



Date: July 17, 2023

The Manager (CRD) BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400001	The Manager – Listing Department National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (East) Mumbai - 400 051
Scrip Code : 530117	Symbol: PRIVISCL

Dear Sir / Madam,

Sub: Notice of 38th Annual General Meeting (AGM) of the Company to be held through Video Conferencing (VC) /Other Audio-Visual Means (OAVM) on Thursday, August 10, 2023 at 04.00 p.m. and Annual Report for the Financial Year 2022-23

We wish to inform you that the 38th Annual General Meeting of the Company will be held on Thursday, August 10, 2023, at 04.00 p.m. through Video Conferencing (VC) /Other Audio-Visual Means (OAVM).

In terms of Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find attached the Annual Report for the Financial Year 2022-23 and the Notice of 38th AGM of the Company. The same is being sent to the Shareholders simultaneously on their registered e-mail address. Notice of AGM and Annual Report is also placed on the website of the Company at www.privi.com. Under “Investor Relations” Section.

In order to enable ease of participation of the Members, we are providing below the key details regarding the AGM. Remote e-voting will commence from Monday, August 07, 2023 @ 9.00 a.m. and shall ends on Wednesday, August 09, 2023 @ 5.00 p.m.

Sr. No.	Particulars	Details
1.	Link for live webcast of the Annual General Meeting and for participation through VC / OAVM	https://instameet.linkintime.co.in/
2.	Link for Remote e-voting	https://instavote.linkintime.co.in
3.	Helpline Number for VC participation and e-voting	Email: instameet@linkintime.co.in Tel: 022 – 49186000
4.	Cut-off for e-voting	Thursday, August 03, 2023
5.	Book Closure dates	Friday, August 04, 2023, to Thursday, August 10, 2023 (both days inclusive)
6.	Registrar and Share Transfer Agent Contact details	Link Intime India Private Limited Tel: 022 -49186000, enotices@linkintime.co.in
7.	Company's Contact details	Tel: 022 – 687132000 / 33043500 / 33043600



PRIVI SPECIALITY CHEMICALS LIMITED

Knowledge Centre & Regd. Office : Privi House, A-71, TTC, Thane Belapur Road, Near Kopar Khairane Railway Station, Navi Mumbai - 400 710. India | Tel. : +91 22 68713200 / 33043500 / 33043600 / 27783040 / 27783041 / 27783045
Fax: +91 22 27783049 / 68713232 | Email: enquiry@privi.co.in | Web: www.privi.com | CIN: L1514QMH1985PLC286828





We request you to take the above on record.

Thanking you,

Yours Sincerely,
For Privi Speciality Chemicals Limited

Ashwini Saumil Shah
Company Secretary



Encl: As above



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PROGRESSING SUSTAINABLY.

FOR A
RESPONSIBLE
TOMORROW.





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Forward-looking statement

This Report contains some forward-looking statements to enable investors to comprehend our prospects and take wise investment decisions, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from the publicly available resources and has not verified that information independently and shall not be liable for any variance from the forward-looking statements.



To view this report online or to know more about us, please visit: www.privi.com

NATURE HAS THE POWER TO DIRECTLY DISRUPT BUSINESSES AND IMPACT ECONOMIES. GLOBAL WARMING, NATURAL CALAMITIES, AND SCARCITY OF NATURAL RESOURCES AMONG MANY OTHERS WILL CONTINUE TO BE DRIVERS OF DISRUPTIONS. ORGANISATIONS HAVE NOW REALISED THAT TO COUNTER SUCH BUSINESS RISKS AND TO BUILD A RESILIENT ORGANISATION, INTEGRATING SUSTAINABILITY IN EVERY ASPECT OF BUSINESS IS IMPORTANT TO CREATE LONG-TERM BUSINESS VALUE TO ALL OUR STAKEHOLDERS.

Privi Speciality Chemicals Limited has created a robust sustainability framework. We have been actively working on fulfilling 8 of the 17 UN Sustainable Development Goals to contribute to the society that we are a part of.

In the near future, Privi hopes to fulfil it's vision of creating a 100% sustainable company by using renewable raw materials, recycling waste to create valuable products, disclosing our carbon emissions, life-cycle assessment of our products, and committed to SBTi's vision of restricting global warming to 1.5 degrees Celsius by adopting science-based targets. Our R&D team works tirelessly to embrace greener technologies, reduce raw material consumption, and decrease waste. Two of our biggest

manufacturing facilities have achieved zero liquid discharge status.

Safeguarding our business today is important for future-proofing Privi from both internal and external challenges. The sustainable and responsible practices we are putting in place will ensure that Privi has the capacity, flexibility, and responsiveness to overcome any obstacles while firmly remaining on the road to expansion.

PROGRESSING SUSTAINABLY.

FOR A RESPONSIBLE TOMORROW.





PRIVI SPECIALITY AT A GLANCE

PRIVI SPECIALITY CHEMICALS LIMITED IS INDIA'S LEADING MANUFACTURER, SUPPLIER AND EXPORTER OF AROMA AND FRAGRANCE CHEMICALS AND A GLOBALLY TRUSTED PARTNER AND SUPPLIER OF BULK CHEMICALS.



PRIVI IS A RECIPIENT OF PRESTIGIOUS AWARDS SUCH AS 'CERTIFICATE OF MERIT' AWARDED BY NATIONAL SAFETY COUNCIL OF INDIA AND NATIONAL SAFETY COUNCIL, MAHARASHTRA CHAPTER IN RECOGNITION OF OUR WORK IN OCCUPATIONAL HEALTH AND SAFETY UNDER THE MANUFACTURING SECTOR CATEGORY.



ABOUT US

Our journey started in 1992 with only two products and over the past decades, we have grown and added 50 products to our portfolio with a production capacity of 40,000 tonnes per annum today. We have a fully-equipped synthetic R&D centre that continuously strives to produce high-quality products as per the client's needs and processes. We have two state-of-the-art manufacturing

units in Mahad, Maharashtra and Jhagadia, Gujarat. Almost 10 of the world's largest and most prestigious fragrance companies are our clients who recognise us as preferred suppliers due to our product quality, competitive pricing, regulatory compliance and timely delivery to customers.

Privi is a recipient of prestigious awards such as 'Certificate of Merit' awarded by National Safety Council of India and

National Safety Council, Maharashtra Chapter in recognition of our work in occupational health and safety under the manufacturing sector category. Givaudan, Firmenich, Symrise, Mane, EFF, P&G, Reckitt Benckiser, etc. are some of our reputed clients.

ETHOS



Vision

To emerge as a leading global manufacturer of Aroma Chemicals.

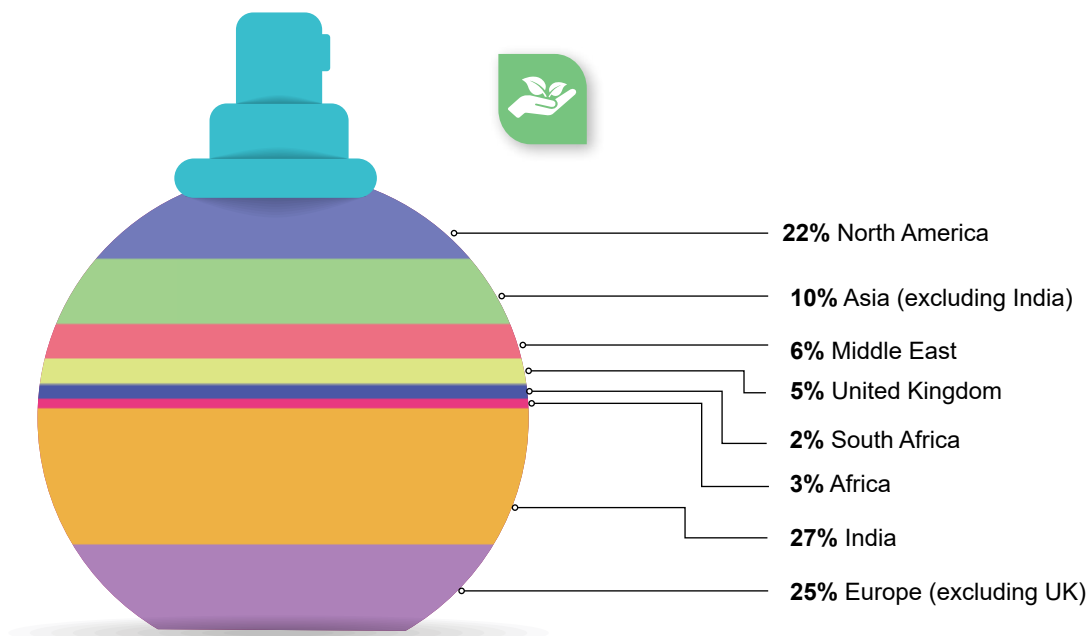


Mission

To be the best by giving only the best! At any given moment, we are self-assured and prepared to provide quality products by adopting safe, sustainable and healthy practices in procuring, preparing, and presenting our products.



GEOGRAPHICAL DISTRIBUTION OF REVENUE IN FY 2022-23





OUR PRODUCT PORTFOLIO

FRAGRANCES

Our customers around the globe create fragrances that inevitably find their way to homes, offices, laundry care products, and prestigious perfumes. Privi continues to hold leadership position as India's leading manufacturer, exporter and supplier of aroma chemicals like Dihydromyrcenol, Amber Fleur, and Terpineol - Pine Oil.

Almost one-third of the aroma chemicals manufactured are sourced from the pine tree. We are also the world's leading manufacturer of pinene-based aroma chemicals. Our R&D team is known for

its ability to consistently generate new fragrances that are both refreshing and safe. Some of our prospective offerings developed by the R&D team include camphor, isoborneol, and menthol.

QUALITY CERTIFICATIONS

Safety, quality, efficiency and sustainability are the pillars of our manufacturing and research operations. We have received the following accreditations for our products and operations.

EU / EEA - Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)

We have registered 26 products under EU REACH Regulation, through our Sweden-based representative to aid our EU/EEA Customers and the Netherlands office to import the products into EU/ EEA.

Turkey REACH

We have pre-registered 25 products under KKDİK (acronym in Turkish for REACH), as a result of which we have got an extension of the registration deadline up to December 2023.

Globally Harmonized System (GHS) Compliance

Our products are GHS-compliant. We also provide country-specific GHS SDS and labelling support to our customers.

IFRA Standards Compliance

The IFRA Standards are part of the IFRA Code of Practice, and serve as the foundation for a globally established and recognised risk management framework for the safe use of fragrance compounds. Our IFRA membership supports our commitment to consistently comply with IFRA standards while also ensuring the quality and credibility of our products.



OTHER PRODUCT AND MANAGEMENT SYSTEM CERTIFICATIONS

The majority of our manufacturing facilities are ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 certified, as well as Kosher and Halal. The ISO certifications have been issued by a globally renowned certification body 'Bureau Veritas' which involves stringent audits.

Our Growth Facilitators



Comprehensive Product Portfolio



Manufacturing advantage



R&D competence



Cost and quality consciousness



Skilled workforce



Highly-efficient operations



PRIVI CONTINUES TO HOLD LEADERSHIP POSITION AS INDIA'S LEADING MANUFACTURER, EXPORTER AND SUPPLIER OF AROMA CHEMICALS LIKE DIHYDROMYRCENOL, AMBER FLEUR, AND TERPINEOL - PINE OIL.

NUMBERS THAT DEFINE US

841

Employees

₹82,247.66 Lakhs

Net worth

₹1,57,784.32 Lakhs

Revenue

₹20,305.13 Lakhs

EBITDA





CHAIRMAN & MANAGING DIRECTOR'S MESSAGE



IN THE PAST THREE YEARS, WE HAVE COMPLETED PROJECTS TO MANUFACTURE GALAXMUSK, CAMPHOR AND PRIONYL WITH CAPACITIES TO CAPTURE GLOBAL MARKET SHARE AND SUPPORTED BY STATE-OF-THE-ART MANUFACTURING PLANTS.

DEAR SHAREHOLDERS

Warm greetings from Privi family!

With pleasure and renewed optimism, I take this opportunity to address you.

Undoubtedly, the past three years have been challenging on every dimension. COVID-19 and the lockdowns delayed implementation of projects by almost one year. Central banks led by the US Fed have increased interest rates many folds to a level last seen - only briefly - during the financial crisis of 2008.

Significant rise in the interest rate, energy crisis as a result of Ukraine-Russia war, has slowed down the economic activities considerably. Indeed, in its latest report published in April 2023, the IMF has forecast global growth rate of 2.8% p.a. with the developed world growing at a meagre 1.3%. This is the lowest forecast in decades. Countries like Germany, the United Kingdom are witnessing negative growth. Of course, India is expected to grow at 5.9%, however, as about 70% of our revenues are from exports to the developed world, we are impacted by the developments in the developed markets.

Amidst this situation, I firmly believe that in the medium to long run, companies which are cost competitive, practice holistic sustainable policies will retain the market share in key products and will increase customer share supported by introduction of new products.

I am, therefore, personally very sanguine about the future prospects for your Company in specific and for India in general, as your Company has been embarking upon various Capex for both new products and also on increasing capacities of existing products. Your Company has also been focussing on ensuring that sustainable and environment-friendly practices are followed in manufacturing process across all units at both Mahad and Jhagadia operations.

In the past three years, we have completed projects to manufacture Galaxmusk, Camphor and Prionyl with capacities to capture global market share and supported by state-of-the-art manufacturing plants. Delays in implementation of these projects, as a result of lockdowns during COVID-19 and in obtaining necessary regulatory permissions has severely impacted our financial performance for FY 2022-23. As timing of product launch plays a crucial role in annual business contracts, even a couple of months' delay in launching a product can significantly impact the following year business contracts. Your Company's performance was severely impacted by such delays.

Thus, while the new projects have started to generate some revenues and profits from the 4th quarter of Financial Year 2022-23, depreciation charges and the interest cost has been accounted for almost nine months of the year. Your Company has been able to achieve a growth in revenues by ₹ 186.38 crores registering a growth of 13.39%. However, because of high coal costs, depreciation and interest costs, the net profit for the year has been severely affected. The net profit after tax has reduced from ₹ 101.66 crores to ₹ 22.47 crores.

It is pertinent to note that the financial year 2023-24 has begun on a positive note. New products have been approved by all the key customers and there is a very good traction on sales for these products.

