	3.14

Note No. 35: Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 are not applicable to the company during the Current Financial Year ended March 31, 2025 and previous financial year ended March 31, 2024.

35. 1 Details of Ongoing Projects

(Amount in Lakhs)

Financial Year	Opening Balance		Amount Required to be spent during the year	Amount spent during the year		Closing Balance	
	With Company	In Separate CSR Unspent A/c		From Company's Bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR unspent A/c
2023-2024	-	27.05	-	-	27.05	-	-
2024-2025	-	-	-	-	-	-	-

The amount stated in the Separate CSR Unspent A/c represents the amount deposited within the stipulated time period as required under the provisions of Section 135(6) of the Act for the respective accounting year.

Note 35.2: Details of Unspent Amount prior to 22nd January 2021 spent during FY 2023-2024 (Amount in Lakhs)

Period	Opening Balance		Amount Required to be spent during the year	Amount spent during the year FY 2023-2024		Closing Balance	
	With Company	In Separate CSR Unspent A/c		From Company's Bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR unspent A/c
Prior to Jan 22, 2021	4.43	-	-	4.43	-	-	-

The provisions related to ongoing projects have come into effect from 22nd January 2021, i.e., from FY 2020-21 onwards. The said provisions are prospective in effect and not applicable to projects of previous financial years. The Board of the company is free to decide the treatment of the unspent CSR amount of previous financial years prior to FY 2020-21. The Board has spent the amount during FY 23-24.

Note No. 36 Details of payments to auditors:

(Amount in Lakhs)

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
As Auditor:		
Audit Fees	5.00	5.00
In other Capacity:		
Certification Fees	-	0.10
Reimbursement of Expenses	1.03	0.59

Note No. 37 Ageing schedule of Intangible Assets Under Development:

The company has no Intangible assets under development for the year ended March 31, 2025 and March 31, 2024.

Note No. 38 Ageing schedule of Capital Work in Progress:

A. Projects in Progress

(Amount in Lakhs)

Capital Work in Progress	Amount of CWIP as at 31st March 2025				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in Progress	255.34	0.00	0.00	0.00	255.34

(Amount in Lakhs)

Capital Work in Progress	Amount of CWIP as at 31st March 2024				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in Progress	143.37	-	-	-	143.37

B. Overdue Projects in Progress

There are no overdue projects as compared to the original plan for the year ended March 31, 2025 and March 31, 2024.

Note No. 39 Related Party Transactions:

a) List of Related Parties:

Sr. no.	Name of the Related Party	Nature of Relationship
1)	Mr. Eaga Purushotham	Managing Director of the Company
2)	Smruthi Chemicals & Intermediates (Proprietor Mrs. Eaga Vaishnavi)	Wife of Managing Director
3)	Mrs. Eaga Vaishnavi	Wife of Managing Director
4)	Mr. Eaga Swapnil	Joint Managing Director of the Company and Son of Managing Director
5)	Mrs. Eaga Rimika Swapnil	Daughter-in-law of Managing Director and Spouse of Joint Managing Director
6)	Green Field CET Plant Pvt.Ltd.	Pvt. Co. in which Mr. E Purushottam is a Director.
7)	Ms Eaga Smruthi	Director and Daughter of Managing Director and Sister of Joint Managing Director
8)	Mr J H Ranade (up to 28-07-2024)	Independent Director
9)	Mr K R Dhole (up to 28-07-2024)	Independent Director
10)	Mr K Ramaswamy (up to 28-07-2024)	Independent Director
11)	Dharamraj Rao (w.e.f. 29-07-2024)	Independent Director
12)	Prakash Wadgaonkar (w.e.f. 29-07-2024)	Independent Director
13)	Anoop Doshi (w.e.f. 29-07-2024)	Independent Director
14)	Smruthi Fotochem	Partnership Firm in which Managing Director is Partner
15)	The Trustee, Smruthi Organics Employees Group Gratuity Scheme	Group Gratuity Trust

b) Transactions with related parties during the year and outstanding balances as on 31.03.2025 and 31.03.2024

(Amount in Lakhs)

