

STRATEGY

Advancing Our Strategic Priorities

Our strategies reflect our roadmap for sustained growth and market leadership. We are steadily advancing on our key priorities, focused on strengthening India's self-reliance in key chemicals and intermediates, meeting evolving customer needs, and maintaining a competitive edge.

1

STRATEGIC PRIORITY: EXPAND CAPACITIES

Capitals Enhanced



Material matters addressed

- Growth & Profitability
- Customer Relationship
- Sustainable Supply Chain

Key risks

- Emerging competition to our existing business
- Overcapacities across the value chain(s) in China is changing trade-flows with adverse impact on India, as a major importer

Progress in FY 2024-25

- Strategic entry into Advanced Materials with PC Compounding foray
- Nitric Acid plant is expected to commission in Q2 of FY 2025-26
- Greenfield project for Acetone derivatives MIBK and MIBC is at an advanced stage of implementation and is expected to be commissioned in FY 2025-26
- Projects including Hydrogenation and Nitration will be commissioned in Q2 of FY 2025-26
- Elevated capacity utilisation on a sustained basis
- Acetophenone (ACP) Recovery Project is at an advanced stage of implementation
- Setting up a state-of-the-art Research & Development (R&D) Centre at Savli, Vadodara, with completion expected in H1 FY 2025-26

KPIs

- Optimum capacity utilisation
- Operational efficiency
- Cost optimisation

2

STRATEGIC PRIORITY: ENHANCE MARGINS

Capitals Enhanced



Material matters addressed

- Growth & Profitability

Key risks

- Global geopolitics and monetary risk
- Volatile upstream crude and raw material prices
- Subdued demand from end use sectors due to VUCA

Progress in FY 2024-25

- Optimise product mix with high-margin, value-added products at our multipurpose plants
- Continued process optimisation, productivity improvements and energy conservation to reduce costs
- Improve asset fungibility in line with customer's schedule for key intermediates
- Maximise asset sweating
- Fixed overhead cost optimisation

KPIs

- Optimum operating margin
- Cost of goods sold
- Earnings Per Share
- Profit Before Tax

3

STRATEGIC PRIORITY: OPERATIONAL EXCELLENCE AND SAFETY

Capitals Enhanced



Material matters addressed

- Occupational Health and Safety

Key risks

- Technology Obsolescence
- Plant Safety Compliances

Progress in FY 2024-25

- Asset integrity study & OEE across all locations to improve productivity and reduce effluents in existing plants
- Enhance use of narrow band technologies for manufacturing and automation
- Ensuring better capacity utilisation and better process towards cost leadership
- Adequate steps undertaken to ensure safety like process automation to eliminate human error, enhanced training and frequent audits, stringent measures and protocols

KPIs

- Optimum plant utilisation
- Improve SHE aspects

4

STRATEGIC PRIORITY: WIDEN PRODUCT PORTFOLIO

Capitals Enhanced



Material matters addressed

- Product Innovation

Key risks

- Global geopolitics and monetary risk
- Technology obsolescence

Progress in FY 2024-25

- Meaningfully enhance core technology platforms including nitration, reduction and diazotisation; and build platforms, including fluorination and photochlorination
- Investment in manufacturing products that utilise core technology platforms for new agrochemical and pharmaceutical intermediates
- Setting up facilities for downstream or value-accretive products
- New R&D Centre at Savli, Vadodara to foster innovation

KPIs

- New products launched during the year

5

STRATEGIC PRIORITY: SUSTAINABLE GROWTH

Capitals Enhanced



Material matters addressed

- Occupational Health & Safety
- Climate Change
- Water Use & Effluent Management
- Community Involvement
- Waste Management
- Energy Management
- Customer Relationships

Key risks

- Plant Safety Compliances
- Environment Norms Compliances
- Reputational Risks

Progress in FY 2024-25

- Sustained alignment to Responsible Care, Together for Sustainability (TfS) and Nicer Globe affiliation
- Focus on value from waste initiatives
- Conduct regular energy audits for all locations
- Promote a positive HSE culture and maintain safe operations
- Proactive compliance with all local and national regulatory requirements

KPIs

- Reduction of specific freshwater consumption
- CSR spends, beneficiaries and impact
- Energy conservation efficiency