Sustainability is one of the Core Values of your Company. Your Company is taking various majors driven by Science Based Targets (SBT) to reduce emissions, incorporate green power, etc. I am happy to announce that at Unit-10, which houses Mahad corporate offices and supply chain centre, is now powered by solar panels installed on the rooftop. Apart from saving in the electricity charges, it also helps your Company to meet the sustainability targets. Your Company has also acquired 26% equity in a Special Purpose Vehicle (SPV) formed to invest in a solar power plant, which will meet about 25% of the power requirement of Unit-2 – the largest manufacturing plant of your Company. Your Company has also been working on significantly reducing the discharge of water and increasing the reuse of water generated from the effluents, by investing in a state-of-the-art effluent treatment plant. These measures will considerably strengthen the sustainability of your Company.

Before I close, let me once again assure you that the difficult times are behind us, and the times to come, starting from this financial year, your Company will start to reap benefits from the investments made in the past few years.

I want to thank all members of the Board of Directors, my colleagues, my business partners, our bankers and most of all the members of my shareholder family for the support and faith reposed in us.

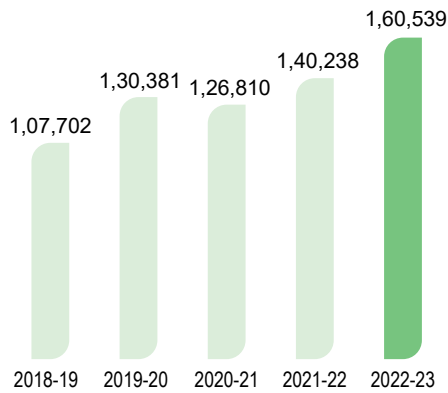
With warm regards,

Mahesh P. Babani
Chairman and Managing Director

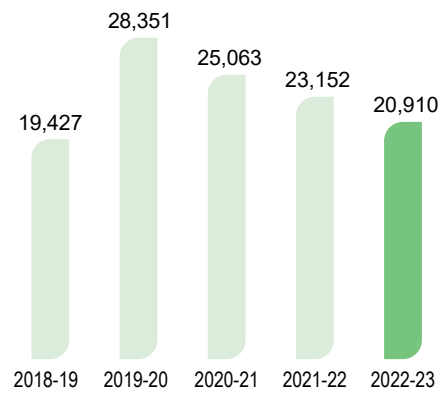


KEY FINANCIAL HIGHLIGHTS

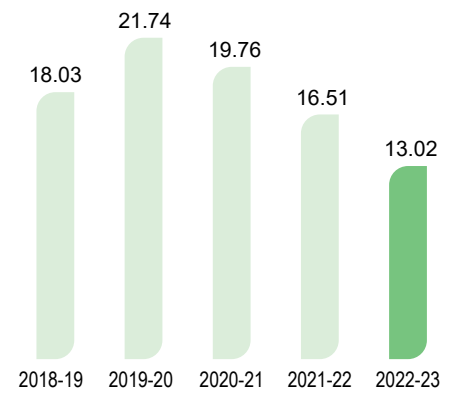
Net Sales (₹ Lakhs)



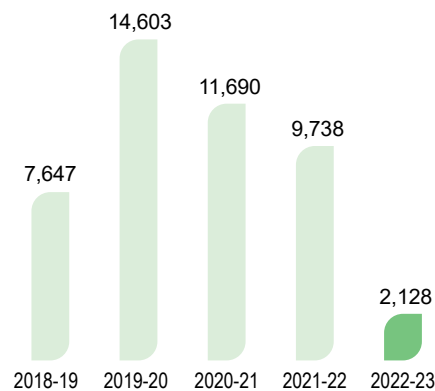
EBITDA (₹ Lakhs)



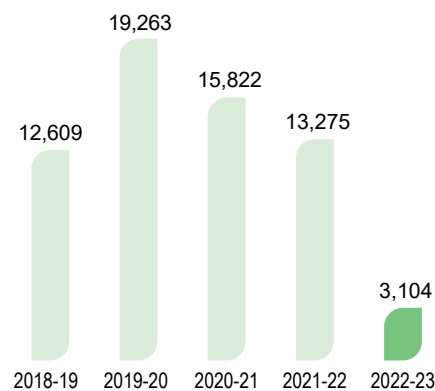
EBITDA Margin (%)



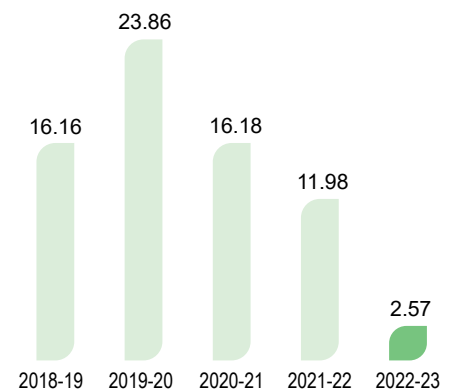
PAT (₹ Lakhs)



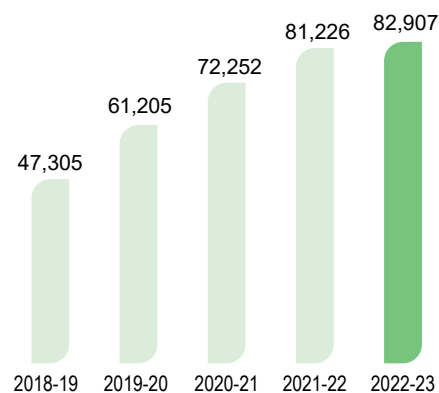
PBT (₹ Lakhs)



ROE Margin (%)



Net Worth (₹ Lakhs)



FUTURE-PROOFING PRIVI THROUGH SUSTAINABILITY INITIATIVES

AT PRIVI, ENABLING A SUSTAINABLE ENVIRONMENT IN OUR ORGANISATION IS INTEGRAL TO OUR BUSINESS. FROM SUSTAINABLE MANUFACTURING, PRODUCT SAFETY, ECONOMY ANALYSIS, SUSTAINABILITY-ORIENTED SUPPLY CHAIN MANAGEMENT, AND SOCIAL AND COMMUNITY-BASED SUSTAINABLE REQUIREMENT, WE HAVE IMPLEMENTED SUSTAINABLE DEVELOPMENT PRACTICES ACROSS OUR COMPANY'S OPERATIONS.















We aim to reduce our carbon footprint by adopting an approach that is people-centric and planet-conscious with strong governance standards. We have committed to SBTi (Science Based Targets initiative) for net-zero by 2050, ahead of the Indian government's aim of net-zero by 2070, and we support

the 1.5 degree Celsius global warming target. We are focussed on reducing our water footprint by becoming a zero-liquid discharge company.


















Our sustainability practices are closely related to SDGs, and we have actively worked towards fulfilling 7 out of 17

UN SDGs. These SDGs are consistent with the organisation's business strategy, which includes revenue growth through market distinction and growth through innovation.

We have incorporated the following plans and initiatives to achieve SDGs:

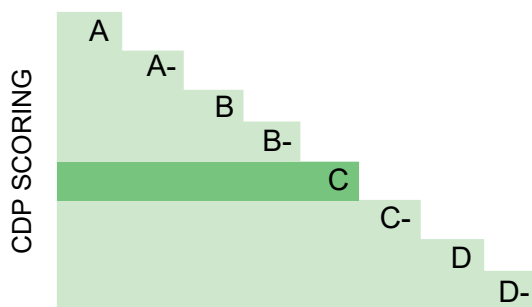
	Material Issues	SDGs	Initiatives/Actions
EHS	Climate Change	    	<ol style="list-style-type: none"> 1. CDP Disclosure 2. SBTi Commitment 3. Water Security Disclosure 4. Environment Day Celebration 5. ZLD facility and Solar Power Project
	Reduction of Environmental Impact	   	
	Integrated Management Systems	  	ISO 9001 and ISO 14001
	Occupational Health and Safety	 	ISO 45001



	Material Issues	SDGs	Initiatives/Actions
Society	Customer Health and Safety	 	1. IMS (Integrated Management System) Policy 2. IMS certification
	Innovation	  	1. New products 2. CSR projects 3. CDP Disclosure
	Renewable Feedstock	  	1. Enhance product portfolio with renewable raw material 2. R&D Strategy/Bio-technology
	Local Communities	 	1. CSR projects
Governance	Human Rights	  	1. Employee Engagement 2. CSR Projects/HR Policies 3. Sedex Assessment
	Economic Performance		Annual Report
	Risk Management		Risk Management Committee
Disclosure	Transparency	 	1. Annual Report and BRSR Report 2. CDP Disclosure (Carbon & Water) 3. EcoVadis Assessment Scorecard 4. Sedex Assessment 5. CSR Projects

SUSTAINABILITY COMMUNICATION: CDP DISCLOSURE

Privi is committed to actively disclosing our Scope-1, 2, and 3 emissions to CDP (Carbon Disclosure Project). CDP disclosures allow us to enhance our Company's reputation in terms of transparency, boost competitive advantage, identify risks and opportunities, and track and measure progress. We have scored a 'C' this year, which comes under the awareness band. Our goal is to scale the rating up to B in the upcoming year.



Leadership (A/A-): Implementing current best practices
 Management (B/B-): Taking coordinated action on climate issues
 Awareness (C/C-): Knowledge of impacts on, and of, climate issues
 Disclosure (D/D-): Transparent about climate issues

WATER SECURITY DISCLOSURE

CDP encourages companies to disclose and reduce their environmental impacts by making disclosures on water. We will continue to participate in and provide information on our organisation’s water management, and its implications for business, and to develop and implement strategic responses. We are committed to mitigating water-related hazards to build a more sustainable world.

SBTi (SCIENCE BASED TARGETS)



COMMIT

Submit a letter establishing your intent to set a science-based target



SUBMIT

Present your target to the SBTi for official validation



DISCLOSE

Report company-wide emissions and progress against targets on an annual basis



DEVELOP

Work on an emissions reduction target in line with the SBTi’s criteria



COMMUNICATE

Announce your target and inform your stakeholders

Our vision is to be carbon neutral by 2050. To achieve the target, we are working with SBTi. We are at the 3rd stage and have submitted our targets to SBTi for official validation. Once validated, it will be published on SBTi website.



EcoVadis Assessment

EcoVadis is a leading provider of business sustainability ratings that helps global supply chains, financial institutions, and public organisations monitor and improve the sustainability performance of their business and trading partners.

Privi has been awarded a ‘Silver’ medal with an overall score of 56.66 which is required in order to receive this medal. We believe in continuous progress and aspire to achieve a ‘Gold’ medal in the following years.

SUSTAINABLE SUPPLY CHAIN CERTIFICATIONS

Privi has adopted sustainable initiatives in our supply chain and they are as follows:



TFS (Together For Sustainability) is a joint initiative of chemical companies, founded in 2011. It has been designed and deployed globally to review, audit, and improve sustainability practices within the chemical industry’s supply chains, as well as to unite chemical businesses under a single standard auditing and assessment. The TFS on-site audit was completed, and the report was published in December 2022.



RSPO (Round table on Sustainable Palm Oil) was established in 2004 with the objective of promoting the use and growth of sustainable palm oil products. Privi has an RSPO membership, and has started buying one of our raw materials which is being manufactured using an intermediate palm oil. In order to comply with the RSPO supply chain, we have gone for RSPO certification.



Sedex (Supplier Ethical Data Exchange) is the world’s leading ethical trade service provider that is involved in improving the working conditions in global supply chains. Privi has an active membership of Sedex. The Sedex assessment consists of four key pillars: labour standards, health and safety, environment and business ethics.



ENABLING AND TRANSFORMING COMMUNITIES

AT PRIVI, HELPING AND BRINGING A POSITIVE CHANGE IN THE LIVES OF MARGINALISED AND UNDERPRIVILEGED COMMUNITIES HELPS TO CREATE A MEANINGFUL IMPACT IN THEIR LIVES. WE HAVE CARRIED OUT VARIOUS INITIATIVES IN THE FIELDS OF HEALTH, EDUCATION, AND ENVIRONMENTAL SUSTAINABILITY.



EDUCATION

We focus on access to quality education, learning aids, value building and encouraging continuous education for children from underprivileged families, vocational and livelihood guidance, and empowerment through education.



HEALTHCARE

Through our healthcare initiatives, we hope to build stronger and healthier communities. We provide basic healthcare facilities through health and hygiene camps, sanitisation activities, quality of life interventions, etc.



ENVIRONMENTAL SUSTAINABILITY

We care about conserving the environment and providing environmentally sustainable facilities to communities. We collaborate with communities to offer a clean habitat for people, clean and safe drinking water, alternative energy sources, and ecosystem maintenance.

Key activities include:

- We have undertaken a project to create a green zone in Borjai village situated in Jhagadia, Gujarat
- We have taken a barren land from MIDC at Amshet village in Mahad, Maharashtra and created a Miyawaki forest



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Mahesh P Babani

Chairman & Managing Director

Mr. Bhaktavatsala Rao Doppalapudi

Executive Director

Mr. Padmanabh R Barpande

Non-Executive Independent Director

Mr. Rajesh Budhrani

Non-Executive Independent Director

Mr. Anurag Surana

Non-Executive Independent Director

Mr. Dwarko Topandas Khilnani

Non-Executive Independent Director

Mrs. Anuradha Thakur

Non-Executive Independent Director

COMMITTEES OF THE BOARD:

AUDIT COMMITTEE

Mr. Padmanabh R Barpande

Mr. Anuradha Thakur

Mr. Dwarko Topandas Khilnani

NOMINATION AND REMUNERATION COMMITTEE

Mr. Dwarko Topandas Khilnani

Mr. Rajesh Budhrani

Mr. Anurag Surana

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Anuradha Thakur

Mr. Anurag Surana

Mr. Rajesh Budhrani

Mr. Bhaktavatsala Rao Doppalapudi

STAKEHOLDERS AND RELATIONSHIP COMMITTEE

Mr. Dwarko Topandas Khilnani

Mr. Padmanabh R Barpande

Mr. Bhaktavatsala Rao Doppalapudi

RISK MANAGEMENT COMMITTEE

Mr. Dwarko Topandas Khilnani

Mr. Padmanabh R Barpande

Mr. Anurag Surana

Mr. Bhaktavatsala Rao Doppalapudi

Mr. Mahesh Babani

CHIEF FINANCIAL OFFICER

Mr. Narayan S. Iyer

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ramesh Kathuria

(Up to November 07, 2022)

Ms. Ashwini Saumil Shah

(From November 08, 2022)

STATUTORY AUDITORS

M/s. B S R & Co., LLP

Chartered Accountants

SECRETARIAL AUDITORS

M/s. Rathi & Associates,

Company Secretaries

COST AUDITORS

M/s. Kishore Bhatia & Associates

Cost Accountants

INTERNAL AUDITORS

M/s. Aneja & Associates

Chartered Accountants

REGISTERED OFFICE & KNOWLEDGE CENTRE

Privi House, A-71, TTC,

& Regd. Office Thane Belapur Road,

Kopar Khairane, Navi Mumbai - 400 710.