Name of the related party	Nature of Transaction	Transaction Value FY 24-25	Transaction Value FY 23-24
Mr. Eaga Purushotham	Remuneration includes LTA, PF and other perquisites	212.43	201.6
Mr. Eaga Purushotham	Navoday Flat Rent paid	2.90	1.80
Mr. Eaga Purushotham	Maintenance, charges and taxes paid on behalf of MD for using Hyderabad Flat for office purposes	1.99	2.04
Green Field CET Plant Pvt Ltd.	ETP water charges gross of GST	4.03	4.06
Smruthi Chemicals & Intermediates	Job work charges paid to Smruthi Chemicals & Intermediates gross of GST	148.95	129.09
Smruthi Chemicals & Intermediates	Job work charges received from Smruthi Chemicals & Intermediates gross of GST	3.47	3.47
Smruthi Chemicals & Intermediates	Raw Material Sold by Smruthi Organics Limited gross of GST	29.81	32.63
Smruthi Fotochem	Reimbursement received for Expenses Incurred	-	0.22
Smruthi Fotochem	RODTEP Script Purchased from Smruthi Fotochem	1.02	-
Mr. Eaga Swapnil	Car Rent paid	4.92	4.92
Mr. Eaga Swapnil	Remuneration includes LTA, PF and other perquisites	141.51	142.72
Mrs. Eaga Rimika Swapnil	Remuneration includes Bonus, EL, Gratuity PF and other perquisites	30.67	27.85
Ms Eaga Smruthi	Sitting Fees	0.60	1.00
Ms Eaga Smruthi	Director Remuneration	59.35	38.26
Mr J H Ranade	Sitting Fees	1.15	1.90
Mr J H Ranade	Diwali gift article	0.42	1.25
Mr K R Dhole	Sitting Fees	1.15	1.85
Mr K R Dhole	Diwali gift article	0.42	1.25
Mr K Ramaswamy	Sitting Fees	1.15	1.90
Mr K Ramaswamy	Diwali gift article	0.42	1.31
Dharamraj Rao	Sitting Fees	0.85	-
Prakash Wadgaonkar	Sitting Fees	0.85	-
Anoop Doshi	Sitting Fees	1.00	-
The Trustee, Smruthi Organics Employees Group Gratuity Scheme	LIC Group Gratuity Premium Contribution to Fund	53.43	0.79

c) Details of Closing Balance as at the year end

(Amount in Lakhs)

Name of the related party	Nature of Outstanding Closing Balance	As at 31.03.2025	As at 31.03.2024
Green Field CET Plant Pvt Ltd.	Advance Given	5.60	5.60
Green Field CET Plant Pvt Ltd.	Outstanding amount Payable	0.33	0.33
Green Field CET Plant Pvt Ltd.	Investment in 49310 Equity shares of Rs 10 each (At cost)	16.26 (At Cost 4.93)	13.92 (At Cost 4.93)
Smruthi Chemicals & Intermediates	Outstanding amount Receivable	29.81	11.43
Mr.E. Purushotham	Outstanding Remuneration payable gross of TDS	15.00	15.00
Mr. Eaga Swapnil	Outstanding Remuneration payable gross of TDS	10.00	10.00
Mrs. Eaga Rimika Swapnil	Outstanding Remuneration payable gross of TDS	2.50	2.00
The Trustee, Smruthi Organics Employees Group Gratuity Scheme	LIC Group Gratuity Premium Fund Balance with LIC	255.44	199.40

Note No. 40 Contingent Liabilities and Commitments

(Amount in Lakhs)

Particulars of Contingent Liability	As at 31.03.2025	As at 31.03.2024	Description of Contingent Liability
Labour Court Order on Strike by workers	95.91	91.66	In August 2014, the company's regular and contract workers initiated an illegal strike. The company challenged the strike before the Labour Court, which subsequently declared it illegal. The strike lasted for 93 days. Later, in April 2015, the workers again went on strike after issuing a formal notice. This strike was also taken up by the Labour Court and was similarly declared illegal. In 2017, the workers filed a case against the company, alleging that their termination was carried out without proper notice and without following due procedure. After hearing the case, the Labour Court directed the company to reinstate the workers with back wages. The company, disagreeing with the judgment, filed an appeal before the Hon'ble High Court of Mumbai and obtained a stay order. While the matter is pending final adjudication before the High Court, the company has computed the potential liability as per the Labour Court's order and disclosed it as a contingent liability.
Bank Guarantees to Maharashtra Pollution Control Board (MPCB) Pune	19.00	19.00	Bank Guarantees issued to Maharashtra Pollution Control Board for Pollution Norms to be follow in the BG period.
Bank Guarantee to MSEDCL	113.91	-	Performance Bank Guarantee issued for INR 113.91 Lakh in favour of The Superintending Engineer, MSEDCL, Solapur (Beneficiary) up to 25.11.2027 for any loss or damage suffered by the Beneficiary by reasons of any breach of any terms or conditions by the company of Beneficiary letter Ref. No. SE /SURC/ HTB/ No. 7123 dated 05.11.2024
Wrong availment of Cenvat Credit on services not used in manufacturing activity	3.57	3.57	SCN dated 24.02.2022 received from Asstt. Comm. of CGST regarding wrong availment of Cenvat Credit on services not used in manufacturing activity for period from Nov 2016 to Jun 2017. We have paid listing fees to Bombay Stock Exchange of Rs. 25.50 lakhs on that the Service Tax Claimed as Cenvat of Rs. 3.57 lakh. The same is disallowed by dept. Company has submitted the reply at the time of hearing. The matter is pending. The management is of the opinion that the company has a strong case against the department.
Non-payment of Service Tax on Penalty and other recoveries made from Old Debtors	15.63	15.63	Show cause Notice dated 10.02.2022 received from Asstt. Comm. of CGST regarding Non-payment of Service tax on penalty and other recoveries made from old Export Debtors for period from Nov 2016 to Jun 2017. Company has submitted its reply that these recoveries are from Export Debtors i.e. from outside India and Service tax is applicable within India. The matter is pending. The management is of the opinion that the company has a strong case against the department.
Suo Motu advance payment of Income tax INR 18.67 Lakh - Disallowance of Expenditure claimed u/s 35(2AB) by DSIR for F.Y. 2019-20	-	-	Weighted Deduction claimed u/s 35(2AB) of the Income Tax Act, 1961 not allowed by the Authority (DSIR, New Delhi) in the return filed for FY 2019-20. Tax @ 30% amounting to INR 18.67 Lakh paid as matter of abundant caution on the amount of disallowance made. Demand is yet to be raised by jurisdictional A.O. of the Income Tax Department based on such disallowance made.