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited

C-101, 247 Park, L.B.S. Marg,

Vikhroli (West), Mumbai - 400083.

Phone Nos. : (022) 4918 6000/ 4918 6270

Website: www.privi.com

CIN - L15140MH1985PLC286828

BANKERS

Kotak Mahindra Bank Limited

HDFC Bank Limited

Citi Bank N.A.

ICICI Bank Ltd

IDFC First Bank Limited

RBL Bank Limited

Standard Chartered Bank

MANUFACTURING UNITS

Unit – I: Plot No. A-7 MIDC Mahad.

Unit – II, IV & X: (100% EOU)

Plot No. C-3, 4, 5, 6, 6/1, 6/2, 7, 8, 9, 10, 33/1, 11/1, X-9,10,11 and B-8 MIDC Mahad, District Raigad.

Unit – III: Plot No. A-3, MIDC Mahad.

Unit – V: Plot No. B-1/1, B-1/3, MIDC Mahad, District Raigad

Unit – VI: Plot No. 765, Road No. 2, Near UPL, GIDC, Jhagadia

Unit – VII: Plot No. E-35 MIDC Mahad, District Raigad.



Director's Report

Your Directors' are pleased to present the Thirty Eighth Annual Report along with audited financial statements – both Standalone and Consolidated of the Company for the financial year ended March 31, 2023. These financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as required under the Companies Act, 2013 ("the Act"). This report states compliance as per the requirements of the Act, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other rules and regulations as applicable to the Company.

FINANCIAL RESULT

(₹ In Lakhs)

Particulars	Standalone for the year ended on		Consolidated for the year ended on	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Total Income	1,59,943.93	1,42,406.49	1,62,924.15	1,43,611.48
Profit before Exceptional Item Interest & Depreciation & Taxation	20,305.13	22,818.50	20,734.31	22,623.55
Less: Interest	6,662.48	2,377.64	6,781.31	2,411.28
Profit before Exceptional Item, Depreciation and Taxation	13,642.65	20,440.86	13,953.00	20,212.27
Less: Depreciation	10,515.53	7,304.39	10,848.67	7,466.15
Profit before Exceptional Item and Taxation	3,127.12	13,136.47	3,104.33	12,746.12
Add: Exceptional Item	-	529.24	-	529.24
Profit before Tax for the year	3,127.12	13,665.71	3,104.33	13,275.36
Less: Provision for Taxation:				
a) Current Tax	333.81	3,395.97	334.73	3,521.57
b) Deferred Tax	545.82	103.26	641.79	15.81
c) Tax adjustments for earlier years (Net)	-	-	-	-
Sub-Total	879.63	3,499.23	976.52	3,537.38
Profit after Tax for the year	2,247.49	10,166.48	2,127.81	9,737.98
Add: Other Comprehensive Income	45.61	(43.65)	240.55	17.52
Total Comprehensive Income for the year	2,293.10	10,122.83	2,368.36	9,755.50
Earnings Per Share (EPS) of ₹ 10/- each	5.75	26.03	5.45	24.93

OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS (CONSOLIDATED):

During the year under review, the consolidated revenue from operations and other income was ₹ 1,62,924.95 Lakhs (Previous year ₹ 1,43,611.48 Lakhs). The Company achieved consolidated profit before tax of ₹ 3,104.33 Lakhs (Previous year ₹ 13,275.36 Lakhs) and profit after tax & Other Compressive Income of ₹ 2,368.36 Lakhs (Previous year ₹ 9,755.50 Lakhs). The EPS on Consolidated financial statements for the year ended March 31, 2023, was ₹ 5.45 (Previous year ₹ 24.93) on diluted basis.

CAPITAL STRUCTURE:

During the year, there was no change in the Capital structure i.e., Authorized, Issued and Paid-up Equity Share Capital of the Company. The Company is having only one class of shares.

DIVIDEND:

The Board of Directors of your company, after considering holistically the relevant circumstances and keeping in view the company's dividend distribution policy, has decided that it would be prudent not to recommend any Dividend for the year under review.

SUBSIDIARY COMPANIES:

Your Company has three Subsidiaries out of which two are wholly owned subsidiaries namely Privi Biotechnologies Private Limited and Privi Speciality USA Corporation (formerly known as Privi Organics USA Corporation).

Your Company entered into a Joint Venture Agreement with Givaudan SA, a Company incorporated in Switzerland, for

manufacturing highly specialized aroma Chemicals for Givaudan and a new Subsidiary Company Prigiv Specialties Private Limited was incorporated on September 01, 2021, wherein your Company controls 51% of total voting power and also controls the Composition of Board of Directors.

The Consolidated Financial Statements presented by the Company includes the financial results of its subsidiary companies. Further, as provided in Section 136 of the Act, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not attached to the Financial Statements of the Company. The Company will make available free of cost the Audited Financial Statements of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Financial Statements of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

As provided in Section 129[3] of the Act and Rules made thereunder a statement containing the salient features of the financial statements of its subsidiaries in the format AOC 1 is attached to the financial statements as **Annexure - 1**.

TRANSFER TO RESERVES:

The Board of Directors have decided to retain the entire number of Profits for Financial year 2022-23 in the Retained Earnings.

MAJOR EVENTS OCCURRED DURING THE YEAR UNDER REVIEW:

a) Reclassification of Promoter to Public (in April 2022)

Your Directors' wish to inform the Members about the material event being inter-se transfer of shares between the Promoter/ Promoter Group, which took place on April 29, 2021, April 30, 2021 and May 04, 2021. The said inter-se transfer is pursuant to Share Purchase Agreement dated May 22, 2019 (Amended on April 22, 2021) and Company had submitted application to BSE Limited ("BSE") & National Stock Exchange of India Limited ("NSE") for reclassification of below mentioned Promoters/ Promoter Group to Public:

1. Mr. Nahoosh Jayvadhan Jariwala
2. Nahoosh Tradelink LLP
3. Jariwala Tradelink LLP
4. Mr. Utkarsh Shah
5. FIH Mauritius Investments Limited
6. FIH Private Investments Limited

The Company has received the letter of approval for reclassification of the above Promoters/Promoters group to Public from BSE & NSE on April 28, 2022.

b) Commencement of Commercial Production of two new project Galax musk & Camphor

In the month of January 2023, your Company has commenced with the commercial production of Company's two ambitious and prestigious new products, Galax-musk at Unit VI, situated at Jhagadia MIDC, Dist., Bharuch, Gujarat and Camphor at Unit II, situated at Mahad MIDC, District Raigad, Maharashtra.

c) Investment in Solar Power Project

The Board of Directors of your Company had approved an investment in the Solar Power Project, by way of Equity participation through a Special Purpose Vehicle (SPV) to the extent of 26% i.e. ₹ 4,99,50,000 (Four Crores Ninety Nine Lakhs Fifty Thousand Only) comprising of 49,95,000 Equity Shares of ₹ 10/- each of the Share Capital of the SPV subject to finalization of the terms and conditions with the proposed SPV. Your Company has entered into a Power Purchase agreement (PPA) dated December 28, 2022, and a Share Subscription and Shareholders Agreement (SSSHA) dated December 28, 2022. Further your Company have also subscribed to the 1st tranche of said investment amounting to ₹ 10,00,000 (₹ Ten Lakhs Only) out of the agreed subscription of ₹ 4,99,50,000 (Four Crores Ninety Nine Lakhs Fifty Thousand Only) by way of renunciation under the rights issue of SPV.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

Your Company has a culture and belief of sustainable development encompassing sustainable manufacturing, product safety, economy analysis, sustainability-oriented supply chain management and social and community based sustainable requirement. Pursuant to Regulation 34(2)(f) of Listing Regulations, 2015 and in line with the SEBI Circulars dated May 05, 2021 and May 10, 2021, inter alia, provides that the Annual Report of the Top 1000 listed entities based on Market Capitalization, should include a Business Responsibility and Sustainability Report ("BRSR").

The BRSR initiatives taken from an Environmental, Social and Governance perspective in the prescribed format is available as a Separate Section of this Report.

DEPOSITS FROM PUBLIC:

The Company has not accepted any Deposits from public and as such no amount on account of Principle or interest on Deposit from public was outstanding as on the date of the Balance Sheet.

DIVIDEND DISTRIBUTION POLICY

In accordance with Regulation 43A of the SEBI Listing Regulations, the Board of Directors of the Company has adopted a Dividend Distribution Policy ('Policy') which endeavor for fairness, consistency and sustainability while distributing profits to the



shareholders. The Policy is available on the Company's website at <http://www.privi.com/investor-relations/corporate-governance/company-policies>

CREDIT RATING:

The Company's credit rating was reaffirmed during the year under review. CRISIL Ratings Limited vide its letter dated September 01, 2022, have reaffirmed the rating as follows:

1. For Long-term Bank facilities: CRISILA+ / Stable (Reaffirmed)
2. For Short term Bank facilities: CRISIL A1 / (Reaffirmed)

INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

In accordance with the applicable provisions of the Act, read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority. The details relating to the amount of dividend transferred to the IEPF and corresponding shares on which dividends were unclaimed for seven (7) consecutive years, are provided in the General Shareholders Information Section of this Annual Report. During the year, an amount of ₹ 3,40,550/-, being unclaimed dividend for F.Y. 2014-15 was transferred to IEPF.

DETAILS OF NODAL OFFICER:

According to rule 7(2A), each company shall nominate a Nodal Officer, who shall either be a Director or Chief Financial Officer or Company Secretary of the company. During the year under review the Company have appointed Ms. Ashwini Saumil Shah, Company Secretary and Compliance Officer of the Company as a Nodal Officer as per the abovesaid rule.

TECHNICAL ACHIEVEMENT:

The Company keeps on exploring the possibility of technical improvement and process optimization for better yields / product mix / energy efficiency.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR ETC.:

Pursuant to the provisions of Section 178 and other applicable provisions, if any, of the Act, read with the Rules made thereunder and Regulation 19 read with Part D of Schedule II of the Listing Regulations the Board of Directors at their Meeting held on November 05, 2020, approved the Nomination and Remuneration

Policy as recommended by the Nomination and Remuneration Committee. The salient features of the said policy covering the policy on appointment and remuneration and other matters have been provided in the Corporate Governance Report.

BOARD EVALUATION:

The Evaluation of Board, its Committees, Individual Directors (Independent and Non-Independent Directors), Executive Director and Chairman & Managing Director was carried out as per the process and criteria laid down by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee. The evaluation report criteria for Independent Directors includes participation and contribution by a director in Board / Committee Meetings, commitment, expertise, integrity, maintenance of confidentiality and independent behavior. The feedback on evaluation of the Board and its Committees was discussed at the meeting of the Independent Directors and coordinated by the Chairperson of the Nomination & Remuneration Committee. The Independent Directors met on March 24, 2023, with respect to the above process.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013 and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors hereby make the following statements:

- (i) that in the preparation of the financial statements for the year ended March 31, 2023, the applicable accounting standards read with requirements set out under Schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;
- (ii) that 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 at the end of the financial year viz. March 31, 2023, and of the profit of the Company for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) that the Directors have prepared the annual accounts on a 'Going Concern' basis.
- (v) that the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and

(vi) that 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.

DIRECTORS:

During the year under review there is no change in the composition of the Board of Directors.

Re-appointment

In Accordance with the provisions of Section 152 of the Act and Articles of Association of the Company, Mr. Bhaktavatsala Doppalapudi Rao (DIN 00356218), Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible for re-appointment.

Mr. Dwarko Topandas Khilnani (DIN: 01824655) and Mr. Anurag Surana (DIN: 00006665) shall be completing their first term of five years as an Independent Director of the Company on March 31, 2024. Nomination and Remuneration Committee and Board of Directors in their Meeting held on May 29, 2023, have recommended to Shareholders of the Company, the re-appointment of Mr. Khilnani & Mr. Surana for the second consecutive term of five years commencing from April 01, 2024, to March 31, 2029.

KEY MANAGEMENT PERSONNEL (KMP):

During the year under review Mr. Ramesh Kathuria (ACS: 11214) resigned from the post of Company Secretary and Compliance officer w.e.f. closing hours of November 07, 2022. He will continue to serve the Company as Group Company Secretary and Head Legal. Ms. Ashwini Saumil Shah (ACS: 58378) was appointed as Company Secretary & Compliance Officer w.e.f. opening hours of November 08, 2022.

In terms of Provisions of Section 251 and Section 203 of the Act, the followings are the KMP's of the Company:

1. Mr. Narayan S. Iyer – Chief Financial Officer
2. Ms. Ashwini Saumil Shah – Company Secretary & Compliance Officer

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors of the Company, inter alia, confirming that they meet the criteria of Independence as prescribed under Section 149 of the Act and Regulation 16(1)(b) of Listing Regulations, as amended from Independent Directors confirming that they are not disqualified for continuing as an Independent Director.

PARTICULARS OF EMPLOYEES:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of

the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report.

The Statement containing particulars of employees as required under Section 197 (12) of the Act read with Rule 5(20 and 5(3) of the Rules forms part of this Report. Further, the Report and the Accounts are being sent to the Members excluding the aforesaid Statement. The said statement is open for inspection upon request by the Members. Any Member interested in obtaining such particulars may write to the Company Secretary at investors@privi.co.in.

LISTING:

The Company's securities are listed with BSE Limited and National Stock Exchange of India Limited. The Company has paid the listing fees for F.Y. 2023-24 on the Paid-up equity share capital.

RELATED PARTY TRANSACTIONS:

The Company has formulated a Policy on Related Party Transactions, in line with the requirements of the Act, and Listing Regulations, as amended from time to time. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at <https://www.privico.com/Downloads/Policies-PSCL/PSCL-Policy-on-Related-Party-Transactions-V-1-1.pdf>

All related party transactions entered during FY 2022-23 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. An omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on arm's length basis. A statement giving details of all related party transactions entered pursuant to omnibus approval so granted is placed before the Audit Committee on a quarterly basis for its review.

The Company has not entered any contracts or arrangements with related parties in terms of Section 188(1) of the Act and there were no material significant related party transactions entered into by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form No. AOC-2 is not applicable to the Company for FY 2022-23 and hence does not form part of this Report.

Pursuant to Regulation 23 of the Listing Regulations, the Company submits details of related party transactions on a consolidated basis to the stock exchanges as per the specified format on a half-yearly basis.

The details of Related Party Transactions are provided in the accompanying Financial Statements.



INTERNAL CONTROL AND ITS ADEQUACY:

Adequate internal control systems commensurate with the nature of the Company's business, size and complexity of its operations are in place and have been operating effectively. The Directors have laid down policies and procedures which are adopted by the company 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;

Apart from this your Company has also engaged a full-fledged professional Internal Audit firm to test and check the Internal Controls of all systems and suggest corrective and remedial measures.

The Audit Committee deliberated with the members of the Management, considered the systems as laid down and met the internal audit team and statutory auditors to ascertain their views on the internal financial control systems. The Audit Committee satisfied itself as to the adequacy and effectiveness of the internal financial control systems as laid down and kept the Board of Directors informed. However, the Company recognises that no matter how the internal control framework is, it has inherent limitations and accordingly, periodic audits and reviews ensure that such systems are updated on regular intervals. The Statutory Auditors have also issued a report on review of Internal Financial Controls (ICFR) and have expressed that the Internal Controls over Financial Reporting are adequate and operating effectively.

GOVERNANCE AND COMPLIANCE:

The Secretarial and Legal functions of the Company ensure maintenance of good governance at all levels. They assist the Company by being compliant in all areas including legislative expertise, corporate structuring, regulatory changes and governance. The Compliances across various locations are monitored through a Legal Risk Management System.

RISK MANAGEMENT POLICY:

The Company has put in place the Risk Management Plan as detailed in the Risk Management Policy which is approved by Board of Directors and adopted by the Company. The Risk Management Policy is uploaded on the Company's website at <http://www.privi.com/Downloads/Policies-PSCL/PSCL-Risk-Mgmt-Policy.pdf>.

The Policy provides a framework for identification, evaluation, management, continuous monitoring of risks and implementation of mitigation strategies. The risk management strategy is integrated with the overall business strategies of the organization and its mission statement to ensure that its risk management capabilities aid in establishing competitive advantage and allow management to develop reasonable assurance regarding the achievement of the Company's objectives.

The Risk Management Committee (RMC) oversees the risk management process in the Company. The RMC is chaired by an Independent Director and the Chairperson of Audit Committee is also a member of RMC.

A sub-committee consisting of the Head of the Department / Senior Leadership Team of the Company has been formed which meets monthly. A systematic review of risks identified is subject to a series of focused meetings of the empowered Sub-Committee. Each sub-committee member ensures the effectiveness of the risk monitoring process across his work area and the sub-committee makes assessment of long term, strategic, macro risks and implementation of mitigation strategies across business units.

REPORTING OF FRAUD:

During the year, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers and employees under Section 143(12) of the Act details of which needs to be mentioned in this Report.

CORPORATE SOCIAL RESPONSIBILITY:

The Corporate Social Responsibility Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy which has been approved by the Board. The other details of the CSR activities as required under Section 135 of the Act are given in the CSR Report as Annexure to this Report.

VIGIL MECHANISM AND WHISTLEBLOWER POLICY:

As required under the Act and Listing Regulations, the Company has devised an effective Whistleblower mechanism enabling stakeholders, including individual employees and their representative bodies to communicate their concerns about illegal or unethical practices freely. The Company has adopted a Vigil Mechanism and Whistleblower Policy ('the Policy') for stakeholders to report concerns about any unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. Protected disclosures can be made by a whistleblower through several channels. The Policy provides for adequate safeguards against victimization of employees. No personnel of the Company have been denied access to the Chairperson of the Audit Committee. The Policy also facilitates all employees of the Company to report any instance of leakage of unpublished price sensitive information.

Vigil Mechanism and Whistle Blower Policy is available on the Company's Website at <https://www.privi.com/Downloads/Policies-PSCL/PSCL-Vigil-Mechanism-Policy-V-1-1.pdf>

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the

provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Company has also constituted Internal Complaints Committee (ICC) for its workplaces to address complaints pertaining to sexual harassment in accordance with the POSH Act.

No complaints were pending at the beginning of the financial year. No complaint was pending as at the end of the financial year.

To build awareness in this area, the Company has been conducting awareness sessions during induction of new employees and also periodically for permanent employees, third-party employees and contract workmen through online modules and webinars.

MEETINGS OF THE BOARD:

During the Financial Year 2022-23, 4 (Four) meetings of the Board of Directors took place. For further details, please refer to the Corporate Governance Report annexed hereto.

PARTICULARS OF LOANS GUARANTEES AND INVESTMENTS:

Particulars of loans, guarantees and investments made by the Company as required under Section 186 (4) of the Act are contained in Note No. 5, 13, 14 and 30 to the Standalone Financial Statements.

CORPORATE GOVERNANCE REPORT:

A Report on the Corporate Governance along with a certificate from a Practicing Company Secretary regarding the compliance of conditions of Corporate Governance as stipulated in Regulation 34 of Listing Regulations, 2015 as also the Management Discussion and Analysis Report are annexed to this Report.

AUDITORS

I. STATUTORY AUDITORS AND THEIR REPORT:

The auditors M/s. BSR & Co. LLP, Chartered Accountants were appointed as Statutory Auditors at the 35th Annual General Meeting (AGM) held on November 02, 2020, for a term of five years, from the conclusion of 35th AGM till the conclusion of 40th AGM to be held in the year 2024-25. They have furnished a declaration confirming their independence as well as their arm's length relationship with the Company and that they have not taken up any prohibited non-audit assignments for the Company. The Board has duly reviewed the Statutory Auditor's Report for the Financial Year ended on March 31, 2023, and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation / clarification by the Board in their Report as provided under Section 134 of the Act.

II. SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT:

As required by Section 204 of the Act, read with The Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014, the Board has appointed M/s. Rathi & Associates, Company Secretaries, a firm of Company Secretaries in Practice to conduct Secretarial Audit for the Financial Year 2022-23. The Report of the Secretarial Audit for the financial year ended on March 31, 2023, is annexed to this Report.

The Board has reviewed the Secretarial Auditor's Report and is of the opinion that the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation / clarification by the Board in its Report as provided under Section 134 of the Act.

III. COST AUDITORS:

As per the Companies (Cost Records and Audit) Rules, 2014 as amended by Companies (Cost Records and Audit) Amendment Rules, 2014, issued by the Central Government, the Company is required to get its cost records maintained by it for the products covered under Chapters 2902, 2903, 2905, 2906, 2907, 2909, 2912, 2914, 2915, 2918, 2926 and 2932 of Sr. No. 18 of table mentioned under Rule 3 (B) – Non-regulated Sectors audited by a Cost Auditor.

The Board of Directors has on the recommendation of the Audit Committee appointed M/s Kishore Bhatia & Associates, Cost Accountants as the Cost Auditors of the Company for the financial year 2023-24. Pursuant to the provisions of Section 148 of the Act read with The Companies (Audit and Auditors) Rules 2014, Members are requested to consider the ratification of the remuneration payable to M/s. Kishore Bhatia & Associates.

CONFIRMATION OF COMPLIANCE OF SECRETARIAL STANDARDS:

During the year under review, the Company has complied with the applicable Secretarial Standards i.e. SS-1 and SS-2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively, issued by The Institute of Company Secretaries of India (ICSI).

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUT GO:

A. CONSERVATION OF ENERGY

I. IMPACT ON ENERGY CONSERVATION IN 2022-23:

- Dry vacuum pumps (10 nos. of Ital vac make) installed to save Power consumption, Steam consumption and Effluent load reduction.
- Reduction in Boiler feed water consumption (Distilled Mineral Water) preheating, by utilising distillation columns top condensers heat and reduction of Cooling Tower Load.



- We generated 2815 MWH power from 500 KW steam Turbine in 2022-23.
- VFDs are provided on the vacuum Pumps, Cooling Tower Pumps, Fans and Reactor agitators for optimising the power consumption.
- Replaced the regular and CFL lighting with energy efficient LED lighting across all plants.
- By recycling Treated effluent water (ZLD ~ 450-500 KLD), specific consumption of water has been brought down significantly to almost NIL in some of the plants.
- Rainwater harvesting done and same is used for process applications and gardening.
- 925 KWH Captive power plant installed at Unit -4. The same shall start in May-2023.
- Solar Power (400 KWH) installed & working.

II. ENERGY CONSERVATION PLANNING FOR 2022-23/ CAPITAL INVESTMENT:

- Alpha-Pinene to Camphene yield improvement (0.7 to 0.8) at low temperature and with modified Catalyst.
- Batch Process to Continuous Reaction and distillation (Terpeniol to Terpeniol Epoxide distillation and Camphene distillation).
- Recycle of Sulfuric acid and Phosphoric acid to save/ minimize acid consumption in manufacturing process and reduction in material cost.
- Value added products derivation from the side stream of various production processes with purification.
- Green Technology development at pilot scale from intermediates of Products.
- ZLD plant to recycle treated effluent water and hence reduction in overall water consumption.

III. New Process Developments :

- Recycle of H₃PO₄ (Al/TT etc.) to minimize RM consumption.
- To introduce Amber extreme as a new product in Unit 2.
- To introduce two new products Cashmerone and Couvane at Unit 6.

- New technology for separation/dehydration (Pervaporation Process) to eliminate conventional distillation for solvent dehydration to save steam.
- Waste Heat recovery from Pyrolysers Flue gases and generate ~ 160 TR chilled water at temperature (+) 7°C.
- 925 KWH Captive power plant installed at Unit -4 to start in May-2023.

B. TECHNOLOGY ABSORPTION

The expenditure on Research and Development: Yes

		(₹ In Lakhs)
Sr. No.	Particulars	Amount
a.	Capital	91.88
b.	Revenue	537.11
Total (a+b)		628.99
Total Research & Development Expenses as % of Turnover		0.40%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

		(₹ In Lakhs)
Particulars	Amount	
Foreign Exchange Earnings	1,20,797.60	
Foreign Exchange Outgo	87,386.38	

Annual Return:

Pursuant to Section 92(3) of the Act read with Section 134(3)(a) of the Companies Act and the applicable Rules, the Annual Return in Form MGT-7 shall be available on Company's Website at <https://www.privi.com/investor-relations/reports/annual-return>.

ACKNOWLEDGEMENTS:

Your Directors' value the consistent support and encouragement given by Customers, Suppliers, Bankers, Business Associates and Government Agencies to the Company. The Board of Directors also join us in applauding the employees at all levels for their dedication, hard work and support at all times.

For and on behalf of the Board of Directors

Mahesh P Babani

Place: Navi Mumbai

Chairman & Managing Director

Date: May 29, 2023

DIN – 0051162

ANNEXURE – II The Annual Report on CSR Activities

for Financial Year 2022-23

1. Brief outline on CSR Policy of the Company.

Privi Speciality Chemicals Limited is dedicated to the cause of social development. Through our Corporate Social Responsibility (CSR) initiatives, Privi is committed to bring positive and sustainable change in the lives of people living in the vicinity of our manufacturing facilities and administrative offices. We strive to attain sustainable development of society by active engagement with community and capability development of people. We attain this by providing direct benefit to the concerned, making people self-reliant, focus on grass-root issues of community, empowerment, training and guidance, and facilitative support.

All projects are identified as per the prevalent needs of the society. Primarily we focus on areas such as Education, Health & Hygiene and Environment Sustainability.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Anuradha Eknath Thakur	Chairman of CSR Committee, Non Executive - Independent Director	3	3
2.	Mr. Anurag Surana	Member of CSR Committee, Non Executive - Independent Director	3	2
3.	Mr. Rajesh Budhrani	Member of CSR Committee, Non Executive - Independent Director	3	3
4.	Mr. Bhaktavatsala Doppalapudi Rao	Member of CSR Committee, Executive – Director	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

- <https://www.privi.com/privi-world/board-of-directors>
- <http://www.privi.com/investor-relations/corporate-governance/company-policies>
- <https://www.privi.com/csr>

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

Impact Assessment of CSR projects is not applicable to the Company as the CSR expense is less than ₹ 10 Crores.

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ In Lakhs)	Amount required to be set-off for the financial year, if any (₹ In Lakhs)
1	2022-23	21.05	Nil
	Total	21.05	Nil

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

₹ 16,649.78 Lakhs



7. (a) Two percent of average net profit of the company as per section 135(5): ₹333 Lakhs
 (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years.: Nil
 (c) Amount required to be set off for the financial year, if any: Nil
 (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 333 Lakhs

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

Total Amount Spent for the Financial Year (₹ In Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
354.05	NA	NA	NA	NA	NA

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)		
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	State	District	Location of the project	Amount spent for the project (in ₹ Lakhs)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency	
									Name	CSR registration number
1.	Pure Drinking water RO system	Health & Hygiene	Yes	Gujarat	Jhagadia		2.53	Yes	-	-
2.	Pure Drinking water RO system and Repair and Maintenance of Drinking water	Health & Hygiene	Yes	Maharashtra	Raigad		20.33	Yes	-	-
3.	Upliftment of Blind and Physically handicap children and women	Health & Hygiene	Yes	Maharashtra	Navi Mumbai		64.00	No	Omkar Andh-Apang Samajik Sanstha	CSR00003196
4.	Financial Help on COVID treatment for underprivileged	Health & Hygiene	Yes	Maharashtra	Raigad		2.00	Yes	-	-
5.	Green Zone - Development, Plantation and Maintenance at Deshmukh Kamble/ Karanjkhoh (MIDC Road - MMA Office to Fire Stn. - Max Stores)	Environmental Sustainability	Yes	Maharashtra	Raigad		28.54	Yes	-	-
6.	Green Zone Development – Miyawaki Forest development at Amshet	Environmental Sustainability	Yes	Maharashtra	Raigad		87.70	No	Enviro creator foundation	CSR00003641
7.	Green zone development on 5 acres land and installation of borewell and drip irrigation system	Environmental Sustainability	Yes	Gujarat	Jhagadia		22.12	Yes	-	-
8.	Installation of Solar Panel on public road at Deshmukh Kamble and Chambarkhind	Environmental Sustainability	Yes	Maharashtra	Raigad		2.71	Yes	-	-
9.	Construction of Toilet at Mahad – Birwadi	Environmental Sustainability	Yes	Maharashtra	Raigad		6.66	Yes	-	-
10.	Common recreation centre at Birwadi village	Environmental Sustainability	Yes	Maharashtra	Raigad		14.36	Yes	-	-
11.	Truck Mounted Sweeper Machine - Operational expenses to clean the road for Mahad city and MIDC area	Environmental Sustainability	Yes	Maharashtra	Raigad		5.92	Yes	-	-
12.	Support to underprivileged student for education aid and livelihood through Samadhan NGO (41 children)	Education	Yes	Maharashtra	Raigad		6.57	Yes	-	-
13.	Construction of new canteen facility at Asanpoi Prathamik shala	Education	Yes	Maharashtra	Raigad		1.92	Yes	-	-