40a) Capital and other Commitments as on 31st March 2025

Particulars		For the year ended 31.03.2025	For the year ended 31.03.2024
i)	Capital Commitments (Estimated amount of Contracts remaining to be executed on Capital Account not provided for)-		
	Tangible	29.67	-
	Intangible	-	-
ii)	Other Commitments	-	-
Total		**29.67**	**-**

Note No. 41 Employee Benefit Obligation:

(Amount in Lakhs)

Particulars	As on 31.03.2025			As on 31.03.2024		
	Current	Non-Current	Total	Current	Non-Current	Total
Contribution to Provident Fund	13.72	-	13.72	13.87	-	13.87
Contribution to ESIC	0.51	-	0.51	0.66	-	0.66
Leave encashment including on Manpower Services	44.19	-	44.19	36.12	-	36.12
Defined benefit plan Gratuity	304.50	-	304.50	328.03	-	328.03
Statutory Bonus including on Manpower Services	65.67	-	65.67	53.40	-	53.40
Total employee benefits obligations	**428.59**	**-**	**428.59**	**432.08**	**-**	**432.08**

Defined Benefit Plan Gratuity

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to gratuity payable on termination of his employment at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

The gratuity plan is administered by a gratuity fund that is legally separated from the Company. The board of the gratuity fund is required by law to act in the best interests of the plan participants and is responsible for setting certain policies (e.g. investment, contribution and indexation policies) of the fund. The gratuity plan is fully funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. During the year the company has obtained actuarial valuation for its gratuity benefit plan.

a. Reconciliation of Opening and Closing balances of Defined Benefit Obligation

(Amount in Lakhs)

Description	As on March 31,	
	2025	2024
Defined Benefit obligation at beginning of year	527.43	493.03
Current Service Cost	24.05	27.23
Interest Cost	37.54	36.18
Remeasurements on Obligation - (Gain) / Loss	(16.92)	(20.80)
Benefits paid	(12.16)	(8.21)
Defined Benefit obligation at year end	559.94	527.43

b. Amount recognised in Balance Sheet

(Amount in Lakhs)

Description	As on March 31,	
	2025	2024
Fair value of Plan assets	255.44	199.40
Present value of obligation	559.94	527.43
Amount recognised in Balance Sheet	(304.50)	(328.03)

c. Expenses recognised during the Year in Statement of Profit and Loss:

(Amount in Lakhs)

Description	As on March 31,	
	2025	2024
Service Cost	24.05	27.23
Net Interest Cost	21.69	22.04
Past Service Cost	-	-
Expenses recognised in P & L - Refer Note Below	45.75	49.27

Note: Out of the above expenses of INR 45.75 Lakh an amount of INR 3.16 Lakh has been capitalized to PPE

d. Expenses recognised in Other Comprehensive Income:

(Amount in Lakhs)

Description	As on March 31,	
	2025	2024
Remeasurement for the year - Obligation (Gain) / Loss	(16.92)	(20.80)
Remeasurement for the year - Plan Asset (Gain) / Loss	(1.13)	1.11
Remeasurement arising because of change in effect of asset ceiling	-	-
Total Remeasurement Cost / (Credit) for the year recognised in OCI	**(18.05)**	**(19.69)**

e. Actuarial Assumption:

(Amount in Lakhs)

Description	As on March 31,	
	2025	2024
Mortality Table (LIC)	IALM (2012-14) ult	IALM (2012-14) ult
Discount rate (p.a.)	6.70%	7.20%
Withdrawal Rate	10% for all age groups	10% for all age groups
Expected rate of return on plan assets (p.a.)	7.20%	7.40%
Rate of escalation in salary (p.a.)	7.00%	7.00%

f. Sensitivity Analysis – Gratuity

(Amount in Lakhs)

Particulars	As on March 31,	
	2025	2024
Projected Benefit Obligation on Current Assumptions		
Delta Effect of + 1% Change in Discount Rate	546.08	515.08
Delta Effect of - 1% Change in Discount Rate	575.37	541.18
Delta Effect of + 1% Change in Salary Increase Rate	572.37	538.57
Delta Effect of - 1% Change in Salary Increase Rate	548.49	517.09
Delta Effect of + 1% Change in Withdrawal Rate	559.78	527.58
Delta Effect of - 1% Change in Withdrawal Rate	560.11	527.28