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹ Lakhs)	(7) Mode of implementation Direct (Yes/No)	(8) Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
14.	Zilla Parishad school repair work in Jite village	Education	Yes	Maharashtra	Raigad	10.75	Yes	–	–
15.	Repair of Anganwadi at Mahad - Kaire Sheltoli - Savane	Education	Yes	Maharashtra	Raigad	12.79	Yes	–	–
16.	School lab equipment and support to underprivileged student for education aid and livelihood	Education	Yes	Gujarat	Jhagadia	2.15	Yes	–	–
17.	Women empowerment and child development initiative	Education	Yes	Gujarat	Jhagadia	63.00	No	Karmaputra Charitable Trust	CSR00022403
Total (c)						354.05		–	–

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 354.05 Lakhs

(g) Excess amount for set off, if any

(₹ In Lakhs)

Sl. No.	Particular	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	333.00
(ii)	Total amount spent for the Financial Year	354.05
(iii)	Excess amount spent for the financial year [(ii)-(i)]	21.05
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	21.05

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

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

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

Not Applicable

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

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

Not Applicable

Place: Navi Mumbai
Date: May 29, 2023

Mahesh P Babani
Chairman & Managing Director
DIN: 0051162

Anuradha Thakur
Chairperson, CSR Committee
DIN: 06702919

**A. Details of the ratio of remuneration of each Director to the median employee's remuneration**

- (i)
- The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Sr. No.	Name of the Director	Designation	Ratio of remuneration to the median remuneration of the employees
1	Mr. Mahesh P Babani	Chairman and Managing Director	105.07:1
2	Mr. Bhaktavatasala Doppalapudi Rao	Executive Director	35.60:1
3	Mr. P R Barpande	Non-Executive – Independent Director	0.88:1
4	Mr. D T Khilnani	Non-Executive – Independent Director	0.88:1
5	Mrs. Anuradha Thakur	Non-Executive – Independent Director	0.88:1
6	Mr. Anurag Surana	Non-Executive – Independent Director	0.88:1
7	Mr. Rajesh Budhrani	Non-Executive – Independent Director	0.88:1

- (ii)
- The percentage increase in remuneration of each Director, CFO, CEO, Company Secretary or Manager, if any, in the financial year**

Sr. No.	Name of the Directors / KMP	% Increase over last F.Y.
1	Mr. Mahesh P Babani	0%
2	Mr. Bhaktavatasala Doppalapudi Rao	0%
3	Mr. Narayan S. Iyer	0%
4	Mr. Ramesh Kathuria	0%
5.	Ms. Ashwini Saumil Shah	NA

- (iii) **The percentage increase in the median remuneration of employees in the financial year** 1%
- (iv) **The number of permanent employees on the rolls of the Company** 725 as on March 31, 2023.
- (v) **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** Average percentiles increase of 1%

We hereby confirm that the remuneration is as per the remuneration policy recommended by Nomination and Remuneration Committee of the Company and adopted by the Company.

Mahesh P Babani
Chairman & Managing Director
DIN: 00051162

Dwarko Topandas Khilnani
Chairman of Nomination & Remuneration Committee
DIN: 01824655

Place: Navi Mumbai
Date: May 29, 2023

B. Particulars of Top 10 Employees whose remuneration exceeded ₹ 1.02 Crore per annum or ₹ 8.50 Lakhs per month during the FY 2022-23.

1. Employed throughout the year and in receipt of remuneration aggregating ₹ 1.02 Crore or more per annum.

Name of Employee	Designation	Remuneration Received	Date of Commencement of Employment
Mr. Mahesh P Babani	Chairman & Managing Director	₹ 6,00,00,000	May 11, 2017
Mr. R. S. Rajan	President	₹ 2,03,28,020	August 12, 2020*

* the date of employment is post amalgamation as per NCLT order dated June 30, 2020.

2. Employed part of the year and in receipt of remuneration aggregating ₹ 8.5 Lakhs or more per month - NIL

Mahesh P Babani
Chairman & Managing Director
DIN: 00051162

Dwarko Topandas Khilnani
Chairman of Nomination & Remuneration Committee
DIN: 01824655

Place: Navi Mumbai
Date: May 29, 2023



FORM NO. MR-3

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

To

The Members,

PRIVI SPECIALITY CHEMICALS LIMITED

Privi House, Plot No A-71, TTC,

Thane Belapur Road, Kopar Khairane, Navi Mumbai,

Thane - 400710

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

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2023, 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder to the extent applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investments Regulation.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:

- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - iii. 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.
 - iv. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - v. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and;
 - vii. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
- 3. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company as per the list given in Annexure I.**

We have also examined compliance with the applicable clauses of (i) the Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013, and (ii) the Listing Agreements entered into by the Company with BSE Limited and The National Stock Exchange of India Limited.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes occurred during the financial year under report in the composition of the Board of Directors.

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

None of the members have communicated dissenting views, in the matters/agenda proposed from time to time for consideration of the Board and its Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

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

Except above, there was no action/event which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **RATHI & ASSOCIATES**
COMPANY SECRETARIES

HIMANSHU S. KAMDAR
PARTNER
MEM No. FCS No. 5171
COP. No. 3030
UDIN: F005171C000310146

Date: May 29, 2023

Place: Mumbai

Note: This report should be read with our letter of even date which is annexed as Annexure- II and forms an integral part of this report.



List of applicable laws to the Company

1. Sale of Goods Act, 1930.
2. Maharashtra Industrial Development Act, 1961.
3. National Building Code, 2005.
4. Industrial Development Control Regulation (MIDC), 2009.
5. The Factories Act, 1948 (As amended).
6. Maharashtra Fire Prevention and Life Safety Measures Act, 2006.
7. The Explosives Act, 1884.
8. The Narcotic Drugs and Psychotropic Substances Act, 1985 (As amended) & NDPS (Regulation of controlled substance) Order 1993.
9. Maharashtra Poisons (Amendment Rule, 2011 under Poison Act, 1919).
10. The Maharashtra Factories (Safety Audit) Rules, 2014.
11. The Motor Vehicles Act, 1988 (As amended) and The Central Motor Vehicle Rules, 1989 (As amended).
12. The Batteries (Management & Handling) Rules, 2001 (As amended).
13. The Maharashtra Factories (Control of Industrial Major Accident Hazards) Rules, 2003 and the Manufacture, Storage and Import
14. of Hazardous Chemical Rules, 1989.
15. The Bio Medical Waste (Management and Handling) Rules, 1998 (As amended).
16. The Chemical Weapons Convention (CWC) Act, 2000.
17. The Air (Prevention and Control of Pollution) Act, 1981.
18. The Environment (Protection) Act, 1986.
19. Noise Pollution (Regulation and Control) Rules, 2000.
20. E-Waste (Management & Handling) Rules, 2011.
21. The Water (Prevention and Control of Pollution) Act, 1974/The Water Prevention and Control of Pollution Cess.
22. The Hazardous Waste (Management & Handling) Rule, 1989 (As amended).
23. Maharashtra Non Bio Degradable (Garbage Control) Act, 2006.
24. The Contract Labour (Regulation And Abolition) Act, 1970.
25. Payment of Wages Act, 1936.

26. The Apprentices Act, 1961.
27. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and Rules, 1960.
28. The Industrial Disputes Act, 1947 (As amended).
29. The Industrial Employment (Standing orders) Act, 1946.
30. The Workmen's Compensation Act, 1923.
31. The Industries (Development And Regulation) Act, 1951.
32. The Bombay Labour Welfare Fund Act, 1953.
33. The Payment of Bonus Act, 1965.
34. The Payment of Gratuity Act, 1972.
35. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
36. The Standards of Weights and Measures Act, 1976.
37. Petroleum Act, 1934, Amendment Act, 1977, Read with Petroleum Rules, 2002, Amendment Rules, 2011 conditions of Petroleum License.
38. The Legal Metrology Act, 2009.
39. The Indian Electricity Rules, 1956 (As amended).
40. Gas Cylinder Rules, 2004 (As amended).
41. The Maternity Benefit Act, 1961.
42. The Indian Boilers Act 1923 (As amended).
43. Maharashtra acquisition, storage, sale & use of solvent, raffinate & slop (The Solvent (Acquisition, Sale Storage and Prevention of Use in
44. Automobiles).
45. Department of Communication.
46. Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and Vishakha Guidelines.

Tax & Other Allied Laws, Rules & Regulations:

Goods and Services Tax

Maharashtra Professional Tax Act, 1975

Gujrat State Professional Tax Act, 1976

Customs Act, 1962 and Customs Tariff Act, 1975

Income Tax Act, 1961

Director General of Foreign Trade



To

The Members

PRIVI SPECIALITY CHEMICALS LIMITED

Privi House, Plot No A-71, TTC, Thane Belapur Road,
Kopar Khairane, Navi Mumbai,
Thane 400710

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **RATHI & ASSOCIATES**
COMPANY SECRETARIES

HIMANSHU S. KAMDAR
PARTNER
MEM No. FCS No. 5171
COP. No. 3030
UDIN: F005171C000310146

Date: May 29, 2023

Place: Mumbai

Management Discussion & Analysis (MDA)

GLOBAL ECONOMIC OUTLOOK

The global economy is showing signs of resilience in 2023 after a turbulent year. However, economic growth remains historically low in 2023, as persistent inflationary pressures, tighter monetary conditions and the prolonged war between Russia and Ukraine weigh on economic activity. Inflationary pressures are eroding real incomes, triggering a global cost-of-living crisis and substantially weakening investment growth. Further, the global banking crisis in the United States has raised concerns over macroeconomic stability across the markets and an impending global recession. With the central banks' efforts to curb inflation by tightening monetary policy, global inflation is projected to decrease from 8.7% in 2022 to 7.0% in 2023 and 4.9% in 2024. Key factors in the improvement in economic activity and sentiment in 2023 are the rebounding of China's economy, the gradual unwinding of supply chains and the recent decline in energy and food prices.

Notwithstanding the headwinds, the real Gross Domestic Product (GDP) grew in the United States, the European Union and major emerging market and developing economies. The real GDP of the United States grew at 2.1% in 2022 on the back of increased private investment and consumer spending. It is projected to grow at 1.6% in 2023 and 1.1% in 2024. The European economy recorded 2.7% growth in 2022 and is projected to grow at 0.8% in 2023 before rising to 1.4% in 2024.

The International Monetary Fund (IMF) has projected global GDP growth to decline from 3.4% in 2022 to 2.8% in 2023 and rise to 3.0% in 2024. The growth of Advanced Economies (AEs) is projected to decline sharply from 2.7% in 2022 to 1.3% in 2023 before rising to 1.4% in 2024. Economic prospects for Emerging and Developing Economies (EMDEs) are on average stronger than for Advanced Economies. EMDEs grew at 4.0% in 2022 and are expected to grow at 3.9% in 2023 and 4.2% in 2024. Asia-Pacific will be the most dynamic of the world's major regions in 2023, predominantly driven by the buoyant outlook for China and India, which will be the major contributors to global economic growth in 2023.

INDIAN ECONOMY

India continues to be among the fastest growing economies in the world. Despite the spillovers of the global slowdown, the Indian economy is exhibiting resilience and overall economic activity remains strong. As per the second advance estimates released by the National Statistical Office (NSO), India's GDP growth is estimated at 7% in FY 2022-23 as against 9.1% in FY 2021-22. Further, despite the weakening external demand, the merchandise exports have registered the highest-ever annual exports of USD 447.46 Billion with 6.03% growth during FY 2022-23 surpassing the record exports of USD 422.00 Billion in FY 2021-22.

Domestic economic growth is gaining strength and further traction in 2023. As per the IMF, India's GDP per capita at current prices is USD 2,600 in 2023, leading to a surge in household consumption. The economic growth rate is projected to decline to 5.9% in FY 2023-24 due to inflationary pressures. Higher inflation remains a challenge and the Reserve Bank of India (RBI) increased the repo rate by 250 basis points in FY 2022-23 to tame inflationary pressures. As a result, India's CPI inflation rate eased to 5.66% in March 2023 from 6.95% in March 2022.

India has a long runway for growth and as per the IMF, the Indian economy is expected to grow at 6.3% in FY 2024-25. Factors such as a conducive domestic policy environment, various dynamic reforms undertaken by the government such as higher capital expenditure, production-linked incentives (PLI) scheme and Atmanirbhar Bharat, thrust on domestic manufacturing and infrastructure development, strong domestic demand, export growth, technology-enabled development and energy transition among others will stimulate growth in FY 2023-24.

INDUSTRY OVERVIEW

The global aroma chemicals market is valued at USD 6.56 Billion in 2022 and is projected to reach a value of USD 10.3 Billion by 2030, growing at a compound annual growth rate (CAGR) of 5.8% from 2022 to 2030. The expansion of the aroma chemicals industry can be attributed to increased demand from the end-user industries, growing customer base and increased penetration in emerging markets among other factors. Enhanced consumption of packaged food and personal care products in developing economies, surge in demand for natural aroma chemicals, technical advancement in the manufacturing process and increased R&D activities are expected to further propel the market growth of the aroma chemicals market.

Aroma chemicals including terpenoids, musk chemicals, and benzenoids are used to prepare fragrance formulations for consumer goods like fine fragrances, cosmetics and toiletries, food and beverages, soaps and detergents, home care and cleaning products, medicines, etc. Aroma chemicals form the backbone of ingredients in these products as they provide flavour and fragrance. With increasing consumer sentiments towards sustainability, manufacturers are focussing on the sustainable production of eco-friendly aroma chemicals to reduce emissions and gain a competitive advantage.

Aroma chemicals can be obtained from synthetic or natural sources. In recent times, almost 90-95% of the raw materials used in fragrance creation are synthetics and only 5-10% are of natural origin. The synthetic chemical is the most lucrative segment due to the rising utilisation of synthetic products in cosmetics, personal



care, and food and beverage industries owing to easy availability and low cost of production.

The global natural aroma chemicals market is anticipated to witness a CAGR of 6.8% from 2022 to 2030. Growing environmental concerns, regulatory bans on certain molecules and some synthetic flavours, consumer awareness regarding the harmful effects of chemicals on health and preference for organic and sustainable products are bolstering the demand for natural aroma chemicals, which are extracted from natural sources such as various parts of plants and occasionally from animals. Surging demand for herbal and natural products in food and beverages, personal care, cosmetics and pharmaceutical industries is anticipated to fuel the demand for natural aroma chemicals in the global market. The major challenges for the growth of natural aroma chemicals are high manufacturing costs and their inability to blend in with other fragrances, resulting in higher prices of the finished product.

AROMA CHEMICAL INSIGHT BY CATEGORIES

• Terpenes and terpenoids

The terpenes and terpenoids segment has been gaining popularity with a volume share of 37.50% in 2021 owing to its natural availability and medicinal properties. This segment is expected to grow at a CAGR of 4.7% from 2022 to 2030. Terpenes are used in various applications such as perfumery, alternative medicines like aromatherapy, food and beverages, personal care products, etc. The surge in demand for fragrances in hand wash and sanitisers and the large consumption of terpene in pharmaceutical and nutraceutical applications will fuel its growth.

• Musk chemicals

Musk chemicals are extracted synthetically as well as naturally. Natural musk is extracted from plants, roots, seeds and some animals like musk deer. Musk chemicals are used in different applications such as perfumes, cosmetics, and personal care products. Increasing demand for cosmetics, fine fragrances and aromatic personal care products are the major growth drivers for this segment.

GLOBAL MARKET

The North American aroma chemicals market is poised to surpass USD 2 Billion by the end of 2027. The North American market covers the United States, Canada and Mexico. The United States holds the highest market share, attributing to the growth in the personal care, cosmetics and FMCG industry. Despite the challenges in 2023, the aroma chemicals market will grow steadily in North America owing to the presence of major vendors of aroma chemicals, a large number of end-user industries in the region and high demand for premium personal care products, especially in the United States and Canada. Further, the Comprehensive Economic & Trade Agreement (CETA) between Canada and the European Union is predicted to remove the customs duty on food

and agricultural products and several other industrial products. The agreement is further intended to propel the trade of essential oils between Europe and North America, thereby providing a significant growth opportunity for the essential oils & floral extracts industry players in North America.

The aroma chemicals market in Europe exhibited substantial growth backed by the rising demand for fragrances in personal care and cosmetic products, soaps, detergents, food and beverages, etc. There is a huge demand for luxury premium fragrances and cosmetics in UK, France, and Germany. Furthermore, personal care and cosmetics companies are introducing new products in the region to attract new customers.

The global market is projected to grow exponentially due to higher demand for fragrant intensifiers, odorants and flavours and their growing applications in key end-user industries. The market for aroma chemicals is concentrated in Europe, USA and China. Growth in the retail sector across emerging economies has made the availability of products easier and contributed to the growth of the aroma chemical industry.

ASIA PACIFIC

Asia Pacific dominated the global industry in 2022 and accounted for the highest share of more than 31.40% of the overall revenue. The aroma chemicals market is witnessing growth in the region due to the shift in choices of consumers towards nutritional and healthy foods and beverages in most populated countries like India and China and high consumption of flavours and fragrances in China, India and Japan. China dominates the Asia-Pacific market as it has the largest personal care and food and beverage market in Asia-Pacific. Rising disposable income in emerging economies like India and China coupled with population growth is expected to augment the demand for personal care and cosmetic products in the industry.

Asian flavours and fragrances have also gained popularity in the major regions of Europe and North America. Indonesia, India, China, and Vietnam are among the prominent food flavours markets in the region of Asia Pacific. Multiple manufacturing companies are focussing on the expansion of their business and investments in R&D facilities in the Asia Pacific region. Factors, such as government subsidies, tax benefits, and high per capita income, are attracting global companies to expand and start their operation in this region.

The synthetic flavours and fragrance segment accounts for the highest market share. The development of the pharmaceutical industry in the Asia Pacific region is also expected to provide traction for the market. Advancements in manufacturing techniques, availability of skilled workforce, higher production capacity, and favourable business models of export and import are the key reasons for the growing popularity of the developing countries of Asia Pacific for supplying chemical products.

INDIAN MARKET

India is one of the leading consumers and exporters of speciality chemicals including aroma chemicals in the Asia Pacific region owing to rising demand from end-user industries. Speciality chemicals constitute 22% of the total chemicals and petrochemicals market in India. The speciality chemicals industry is projected to reach USD 65-70 Billion by 2025.

As per export statistics provided by CHEMEXCIL, the USA contribution is the highest at 17.73% to the overall chemical exports, especially essential oils and inorganic chemicals from India. India's Cosmetics, Soap & Toiletries exports to the USA were the highest among all the key export destinations from India. The export of aroma chemicals, organic essential oils and end-user products like cosmetics and toiletries experienced substantial growth in the last two years.

CHEMEXCIL'S EXPORT PERFORMANCE FOR THE YEARS 2020-21, 2021-22 & 2022-23

Volume in M.T. & Value in USD Million

Chapter No./Panel	2020-21 (Actual)		2021-22 (Actual)		% Growth		2022-23 (Provisional)		% Growth	
	Volume	Volume	Volume	Volume	Volume	Volume	Volume	Volume	Volume	Volume
(33) Cosmetics, (34) Toiletries	0.00	1,618.88	7,46,170.32	1,973.96	0.00	21.93	7,64,203.94	2,408.34	0.00	22.01
(33) Essential Oils	11,459.57	234.04	15,497.86	310.64	35.23	32.73	12,734.31	306.27	-17.83	-1.41
(15) Castor Oil	7,34,336.46	917.24	7,15,209.56	1,175.50	-2.60	28.16	6,45,816.15	1,265.64	-9.70	7.67

(Source: DGCI&S)

India continues to invest in research and development, scale and the capacity to deliver quality products at lower costs to achieve a competitive edge. The reduction in the basic customs duty on several chemicals and petrochemicals products will further boost the growth of the chemical industry and create lucrative opportunities for the aroma chemicals industry.

Aroma chemical companies in India will be benefited from 'China-plus-one' strategy and the government's campaigns 'Make in India' and 'Self-reliant India' to boost domestic manufacturing and promote Indian products in the global markets. Global players are evaluating viable alternative manufacturing countries like India to reduce their reliance on China and diversify supply risk, thereby improving export opportunities for Indian players. India is well positioned to expand its global market share and emerge as a viable alternative hub for speciality chemical manufacturing by leveraging its strength of low-cost manufacturing, advanced processing capabilities, availability of skilled and cheaper labour and favourable government policies. Furthermore, the Indian aroma chemical industry benefits from less-stringent environmental norms as compared to China.

FRAGRANCES AND PERFUMES MARKET

The global flavours and fragrances (F&F) market size was valued at USD 29.15 Billion in 2022 and is anticipated to grow at a CAGR of 5.4% from 2023 to 2030. The global perfumes market was valued at USD 50.85 Billion in 2022 and is expected to register a CAGR of 5.9% from 2023 to 2030 owing to the growing trend of personal care and the rising consumption of fragrance across various end-use products. However, high inflation may impact demand for non-essential products such as fine fragrances as consumers will prioritise essentials like soaps, detergents, etc.

The key market players are focussing on producing natural fragrances, due to the consumer preference for natural fragrances and concerns regarding synthetic fragrances due to health risks. India has become a prominent global supplier of natural fragrant raw materials such as essential oils of menthol mint, sandalwood, jasmine and spices. Fine fragrances have evolved into a significant business in the cosmetics and personal care industry. Factors, like increased affordability for luxury products, a shift in consumer preference for premium cosmetics and fragrances, growth in the retail sector and e-commerce, rising awareness of hygiene, personal grooming trends and the therapeutic benefits of fragrances are driving the overall market growth. The growing demand for perfumes with higher fragrance concentrations and customisable and niche fragrances are driving the sales of perfumes (pure perfume) with 15%-40% fragrance concentration. The key players are making significant investments in R&D and advertising to influence consumer purchase decisions.

REGULATIONS

The aroma chemicals industry involves strict regulations due to the Safety, Health and Environment concerns and the harmful effects of the toxicity pertaining to the use of synthetic chemicals. The F&F industry has strict safety norms, restricting the use of many chemicals, either due to governmental regulations or due to self-regulation by the industry itself. For example, some fragrance ingredients are not permitted for use on grounds of safety, while some others are restricted in their level of use in fragrances, depending on the intended end-use. IFRA (International Fragrance Association) guides the F&F industry by providing guidelines for fragrance ingredients as defined and published in the IFRA safety standards. Regulations on emissions of wastewater, air, etc. are getting more stringent for environmental protection and the manufacturers are required to comply with these norms.



GROWTH DRIVERS

- **Growing trend in personal care and cosmetics industries**

Demand for personal care and cosmetics products has increased due to factors like increased awareness of personal hygiene and self-care, rising disposable income, urbanisation, changing lifestyle and growing penetration in smaller cities. Personal care products and cosmetics have become an integral part of the day-to-day life of millennials. Consumption patterns of cosmetics among teenagers also increased substantially. A shift in consumer preferences will create lucrative prospects for the aroma chemicals market.

- **Increasing consumption of toiletries and home care products**

The rising concerns regarding disinfestation and maintaining a hygienic environment post COVID-19 have led to a surge in the requirement for surfactants and emulsifiers in home care products and toiletries. An increase in demand from these segments resulted in the growth of the aroma chemicals industry.

- **Growing demand for convenience food and beverages**

The growth of the food processing and beverages market due to consumer preferences for packaged food and low calories and non-alcoholic beverages will lead to increased demand for aroma chemicals as they are used to enhance the flavour and act as preservatives in edible items.

- **Favourable government initiatives**

Government's initiatives such as the exemption of basic customs duty on denatured ethyl alcohol and reduction of customs duty on several chemical products, the 'Make in India' campaign and PCPIR (Petroleum, Chemicals and Petrochemicals Investment Regions) policy to attract an investment of ₹ 20 Lakh Crore by 2035 will boost the growth of the chemical sector, including aroma chemicals sector. Other initiatives such as the Chemical Promotion and Development Scheme (CPDS) to facilitate the growth of the chemical industry including the speciality chemical sector and the Production Linked Incentive (PLI) Scheme for chemicals, which is in the development stage, will further boost domestic production and exports of chemicals, directly benefiting the aroma chemical industry.

- **Increasing investment in R&D and product development**

Increasing investment in R&D and product development will enable manufacturers to produce new aroma chemical products. With companies focussing on product diversification, consumers will have wider options to choose from a variety of personal care and skin care products in different price ranges which is expected to aid the growth of the aroma chemicals market.

COMPANY OVERVIEW

Privi Speciality Chemicals Limited is India's leading manufacturer, supplier, and exporter of aroma and fragrance chemicals and a globally trusted partner and supplier of bulk aroma chemicals. Privi started manufacturing aroma chemicals in 1992 with only two products, which gradually expanded to a range of over 50 products today, having a capacity of over 55,000 tonnes per annum. Privi also develops and produces custom-made aroma chemicals as per the specific requirement of the customers. The research specialists at the in-house R&D centre continuously thrive to develop new products and processes.

Privi has state-of-the-art integrated manufacturing facilities situated at Mahad in Maharashtra and Jhagadia in Gujarat. The facilities are equipped with expertise and capacity to perform critical reactions. Privi enjoys a competitive edge and economies of scale in its product segments.

Privi has a total production capacity of – 55,000 TPA spread across Amber fleur, Acetates, Dihydromyrcenol, Ionones, Nitriles, Sandalwood derivatives and Speciality chemicals and a Crude Sulphate Turpentine (CST) / Gum Turpentine Oil (GTO) capacity of - 36,000 TPA (Backward integration for captive α & β Pinenes).

Privi is ISO 9001:2015 and ISO 14001:2015 certified for its Environmental Management System (EMS) and also has ISO 45001:2018 standard certification accredited by Bureau Veritas' Occupational Health & Safety Management System (OHSMS) for all its manufacturing units in Mahad.

BUILDING BARRIERS TO ENTRY / COMPETITION RISK

Your Company is engaged in supplying aroma chemicals to global companies for over two decades and has significant in-house expertise and knowledge of the olfactive requirements of various global and regional customers.

Further, your Company continues to apply backward integration to use waste generated from pulp mills – CST. These factors provide a distinct competitive advantage to your Company against the new entrants or existing aroma chemical manufacturers. Your Company has done research on various components of the CST and keeps working on producing value-added products.

RISK MANAGEMENT

Foreign exchange rate risk:

Fluctuations in exchange rates including the exchange rate between the Indian Rupee and the U.S. Dollar due to adverse global developments may impact the operations of your Company.

While your Company depends on over 70% of the raw materials by imports, it also exports over 70% of the finished goods. Therefore, your Company continues to have a natural hedge against the depreciation of the Indian Rupee against the US Dollar, after

accounting for some of the borrowings which are denominated in dollars.

Pricing and availability of raw materials:

The pricing of key raw materials also varies considerably during the year and the recent uncertainties pose even more challenges than ever.

Your Company, as a strategy, continues to enter into half-yearly or annual contracts with suppliers for raw materials and finished products to mitigate the risks.

Market risk:

Your Company has enhanced the capacities of key products as well as installed new capacities for certain niche speciality aroma chemicals to stay ahead of the competition.

Your Company continues to be a dominant producer globally in three flagship products: Dihydromyrcenol, Amber Fleur, and Pine Oil. All these products are developed in fully integrated manufacturing facilities of your Company, starting from the CST to the finished products and essential ingredients in the manufacture of fragrances. Your Company continues to be the largest single CST processing site in Asia.

Your Company has started to manufacture Galaxmusk (Galaxoalide) and Camphor. As your Company has started to sell these new products, the same over a period of time will enhance the overall revenue.

In addition to the above-mentioned large volume flagship products, your Company also manufactures several speciality aroma chemicals, some of which are made from the side streams generated during manufacturing. Your Company believes in promoting a "Waste to Wealth" philosophy. Thus, apart from consolidating the market share in the large volume products, your Company is also working on increasing customer share by supplying other aroma chemicals.

New customers under which samples are under evaluation are Unilever (India) and Christian Dior (France).