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

g. Fair value of Plan Asset

(Amount in Lakhs)

Particulars	2024-25	2023-24
Fair Value of plan asset at the beginning of the period	199.40	194.75
Acquisition adjustments	-	-
Transfer In/ (Out)	-	-
Interest Income	15.84	14.13
Contributions	53.43	0.79
Mortality Charges and Taxes	(2.20)	(0.96)
Benefits Paid	(12.16)	(8.21)
Amount paid on settlement	-	-
Return on plan assets, excluding amount recognised in Interest Income – Gain/(Loss)	1.13	(1.11)
Fair Value of plan assets at the end of the period	255.44	199.40
Actuarial return on plan assets	16.97	13.02

h. Major categories of plan assets

(Amount in Lakhs)

Particulars	As at March 31, 2025 Percentage	As at March 31, 2024 Percentage
Government of India assets	0.00 %	0.00 %
Debt instruments	0.00 %	0.00 %
Corporate bonds	0.00 %	0.00 %
Investment funds	0.00 %	0.00 %
Funds Managed by Insurer	100.00 %	100.00 %
Others	0.00 %	0.00 %
Special deposit scheme	0.00 %	0.00 %
Total	**100%**	**100%**

i. The Expected future contribution and estimated future benefit payments from the funds are as follows:

(Amount in Lakhs)

Particulars	Amount
Expected contribution to the fund during the year ending March 31, 2026	357.09
Estimated benefit payments from the fund for the year ending March 31:	
2027	27.74
2028	33.62
2029	39.93
2030	33.30
2031-2035	169.80

The above cashflows have been arrived at based on the demographic and financial assumptions.

j. Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 7.96 years (P.Y. 8.17 years).

k. The defined benefit plan exposes the Company to certain risks including actuarial risks, such as longevity risk, currency risk, interest rate risk, market (investment) risk, liability risks like asset -liability mismatch risk, discount rate risk, Future Salary Escalation and Inflation Risk and asset risk.

Leave Encashment Obligation

The company has not funded the liability as on 31st March 2025 towards leave encashment. The company has not obtained actuarial report for its Leave Encashment Liability as the leave encashment liability, being current, is due for payment within a period of one year from the end of the Financial Year.

Amount Recognized in the Balance Sheet

(Amount in Lakhs)

Particulars	2024-25	2023-24
Leave Encashment Liability Current	44.19	36.12
Leave Encashment Liability Non-Current	-	-
Leave Encashment Liability Total	44.19	36.12

Expenses Recognized during the year:

(Amount in Lakhs)

Particulars	2024-25	2023-24
Leave Encashment	40.77	31.86

Note: Leave Encashment Expenses Capitalized to PPE INR 2.04 Lakh

Note No. 42 Foreign Currency Transactions

Expenditure in Foreign currency:

(Amount in Lakhs)

Particulars	Year 2024-2025		Year 2023-2024	
	Amount in Foreign Currency	Amount in (INR)	Amount in Foreign Currency	Amount in (INR)
Import Raw Material	USD 29.75	2514.67	USD 44.84	3,710.63
Sales commission (USD)	USD 0.71	60.22	USD 0.43	35.37
Sales commission (Euro)	-	-	EURO 0.37	33.43
Director Remuneration net of TDS.	USD 0.49	41.16	USD 0.33	27.25
Sales Promotion - Exhibition Expenses	EURO 0.31	28.40	-	-
		2644.45		**3806.68**

Earnings in Foreign currency:

(Amount in Lakhs)

Particulars	Year 2024-2025		Year 2023-2024	
	Amount in Foreign Currency	Amount in (INR)	Amount in Foreign Currency	Amount in (INR)
Export Earning in (USD)	USD 69.82	5932.71	USD 49.78	4124.49
Export Earning in (AED)	AED 0.53	12.24	AED 0.84	18.86
Export Earning (EURO)	EURO 5.65	507.39	EURO 5.51	501.20
Total		**6452.34**		**4644.55**

Note No. 43 Proposed Dividend

(Amount in Lakhs)

Dividend Distributed and Proposed	Year ended 31st March 2025	Year ended 31st March 2024
Dividend recognised in the financial statements		
Final dividend for the year ended 31st March 2024 of INR 1.50 per equity share (PY 31st March 2023 INR 2 per equity share) declared and paid.	171.69	228.93
Dividend not recognised at the end of the reporting period		
Directors have recommended the payment of a final dividend 31st March 2025 of INR 1.5 per equity share (PY 31st March 2024 of INR 1.50 per equity share). The proposed dividend was subject to approval of shareholders in the ensuing annual general meeting as on the reporting date	171.69	171.69