TECHNOLOGY INITIATIVES

Your Company continues to engage in research and development in respect of technology and process improvement. This will result in improved, cleaner processes for existing as well as new products. The following initiatives are under review:

- Green chemistry
- Implementing sustainable solutions at plant scale for units 1, 2 and 3 for Zero Liquid Discharge (ZLD)
- Renewable Resource Research & Development

Your Company is a member of the Carbon Disclosure Project (CDP). It not only discloses its carbon emission data but also works on specific projects to lower the carbon emissions from its operational activities.

Your Company score for CDP stands at B- grade and for EcoVadis stands at Silver for the year 2022 which is considered to be very effective according to global standards. However, your Company will strive to work towards getting better each day and moving one notch up.

STATUS OF YOUR COMPANY TOWARDS INTERNATIONAL CHEMICAL REGULATIONS

EU / EEA - Registration, Evaluation, Authorization and Restriction of Chemicals (REACH):

Requirements: To place any product in European Economic Area in qty ≥ 1 MTPA, the product is required to be registered within REACH Regulation (EC Regulation 1907/2006).

Your Company's status: So far, your Company has registered 26 products under EU REACH Regulation, through its Sweden-based representative. This will allow your Company's EU/EEA customers and its Netherlands office to import the products into EU/EEA.

Key Post-Registration Obligations: After the European Chemical Agency (ECHA) evaluates the registration dossier, additional animal or product test data is to be provided or corrections to be made if ECHA finds any information missing or incorrect.

UK REACH

Requirements: EU REACH ceased to apply in Great Britain on January 1, 2021, as a consequence of the United Kingdom's effective withdrawal from the European Union. GB manufacturers, importers, distributors and downstream users of chemical substances must now comply with UK REACH, to place any product in GB-market in qty ≥ 1 MTPA after Calendar Year 2021, need to submit a Downstream User Import Notification (DUIN) to HSE (Health and Safety Executive).

Your Company's Status: So far, your Company has registered 20 products under DUIN, as a result of which it has got an extension of the registration deadline till December 2027. This will allow your Company's GB customers to import the products into GB-market without any registration until December 2027.

TURKEY REACH

Requirements: To place any product in Turkey in qty ≥ 1 MTPA after the calendar year 2020, the product is required to be pre-registered under Turkey REACH Regulation (KKDIK regulation) by December 2020. The product is required to be registered by December 2023.



Your Company's Status: So far, your Company has pre-registered 26 products under KKDIK, as a result of which it has got an extension of the registration deadline up to December 2023. This will allow your Company's Turkish customers to import the products into Turkey without any registration until December 2023.

OTHER PRODUCT AND MANAGEMENT SYSTEM CERTIFICATIONS

Most of your Company's manufacturing facilities are ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 certified, Kosher and Halal certified. The ISO certifications have been issued by a globally renowned certification body Bureau Veritas whose certification process involves stringent audits.

OUTLOOK

Your Company is geared to capture the huge demand opportunities in aroma chemicals and drive significant growth as soon as the global recovery begins.

Your Company has made further inroads into the developing markets (Nigeria, Egypt, UAE, South Africa, Saudi Arabia, Kuwait and Korea) by seeking more customers as well as additional market share through existing customers.

HIGHLIGHTS

Your Company has achieved marginal growth on Top Line and the Bottom Line has been eroded mainly on account of the current market situation which is subdued due to factors like the ongoing war between Russia and Ukraine, lack of demand, inflation, loss of employment, economic uncertainties, etc.

With the continued existence of your Company's 100% subsidiary in the USA, its market share continues to grow year on year. The USA business is witnessing a positive growth momentum.

Your Company is witnessing a slowdown and is beginning to feel the impact of the same coming from the key accounts.

Your Company continues to sell value-added products from backward integrated feedstocks which are contributing to its revenue.

Your Company continues to establish strategic long-term business relations with global leading companies in the F&F industry such as Givaudan, Firmenich, IFF, Symrise, MANE, Robertet, Takasago, etc. and with global leading FMCG producers such as P&G, Henkel and Reckitt Benckiser.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply, price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors such as Force Majeure Contributors.

Report on Corporate Governance

[Pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 under Uniform Listing Agreement]

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Privi Speciality Chemicals Limited (Privi) as a Company believes on the 4 P's of Corporate Governance those are People, Process, Performance and Purpose. Corporate Governance is a system of rules, practices and processes by which firm is directed and controlled. Privi believes in upholding highest standard of ethics, integrity, transparency and accountability in conducting the affairs of the Company so as to disseminate the information to the stakeholders in transparent manner. We have, therefore, designed our systems and action plans to enhance performance and stakeholders' value in the long run. To create a culture of good governance, your Company has adopted practices that comprise of performance accountability, effective management control, constitution of Board Committees as a part of the internal control system, fair representation of professionally qualified, non-executive and Independent Directors on the Board, adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company and payment of statutory dues.

The Company is proud of the values with which it conducts its business: SAFETY, SUSTAINABILITY, SENSE OF URGENCY, TRANSPARENCY and RESPECT & CARE. Privi has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) and (t) of Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as applicable. The Company's Corporate Governance philosophy has been further strengthened through the Code of Conduct for Prevention of Insider Trading, Anti-Bribery/ Anti-Corruption/ Anti-Money Laundering, Anti-discrimination and Equal Opportunity, Grievance redressal Policy etc.

The Compliance Report on Corporate Governance herein signifies compliance with all mandatory requirements of Listing Regulations. The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with para C & D of Schedule V and other related regulations of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 with regard to Corporate Governance.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation.

POLICIES

In compliance with the requirements of Listing Regulations, and The Companies Act, 2013 ('the Act'), the Board of Directors of the Company have approved various policies, as detailed herein:

Vigil Mechanism & Whistle Blower Policy

As per Section 177 of the Act, and Regulation 22 of Listing Regulation, a comprehensive Vigil Mechanism & Whistle Blower Policy has been approved and implemented within the organization. The Policy has been formulated with a view to provide a mechanism for directors, employees as well as other stakeholders of the Company to approach the Chairman of the Audit Committee of the Company to report instances of any unethical act or suspected incidents of fraud or violation of Companies Code of Conduct. This mechanism/ Policy provides adequate safeguards to whistle blowers against reprisals or victimization. The copy of the Policy has been uploaded on the Company's Website viz. <https://www.privi.com/Downloads/Policies-PSCL/PSCL-Vigil-Mechanism-Policy-V-1-1.pdf>

Code of Conduct

The Company has in place Code of Conduct for all the Directors and the Senior Management Personnel. It seeks to achieve, among others, highest standards of personal and professional integrity. A copy of the code has been placed on the Company's website <http://www.privi.com/Downloads/Policies-PSCL/PSCL-Code-of-Conduct.pdf>. The code has been circulated to all the Directors and Senior Management Personnel and they affirm its compliance every year.

The Company has also in place a Code of Conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015 ('SEBI PIT Regulations'). This code is applicable to all Designated Persons / insiders defined under the Code of Conduct for Prevention of Insider Trading adopted by the Company. The code ensures prevention of dealing in shares by persons having access to the unpublished price sensitive information.

The Company has availed the special/ additional service of the Registrar and Share Transfer Agent of the Company M/s. Link Intime (India) Private Limited (RTA) to monitor the trading in the equity shares of the Company mainly during the trading window closure and the reverse transactions, by the Designated Persons. The necessary information with regard to designated employees and their relatives



have been forwarded to the RTA in order to enable them to provide the service. The Company has also installed an in-house, software “Trackin”, which enables the Company in maintaining structural digital database, preserve the data, monitor and ensure compliance to SEBI PIT Regulations. The said software is installed on the Company’s server and access is given only to the Company Secretary and other designated officials of the Company, who monitor the transactions.

Structural Digital Database (SDD)

With reference to Regulation 3(5) and 3(6) of SEBI (PIT) Regulations, 2015 which required SDD to be maintained by the company, in this regard, company have availed software facility from Link Intime (India) Private Limited which is maintained inhouse with adequate controls & checks such as time stamping, audit trails to ensure non tampering of data. Entries once entered into SDD cannot be altered or modified. If any entry made needs to be altered, then a separate entry can be made citing reference to the earlier one with full corrected details and the reasons for correction. The Company have provision to maintain such database for the period of Eight years after completion of relevant transaction. Company has submitted defined quarterly compliance certificates certified either by the compliance officer, as a Standard Operating Process under SEBI (PIT) Regulations.

Annual Disclosure

A declaration affirming compliance with the Code of Conduct by the Members of the Board and Senior Management personnel is given below:

Declaration

I, Mahesh P Babani, Chairman and Managing Director of the Company, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the Listing Regulations for the year ended March 31, 2023.

Mahesh P Babani
Chairman & Managing Director
DIN: 00051162

Navi Mumbai, April 01, 2023

Related Party Transaction Policy

In compliance with the requirements of Regulation 23 of Listing Regulations, the Board of Directors of the Company has approved a Related Party Transaction Policy, to facilitate management to report and seek approval for any Related

Party Transaction proposed to be entered into by the Company. The said Related Party Transaction Policy can be viewed on <https://www.privi.com/Downloads/Policies-PSCL/PSCL-Policy-on-Related-Party-Transactions-V-1-1.pdf>

Familiarization Program for Independent Directors

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programs at the time of their appointment as Directors and on regular basis by providing detailed presentations on the businesses/operations of the Company at each of the Board Meeting. The review and approval of quarterly and annual financial statements of the Company as well as detailed presentation covering inter alia economy and industry overview, key regulatory developments, strategy, CAPEX Plans and performance of Company is made to the Board. The policy on Directors Familiarization Program can be viewed on <https://www.privi.com/Downloads/Policies-PSCL/PSCL-Directors-Familiarization-Programme.pdf>.

The board is also being apprised of the amendments in various laws applicable to the company from time to time, by way of presentation or circulating brief note on such amendments. In compliance with the requirements of Regulations 46(2)(i) of Listing Regulations, the details of familiarization programmes imparted to Independent Directors is also disseminated on Company’s website and can be viewed on <https://www.privi.com/Downloads/Policies-PSCL/Details-of-Directors-Familiarization-Programme.pdf>.

Apart from the above policies, the Board has in accordance with the requirements of the Act and Listing Regulations approved and adopted a Policy for determining Material Subsidiary, Nomination and Remuneration Policy, Policy on Determination of Materiality of Events/Information and Policy for Preservation of Documents and Archival of Records.

2. BOARD OF DIRECTORS

• Composition of Board of Directors

The composition of the Board of Directors of the Company is in conformity with the requirement of Regulation 17 of Listing Regulations as amended from time to time. In compliance with the Corporate Governance norms in terms of constitution of the Board, the Board is headed by Chairman and Managing Director and consist of One Executive Director, Five Non-Executive Independent Directors including one woman Director, representing optimum combination of professionalism, knowledge and experience to ensure the independence of the Board and to separate the Board functions of governance and management. Non-Executive and Independent Directors have expert knowledge in the fields of finance, taxation, legal and industry. Thus, the Board represents a balanced mix of

professionals, who bring the benefits of their knowledge and expertise.

- **Board Skills, Expertise and Competencies**

The Board of Directors collectively have the skills, knowledge and experience to effectively govern and direct the organization. The present size of the Board is appropriate for effective decision making. The mapping of the skills, expertise and competence among the

Directors is identified by the Company and evaluated every year.

The eligibility of a person to be appointed as a Director of the Company is dependent on possession of the requisite skills, as identified by the Nomination and Remuneration Committee of the Board and based on the criteria specified in the Nomination and Remuneration Policy.

- **Director's Particulars**

Attendance of each Director at the Board Meetings, last Annual General Meeting (AGM) and the number of other Directorship(s) and Chairmanship(s) of Committees in various Companies is as follows:

Name of Directors	Category & Position	Attendance of the Meetings during 2022-23		No. of Directorship in listed entities including this listed entity (as per Reg 17A of Listing Regulations)	No. of Membership/ Chairmanship(s) in Committees held in listed entities including this listed entity (as per Reg 26(1) of Listing Regulations)	
		Board Meeting	Last AGM dated September 28, 2022		Member	Chairman
Mr. Mahesh Babani	Chairman & Managing Director	4	Yes	1	–	–
Mr. Bhaktavatsala Doppalapudi Rao	Executive Director	4	Yes	1	1	–
Mr. Padmanabh Ramchandra Barpande	Non-Executive Independent Director	4	Yes	2	4	3
Mr. Rajesh Harichandra Budhrani	Non-Executive Independent Director	4	Yes	1	–	–
Mrs. Anuradhan Thakur	Non-Executive Independent Director	4	Yes	3	1	–
Mr. Dwarko Topandas Khilnani	Non-Executive Independent Director	4	Yes	1	5	3
Mr. Anurag Surana	Non-Executive Independent Director	4	Yes	1	1	–

Video / tele-conferencing facility is offered to facilitate the Directors to participate in the meetings.

The number of Directorship(s) and Committee Membership(s) / Chairmanship(s) of all Directors is / are within the respective limits prescribed under the Act and Listing Regulations.

Given below is the list of Directors of the Company and their Directorship(s) of Other Listed Company(s)

Sr. No.	Name of the Directors of the Company	Name of the listed entities in which the Director of the Company is a Director.	Category of Directorship in the listed Companies
1.	Mr. Mahesh Babani	i. Privi Speciality Chemicals Limited	Executive Director
2.	Mr. Bhaktavatsala Doppalapudi Rao	i. Privi Speciality Chemicals Limited	Executive Director
3.	Mr. Padmanabh Ramchandra Barpande	i. Privi Speciality Chemicals Limited ii. Westlife Developments Limited	Independent Director



4.	Mr. Rajesh Harichandra Budhrani	i. Privi Speciality Chemicals Limited	Independent Director
5.	Mr. Anurag Surana	i. Privi Speciality Chemicals Limited ii. Neogen Chemicals Limited iii. Yasho Industries Limited	Independent Director
6.	Mr. Dwarko Topandas Khilnani	i. Privi Speciality Chemicals Limited	Independent Director
7.	Mrs. Anuradha Thakur	i. Privi Speciality Chemicals Limited	Independent Director

During the year, there have been no materially significant related party transactions, pecuniary relationships or transactions between the Company and its Non-Executive Directors that may have potential conflict with the interests of the Company at large. None of the Directors are related to each other.