Note No. 44 Analytical Ratios

Additional Disclosures to the financial statements

for the year ended March 31, 2025

	Ratios (As applicable)	Numerator	Denominator	Current Year		Previous Year		Current year	Previous year	Increase/ Decrease	Reason for change in ratio by more than 25%
				Numerator	Denominator	Numerator	Denominator				
1	Current ratio (in times)	Total current assets	Total current liabilities	6333.33	3107.58	7542.15	4206.15	2.04	1.79	13.66%	
2	Debt-Equity ratio (in times)	Total Debt = Current Borrowings + Non Current Borrowings + Lease Payments	Shareholders' Equity	1694.19	7162.94	1189.53	6961.87	0.24	0.17	38.43%	During the year there has been a draw down of Term loan from Axis Bank and repayment of the said loan has commenced from September 2024.
3	Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc	Debt service = Interest & Lease Payments + Principal Repayments	1100.76	365.97	1203.12	166.81	3.01	7.21	-58.30%	Company has started repaying debts during FY 2024-25 and Also Finance cost increased due to Term Loan & higher utilization of Bank Cash Credit compare to Previous year
4	Return on equity ratio (in %)	Net Profit after taxes less Preference dividend (if any)	Average Shareholders Equity	356.29	7062.41	359.03	6961.87	5.04%	5.16%	-2.18%	
5	Inventory Turnover Ratio (in times)	Cost of goods sold	Average Inventory	6860.49	2904.16	7235.43	2688.32	2.36	2.69	-12.23%	
6	Trade receivables turnover ratio (in times)	Gross credit sales minus sales return	Average trade receivables	14085.78	3675.02	14069.34	3899.35	3.83	3.61	6.23%	
7	Trade payables turnover ratio (in times)	Net Credit Purchases	Average trade payables	10591.00	2231.66	10788.72	2664.85	4.75	4.05	17.22%	
8	Net Capital turnover ratio (in times)	Revenue from Operation (Net Sales)	Working Capital (i.e. Total current assets less Total current liabilities)	12600.79	3225.76	12764.31	3336.00	3.91	3.83	2.09%	
9	Net Profit Ratio (in %)	Net Profit after Tax	Revenue from operations (Net Sales)	356.29	12600.79	359.03	12764.31	2.83%	2.81%	0.52%	
10	Return on Capital Employed ratio (in %)	Earning Before Interest and Taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability+Lease Liability	677.00	8929.04	637.82	8239.35	7.58%	7.74%	-2.06%	
11	Return on Investment	Not Applicable									

Note No. 45 Operating Segment

a. The Company has identified business segments as reportable segments:

i. Bulk Drugs and Drugs Intermediates (API)

ii. Formulation

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment or manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

Segment Assets are measured in the same way as in the financial statements. Investments held by the company are not considered to be segment assets, but are considered as un-allocable assets.

b. Operating Segment

Sr No.	Particulars	Year Ended	
		Current Year Audited 31/03/2025	Previous Year Audited 31/03/2024
1	**Segment Revenue**		
	API	12565.02	12832.18
	Formulation	37.28	(67.03)
	Unallocable	7.37	6.71
	Revenue from Operation Total	**12609.67**	**12771.86**
2	**Segment Results before Interest & Taxes**		
	API	1012.18	1074.26
	Formulation	(72.93)	(237.06)
	Unallocable	(248.60)	(185.06)
	Total	**690.64**	**652.14**
	Less: Interest Expenses		
	API	100.13	74.99
	Formulation	0.07	0.03
	Unallocable	86.80	65.83
	Total	**187.00**	**140.85**
	Add : Interest Income		
	API	-	-
	Formulation	-	-
	Unallocable	7.37	6.71
	Total	**7.37**	**6.71**
3	**Profit Before Tax**		
	API	912.04	999.28
	Formulation	(73.00)	(237.09)
	Unallocable	(328.03)	(244.18)
	Total	**511.02**	**518.00**
	Less : Current Tax		
	API	-	-
	Formulation	-	-
	Unallocable	136.92	160.63
	Total	**136.92**	**160.63**

Sr No.	Particulars	Year Ended	
		Current Year Audited 31/03/2025	Previous Year Audited 31/03/2024
	Less : Deferred Tax		
	API	-	-
	Formulation	-	-
	Unallocable	1.33	(17.73)
	Total	**1.33**	**(17.73)**
	Profit after Tax	**372.76**	**375.11**
4	**Segment Assets**		
	API	10741.57	11,268.59
	Formulation	34.28	49.75
	Unallocable	398.44	500.73
	Total	**11174.29**	**11,819.07**
5	**Segment Liabilities**		
	API	3140.05	4,740.67
	Formulation	34.28	49.75
	Unallocable	7999.95	7,028.65
	Total	**11174.29**	**11,819.07**
6	**Depreciation, Amortization and Impairment**		
	API	520.35	542.58
	Formulation	0.71	1.05
	Unallocable	29.04	21.66
	Total	**550.10**	**565.29**
7	**Other Information - Capital Expenditure**		
	API	1135.64	959.77
	Formulation	-	-
	Unallocable	15.86	3.89
	Total	**1151.50**	**963.66**

c. Geographical information

Revenue from external customers

(Amount in Lakhs)

Particulars	31 March 2025	31 March 2024
Revenue within India	5758.79	7834.08
Revenue from Outside India	6716.52	4854.91
Total Revenue	**12475.31**	**12688.99**
Non-Current Asset Located in India	4840.95	4276.92
Non-Current Asset Located Outside India	-	-

d. There are 2 major customers (previous year 1 major customer) to whom more than 10% of the sales are effected and the total sales effected to such customers are INR 3463.33 Lakhs, (previous year INR 1453.74 lakhs)

Note No. 46 Additional Regulatory Information

a. The company has not revalued its Property, Plant and Equipment, Leasehold Land and Intangibles Assets during the year under consideration.

b. No Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person by the company.

c. No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

d. The Company is not a declared wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. The Company has been paying the due installment and interest charged by the bank on time and has neither defaulted on any installment payment nor on servicing of interest.

e. The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

f. The company has no subsidiaries and accordingly the company is not required to comply with the provisions governing the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

g. There is no such transaction which is not recorded in the books of accounts and 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).

h. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

i. The Company does not have any charge that needs to be registered with Registrar of Companies beyond the statutory period. During the year, the company has additional charge registered with Registrar of Companies in relation to the Term Loan and Working Capital Facilities availed from Axis Bank Limited aggregating to Rs. 1700 Lakhs comprising of Cash Credit facility of Rs. 500 Lakhs and Term Loan Facility of Rs. 1200 Lakhs.

j. The company has availed and outstanding Cash Credit Facilities from State Bank of India and Axis Bank Ltd. The quarterly returns in the form of statement of Current Assets filed by the company with the said banks are in agreement with the books of account without any significant discrepancies that has impact on its drawing power limits. As per the consistent policies followed over the years, Trade Receivable have been reported gross of advances received and Trade Payable have been reported gross of advances and forex and provision adjustments.

k. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) 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;

l. 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

m. Title deeds of Immovable Properties not held in name of the Company:

Relevant line item in the Balance Sheet	Description of the Property	Original Agreement Value (Amount in INR)	Held in the name of	Whether Promoter, Director or their relative or employee	Property held since which date	Reason for not being held in the name of the company
PPE	Gat No. 230/2/A/2	75000	Eaga Purushotham	Managing Director	28/12/2001	Mistake in drafting of Purchase Deed wherein the Document has been executed as Smruthi Organics Limited on behalf of Eaga Purushotham instead of Eaga Purushotham on behalf of Smruthi Organics Limited
PPE	Gat No. 230/2/B/2	75000	Eaga Purushotham	Managing Director	28/12/2001	
PPE	Gat No. 233/2/B	150000	Eaga Purushotham	Managing Director	28/12/2001	
PPE	Gat No. 231/2/B	75000	Eaga Purushotham	Managing Director	28/12/2001	

n. In respect of term loan from Axis Bank, interest due at end of November 2024 amounting to INR 1.11 lakh was paid on being charged by the bank on December 1, 2024 even though there was sufficient balance in CC account to recover such interest as at the end of November 2024. The company has not defaulted during the year in respect of any of the covenants in relation to loans borrowed by the company.

o. The company had made payment of INR 1.42 Lakhs in favour of JIGS Chemical Limited Ahmedabad in March 2020. The cheque was honoured for INR 4.42 Lakhs in favour of M D Abuzar. The management believes that the amount mentioned on the cheque was altered by the Courier / Third Person and was cleared for INR 4.42 Lakhs instead of the original drawn amount of INR 1.42 Lakhs. The company has been pursuing the matter legally both in the state of Gujrat and Maharashtra. During the preceding years, the management has accounted for expected loss allowance amounting to INR 4.42 Lakhs against such receivables outstanding in the books of account and carried forward the said loss allowance.

p. The company has filed legal case for recovery against four parties of trade receivables amounting to INR 216.15 Lakhs as on March 31, 2025. The hearing in the said cases are under process before various Honourable Courts. The management expects the entire recovery to be made in relation to the outstanding amount.

q. Information relating to other matters specified in revised Schedule III to the Act, is either nil or not applicable to the Company for the year/ period.

r. Previous year's figures are regrouped and rearranged whenever necessary.

s. The Company has not availed any Scheme of Arrangements that has been approved by Competent Authority in terms of Section 230 to 237 of the Companies Act, 2013.

Note No. 47 Financial Instruments

Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(Amount in Lakhs)

Particulars	Carrying value		Fair value	
	Mar 25	Mar 24	Mar 25	Mar 24
Financial assets measured at fair value through other comprehensive income				
Equity Investments	4.93	4.93	16.26	13.29
Financial assets measured at amortized Cost				
Trade receivables Note No. 10	3247.44	4102.61	3247.44	4102.61
Cash and cash Equivalents Note No.11	43.57	47.95	43.57	47.95
Other Bank Balances Note No. 12	7.19	9.50	7.19	9.50
Other Financial assets Note No.7,13	82.98	6.27	82.98	6.27
Total	**3386.11**	**4171.26**	**3397.44**	**4179.62**
Financial liabilities measured at amortized cost				
Borrowings Note No. 17,21	1679.93	1170.34	1679.93	1170.34
Trade payables Note No. 22	1599.18	2864.14	1599.18	2864.14
Other Financial liabilities Note No. 18, 23	258.78	53.13	258.78	53.13
Total	**3537.89**	**4087.61**	**3537.89**	**4087.61**

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 in to 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. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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 measurements 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.

The management assessed that cash and cash equivalents, other bank balances, trade receivables, trade payables, bank borrowings and other current liabilities are same as their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of non-current investments FVTOCI financial assets are derived from net asset value attributable to shares held by the company as extracted from the latest available financial statement of the investee company and has been categorized as Level 3 Financial Instrument.

The company has neither entered into any derivative transactions nor hedging transaction nor forward transaction relating to Foreign Currency or underlying asset.

Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and has not entered into derivative transaction.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a. Financial risk management

The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

b. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in

- foreign currency exchange rates,
- commodity prices and
- interest rates

c. Foreign currency risk management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade portfolio.

Movements in the exchange rate between the Rupee and any relevant foreign currency result's in change in the Company's overall trade position in Rupee terms.

In order to hedge exchange rate risk, the Company has a policy to hedge cash flows up to a specific tenure with its cash inflows. All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates. The company has not entered into any derivative contracts during the year under consideration.

The carrying amounts of the Company's monetary assets and monetary liabilities at the end of the reporting period are as follows:

Unhedged Currency exposure as at 31 March 2025

Particulars	USD	EURO	INR	Total
Financial Assets	(in lakhs)	(in lakhs)	(in lakhs)	(in lakhs)
Trade Receivable	15.21 (In INR 1315.88)	-	- In INR 1931.56	- (In INR 3247.44)
Financial Liabilities	(in lakhs)	(in lakhs)	(in lakhs)	(in lakhs)
Trade Payable	7.34 (In INR 635.86)	-	- In INR 963.32	- (In INR 1599.18)

Unhedged Currency exposure as at 31 March 2024

Particulars	USD	EURO	INR	Total
Financial Assets	(in lakhs)	(in lakhs)	(in lakhs)	(in lakhs)
Trade Receivable	15.63 (In INR 1302.97)	0.57 (In INR 51.31)	- (In INR 2748.33)	- (In INR 4102.61)
Financial Liabilities	(in lakhs)	(in lakhs)	(in lakhs)	(in lakhs)
Trade Payable	19.02 (In INR 1585.75)	-	- (In INR 1278.38)	- (In INR 2864.13)

d. Commodity price risk:

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its products. Market forces generally determine prices for the products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its products. The Company primarily purchases its raw materials in the open market from third parties The Company is therefore subject to fluctuations in prices for the purchase of raw material inputs.

The Company aims to sell the products at prevailing market prices. Similarly the Company procures key raw materials based on prevailing market rates as the selling prices and the prices of input raw materials move in the same direction. The company has not entered into any derivative contracts during the year under consideration.

e. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. The floating interest rates are based on bank rate and are indirectly governed by RBI's monetary policy. The borrowings of the Company are in Indian Rupees. The company has maintained a mix of fixed interest rate borrowings and floating rate borrowings.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

(Amount in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Fixed rate borrowings	30.30	58.58
Floating rate borrowings	1649.63	1111.76
Total borrowings	**1679.93**	**1170.34**

Upfront fees paid for fixed rate borrowing availed during the year have been capitalized to the cost of PPE being borrowing cost incurred during the year of inception of the loan. During the year, interest of INR 13.15 Lakh has been capitalized as borrowing cost added to the value of PPE and Capital WIP.

f. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Company's credit risk arises principally from the trade receivables, loans, and investments in securities, cash & cash equivalents. Based on the historical data available with the management, the management has not encountered situations wherein the trade receivables have been considered as loss assets or credit has been impaired however, during the year some cases of defaults in payments and accordingly, the management after making an overall risk assessment has provided for expected credit loss provision.

Trade receivables

Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits defined in accordance with the assessment.

Credit risk on receivables is also mitigated by securing the same against letters of credit of reputed nationalised and private sector banks. Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. Only 2 customers during the year (PY 1 customers) account for 10.0% or more of revenue effected during the year under consideration. The outstanding trade receivables are regularly monitored, and appropriate action is taken for collection of overdue receivables. The history of trade receivables shows no major allowance for bad and doubtful debts but the marginal provision for doubtful debts (Expected Credit Loss) created this year . Also refer Note no. 10

Cash and cash equivalents and Other Bank Balances

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. Also refer Note no. 11 and 12.

g. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short-term investments provide liquidity in the short-term and long-term.

The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods and its financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

The contractual maturity is based on the earliest date on which the Company may be required to pay:

Liquidity exposure as at 31 March 2025

(Amount in Lakhs)

Particulars	< 1 year	1-5 years	> 5 years	Total
Investments	-	-	16.26	16.26
Non-Current Other Financial Assets	-	72.22	-	72.22
Other Non-Current Assets	-	0.63	-	0.63
Inventories	2830.67	-	-	2830.67
Trade Receivables	3247.44	-	-	3247.44
Cash and Cash equivalents	43.57	-	-	43.57
Other Bank Balances	7.19	-	-	7.19
Other Financial Assets	10.76	-	-	10.76
Other Current Assets	192.42	-	-	192.42
Current Tax (Asset)	1.29	-	-	1.29
Total Financial Assets	**6333.34**	**72.85**	**16.26**	**6422.45**
Non-Current Borrowings	-	812.68	-	812.68
Non-Current Other Financial Liabilities	-	3.52	-	3.52
Non-Current Provisions	-	-	-	-
Current Borrowings	867.25	-	-	867.25
Trade Payables	1599.18	-	-	1599.18
Other financial liabilities	255.26	-	-	255.26
Other current liabilities	37.19	-	-	37.19
Provisions	348.69	-	-	348.69
Current Tax Liability (Net)	-	-	-	-
Total Financial Liabilities	**3107.57**	**816.20**	**-**	**3923.77**

Liquidity exposure as at 31 March 2024

(Amount in Lakhs)

Particulars	< 1 year	1-5 years	> 5 years	Total
Investments	-	-	13.29	13.29
Non-Current Other Financial Assets	-	0.75	-	0.75
Other Non-Current Assets	-	120.19	-	120.19
Inventories	2977.65	-	-	2977.65
Trade Receivables	3823.47	282.24	-	4102.61
Cash and Cash equivalents	47.95	-	-	47.95
Other Bank Balances	9.50	-	-	9.50
Other Financial Assets	5.52	-	-	5.52
Other Current Assets	398.92	-	-	398.92
Total Financial Assets	**7263.01**	**403.18**	**13.29**	**7676.38**
Non-Current Borrowings	-	446.17	100	556.17
Non-Current Other Financial Liabilities	-	8.64	-	8.64
Non-Current Provisions	-	-	-	-
Current Borrowings	614.17	-	-	614.17
Trade Payables	2864.13	-	-	2864.13
Other financial liabilities	44.50	-	-	44.50
Other current liabilities	238.66	-	-	238.66
Provisions	364.16	-	-	364.16
Current Tax Liability (Net)	80.53	-	-	80.53
Total Financial Liabilities	**4206.15**	**454.81**	**100**	**4770.96**

Collateral

The Company has hypothecated part of its trade receivables, inventories other bank balances and mortgaged its immovable properties in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is obligation to return the securities to the Company once these banking facilities are surrendered. (Refer note 9, 10, 17 and 21)

Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars	As at March 31, 2025	As at March 31, 2024
Long term borrowings	812.68	556.17
Short term borrowings	867.25	614.17
Less: Cash and cash equivalent	(43.57)	(47.95)
Less: Bank balances other than cash and cash equivalents	(7.19)	(9.52)
Net debt	1629.17	1112.87
Total equity	7162.94	6961.87
Gearing ratio	22.74%	15.99%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 31 March 2024.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Note no. 48 Audit Trail

The company is using Tally Prime Edit Log accounting software and easyERP Business operations software for maintaining its books of accounts for the year ended March 31, 2025. The audit trail (edit log) functionality was enabled in TallyPrime with effect from August 21, 2023 through migration of data to Edit log version of Tallyprime. As per the official statement of Tally Solutions Private Limited on its website, the Edit log feature is enabled by default, without an option to disable it, in the "TallyPrime Edit Log" version. Accordingly, post migration to TallyPrime Edit Log, the audit trail (edit log) functionality has operated through-out the year for all relevant transactions recorded in the Tally software and there is not any instance of the audit trail feature being tampered with.

The company has commissioned EasyERP software in February 2023 that facilities streamlining of business operations and processes that include procurement, inventory, logistics execution, product development, manufacturing and sales. The software has gone live on April 1, 2023.The EasyERP software does not allow edit or delete option at the financial transaction level and that the said audit trail (edit log) feature once enabled in the software cannot be disabled as effected at the application level of the software. ERP Database is not directly accessible to regular system users. The ERP has stringent access controls and security measures to restrict database access to vendor's authorized personnel who are responsbile for maintaining the integrity and security of the data. The software product owners have confirmed that there is no audit trail enabled for database level changes. However, the authorized personnel of vendor undergo rigorous authentication processes and adhere to strict protocols to ensure that database records remain confidential and tamper- proof.

The accompanying Notes are an integral part of the financial statements.

For **Gokhale & Sathe,**
Chartered Accountants,
FRN: 103264W

CA Kaustubh Deshpande
Partner
ICAI Membership No. 121011

Place: Solapur

Date: May 05, 2025

For & on behalf of Board of Directors

Eaga Purushotham
Managing Director
DIN: 00033583

Eaga Swapnil
Joint Managing Director & CFO
DIN: 01241535

Urvashi Khanna
Company Secretary & Compliance Officer

Smruthi
Organics Limited

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