Shareholding of Non- Executive Directors as on March 31, 2023, is as under:

Sr. No.	Name of Director	No. of Equity Shares held	% of total Equity Shares of the Company
1.	Mr. Rajesh Budhrani	712,480	1.82%
2.	Mr. Anurag Surana	15,000	0.04%

• Board Meeting and Attendance

The Board meets at least once in a quarter inter-alia to review the performance of the Company and for consideration and approval/adoption of quarterly/annual financial results. The Company Secretary, in consultation with the Chairman, prepares detailed agenda for the meetings. Four Board meetings were held in the year 2022-23 and the gap between two Board meetings have not exceeded 120 days. The dates on which meetings were held are as follows:

Sr. No.	Date of Meeting	No. of Directors Present
1	May 05, 2022	6
2	August 10, 2022	7
3	November 07, 2022	7
4	February 02, 2023	7

• Appointment of Independent Directors

The Nomination and Remuneration Committee, based on Company's policy for such position identifies suitable person having expert knowledge and skill in his / her profession / area of business and who can effectively participate in Board proceedings and recommends the same to the Board. The Board after evaluating the

said Committee's recommendation, takes the decision which according to the Board is in the best interest of the Company.

• Confirmation regarding Independence

With respect to the declaration given by the Independent Directors of the Company during the year under review, the Board hereby confirms that all the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

• Meeting of Independent Directors

The Independent Directors meet at least once in a financial year without the presence of Promoter Directors and management personnel. They discuss the matters pertaining to the business and other related affairs of the Company. The views expressed at such meeting are brought to the knowledge of the Chairman of the Board. During the year, one meeting of Independent Directors was held on March 28, 2022

• Re-appointment of Directors

As required under Regulation 36(3) of the Listing Regulations and Secretarial Standard 2 on General Meetings issued by the ICSI, particulars of Directors seeking re-appointment are given in the Notice of AGM which forms part of this Annual Report.

3. AUDIT COMMITTEE COMPOSITION

The composition of Audit Committee is in line with provisions of Section 177 of the Act and is in compliance with Regulation 18 of Listing Regulations.

The Audit Committee comprises of three Non-Executive Independent Directors, Mr. P. R. Barpande, Non-Executive Independent Director as Chairman of the Committee and Mrs. Anuradha Thakur and Mr. D. T. Khilnani as the members of the Committee. All the members of the existing Audit Committee possess required skills, knowledge and experience to be the members of the Audit Committee.

The Audit Committee met 4 (four) times during the financial year 2022-23 i.e. on May 05, 2022, August 10, 2022, November 07, 2022, and February 02, 2023.

The details of composition of the Committee and attendance at meeting during FY 2022-23 are as follows:

Name of the Members	Designation/ Category	No. of Committee Meeting(s) attended
Mr. P R Barpande (Chairman)	Non-Executive Independent Director	4
Mrs. Anuradha Thakur	Non-Executive Independent Director	4
Mr. D T Khilnani	Non-Executive Independent Director	4

The terms of reference of the Audit Committee are:

- a) recommendation for appointment, remuneration and terms of appointment of auditors of the Company
- b) approval of payment to statutory auditors for any other services rendered by them;
- c) review and monitor the auditors' independence and performance, and effectiveness of audit process.
- d) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- e) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- f) discussion with internal auditors of any significant findings and follow up there on
- g) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- i) call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
- j) review, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements
 - disclosure of any related party transactions
 - modified opinion(s) in the draft audit report;
- k) review with the Management, the quarterly financial Statements before submission to the Board for approval.
- l) review the statement of Related Party Transactions, submitted by Management.
- m) approval or any subsequent modification of transactions of the Company with related parties.
- n) scrutiny of inter-corporate loans and investments.
- o) valuation of undertakings or assets of the company, wherever it is necessary.
- p) evaluation of internal financial controls and risk management systems.
- q) power to obtain professional advice from external sources for the items specified in sub section 4 of Section 177 of the Act.
- r) to oversee the vigil mechanism wherein the directors and employees can report their genuine concerns or grievances.



- s) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter.
- t) review the Management Discussion and Analysis of financial condition and results of operations.
- u) periodic review of Policies.
- v) such other matters as mentioned in the terms of references or as may be required to be carried out by the Audit Committee pursuant to amendments under any law, from time to time

The Company have engaged M/s. Aneja Associates, Chartered Accountants, an Independent External Firm, to conduct Internal Audit of the Company. Internal Auditors submit their findings to Audit Committee which were reviewed by the Committee during the year under review.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in accordance with the provisions of Section 178 of the Act, and Regulation 19 of Listing Regulations.

The Nomination & Remuneration Committee comprises of three Non-Executive Independent Directors with Mr. D T Khilnani, Chairman of the Committee and Mr. Rajesh Budhrani & Mr. Anurag Surana as the Member of the Committee.

During the year 2 (two) meetings of Nomination and Remuneration Committee were held i.e. on May 05, 2022, and November 07, 2022. The details of composition of the Nomination and Remuneration Committee and attendance at the Meetings during the financial year 2022-23 are as follows:

Name of Member	Designation	No. of Committee Meeting(s) attended
Mr. Dwarko Topandas Khilnani (Chairman)	Non-Executive Independent Director	2
Mr. Rajesh Budhrani	Non-Executive Independent Director	2
Mr. Anurag Surana	Non-Executive Independent Director	–

The term of references of Nomination and Remuneration Committee includes:

- a) recommend to the Board, Appointment & Re-appointment of Directors.
- b) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in the Nomination & Remuneration Policy, recommend to the Board their appointment and removal.
- c) recommend to the Board the appointment of Key Managerial Personnel (“KMP”) as defined under the Act.
- d) recommend to the Board a Policy, relating to the remuneration for the directors including Whole Time Directors, KMP and other employees.
- e) recommend to the board, all remuneration, in whatever form, payable to senior management.
- f) specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- g) formulation of criteria for evaluation of performance of independent directors and the board of Directors.
- h) formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- i) devising a policy on diversity of board of Directors.
- j) oversee familiarisation programmes of Directors.
- k) to determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors

Board and Directors Evaluation:

As required under the provisions of the Act and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, performance of the Chairman and Managing Director, Executive Director and other Directors as well as the evaluation of the Working Committees.

The performance evaluation criteria for Independent Directors includes participation and contribution by a director in Board / Committee Meetings, commitment, expertise, integrity, maintenance of confidentiality and independent behavior.

Remuneration Policy:

The remuneration policy is recommended by the Nomination & Remuneration Committee and approved by the Board. The

key objective of the remuneration policy is to ensure that it is aligned to the overall performance of the Company. The policy ensures that it is fair and reasonable and is linked to financial performance. For Director in Executive category, it mainly comprises of fixed component. The remuneration policy is placed on the website of the Company <https://www.privi.com/Downloads/Policies-PSCL/PSCL-Nomination-and-Remuneration-Policy.pdf>. The remuneration paid to the Directors is in line with the remuneration policy of the Company.

Remuneration to Non-Executive Directors

The remuneration for Non-Executive (Independent) Directors consists of sitting fees for attending meeting of the Board and its Committees. No other payment is made to the Non-Executive Independent Directors except as recommended by the Nomination and Remuneration Committee and the Board and approved by the Members of the Company.

Remuneration to Executive Directors

Mr. Mahesh P. Babani, Chairman & Managing Director, was re-appointed as Chairman & Managing Director of the Company at the 36th Annual General Meeting of the

Details of Remuneration:

As required under Regulation 34 of Listing Regulations, details of remuneration paid to Directors during the financial year 2022-23 are as follows:

Directors			(In ₹)
	Salary	Perquisites / Sitting Fees	Total
Mr. Mahesh P Babani (Chairman & Managing Director)	6,00,00,000	–	6,00,00,000
Mr. Bhaktavatsala Doppalapudi Rao	50,00,000	–	50,00,000
Mr. Padmanabh Ramchandra Barpande (Non-Executive, Independent Director)	–	4,00,000	4,00,000
Mr. Rajesh H Budhrani (Non-Executive, Independent Director)	–	4,00,000	4,00,000
Mr. Dwarko Topandas Khilnani (Non-Executive, Independent Director)	–	4,00,000	4,00,000
Mr. Anurag Surana (Non-Executive, Independent Director)	–	3,00,000	3,00,000
Mrs. Anuradha Thakur (Non-Executive, Independent Director)	–	4,00,000	4,00,000

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises of Two Independent Directors and one Executive Director. Mr. D. T. Khilnani, Non-Executive Independent Director was appointed as a Chairman of the Committee, Mr. D B Rao, Executive Director and Mr. P R Barpande, Non-Executive Independent Director were appointed as the members of the Committee.

During the year Stakeholders Relationship Committee Meeting was held on May 05, 2023. The details of composition of the Stakeholders Relationship Committee

Company held on August 27, 2021, for the period of 3 (three) years effective from April 01, 2022, to March 31, 2025. Mr. Babani is liable to retire by rotation. Further, Mr. Bhaktavatsala Doppalapudi Rao was redesignated as the Executive Director of the Company w.e.f. opening hours of August 13, 2020, for a term of three years i.e upto August 12, 2023. Mr. Rao is liable to retire by rotation.

The re-appointment of Mr. Mahesh P Babani as Chairman & Managing Director and the remuneration package comprising of salary and perquisites of Mr. Mahesh P Babani, Chairman and Managing Director as well as Mr. Bhaktavatsala Doppalapudi Rao were approved by the members at the 36th Annual General Meeting held on August 27, 2021. Further the Board/Committee has been empowered to decide the Annual increments which will be effective from April 1 each year and will be merit based and take into account the Company's performance as well subject to the overall ceilings laid down under Section 197 read with Section 198, Schedule V and other applicable provisions of the Act.

Details of the remuneration paid to, and shareholding of Executive Directors is provided in MGT-9 which forms part of Directors' Report.

and attendance at Meeting during the Financial year 2022-23 were as follows:

Name of Member	Designation	No. of Committee Meeting(s) attended
Mr. Dwarko Topandas Khilnani	Non-Executive Independent Director	1
Mr. Padmanabh R Barpande	Non-Executive Independent Director	1
Mr. Bhaktavatsala Doppalapudi Rao	Non-Executive Independent Director	1



Details of number of requests/complaints received and resolved during the year ended March 31, 2023, are as under:

Nature of Correspondence	Received	Replied/ Resolved	Pending
Non-receipt of Dividend	0	0	–
Non-receipt of Annual Report	0	0	–
Non-receipt of Shares	0	0	–
Letter from Stock Exchange/ROC/SEBI	4	4	–
Others	0	0	–
Total	4	4	–

The terms of references of the Stakeholder's Relationship Committee are:

- resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- review of measures taken for effective exercise of voting rights by shareholders.
- review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent
- review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- consider and approve issue of Share Certificates (including issue of renewed or duplicate Share Certificates), transfer and transmission of securities, etc.
- oversee the implementation of the above-mentioned guidelines/policies.
- review the policies, processes and system periodically and recommend measures for improvements from time to time.
- look into various aspects of interest of shareholders / security holders.
- such other matters as may be required to be carried out by the Stakeholders' Relationship Committee pursuant to amendments under any law, from time to time.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee comprises of Three Independent Directors and one Executive Director. They are Mrs. Anuradha Thakur, Non-Executive Independent Director as the Chairperson of the Committee, Mr. Rajesh Budhrani, Non-Executive Independent Director, Mr. Anurag Surana, Non-Executive Independent Director and Mr. Bhakatavatsala Doppalapudi Rao, Executive Director as the members of the Committee.

During the year under review 3 (three) meetings of the Corporate Social Relationship Committee were held on May 05, 2022, November 07, 2022, and February 02, 2023. The details of composition of the Corporate Social Responsibility Committee and attendance at Meetings during the financial year 2022-23 are as under:

Name of Member	Designation	No. of Committee Meeting(s) attended
Mrs. Anuradha Thakur (Chairperson)	Non-Executive Independent Director	3
Mr. Anurag Surana	Non-Executive Independent Director	1
Mr. Rajesh Budhrani	Non-Executive Independent Director	3
Mr. Bhaktavatsala Doppalapudi Rao	Executive Director	3

The terms of references of the Corporate Social Responsibility Committee are:

- to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall also indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Act.
- recommend the amount of expenditure to be incurred on the activities referred as per the Corporate Social Responsibility Policy
- monitor the Corporate Social Responsibility Policy of the company from time to time.
- institute transparent monitoring mechanism for implementation of the CSR Projects or programs or activities undertaken by the Company.
- do such other acts, deeds, things and matters as are necessary or expedient in complying with the provisions of Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014

The Company has formulated a Corporate Social Responsibility Policy and the same is available on the website of the Company at https://www.privi.com/Downloads/Policies-PSCL/PSCL-Corporate-Social-Responsibility-Policy-Ver_1_1.pdf.

7. RISK MANAGEMENT COMMITTEE

The Risk Management Committee includes three Independent Directors and Two Executive Directors. Mr. Dwarko Topandas Khilnani, Chairman, Non- Executive Independent Director, Mr. Mahesh Purshottam Babani, Chairman & Managing Director, Mr. Bhaktavatsala Rao Doppalapudi, Executive Director, Mr. Padmanabh Ramchandra Barpande, Non-Executive Independent Director, and Mr. Anurag Surana, Non-Executive Independent Director as the members of the Committee.

During the year under review the Risk Management Committee meeting was held twice i.e. on August 10, 2022, and February 02, 2023. The details of the composition of the Risk Management Committee and attendance at meetings during the financial year 2022-23 were as follows:

Name of Member	Designation	No. of Committee Meeting(s)
Mr. Dwarko Topandas Khilnani (Chairman)	Non-Executive Independent Director	2
Mr. Mahesh P Babani	Chairman & Managing Director	2
Mr. Bhaktavatsala Rao Doppalapudi	Executive Director	2
Mr. Padmanabh R Barpande	Non-Executive Independent Director	2
Mr. Anurag Surana	Non-Executive Independent Director	2

8. MANAGEMENT COMMITTEE

Management Committee comprises of three Members with Mr. Mahesh P Babani as the Chairman and Mr. D B Rao, Executive Director and Mr. R S Rajan, President as members of the Committee.

The Management Committee has certain Administrative and Financial powers delegated by the Board.

9. OTHER DISCLOSURES

a) Related Party Transactions

All related party transactions that were entered into during FY 2022-23 were on arm's length basis, in the ordinary course of business and were in compliance with the Company's Policy on Related Party Transactions, applicable provisions of the Act, the Listing Regulations and with prior approval of Audit Committee and the

Board of Directors. There were no material significant related party transactions entered into by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at <https://www.privi.com/Downloads/Policies-PSCL/PSCL-Policy-on-Related-Party-Transactions-V-1-1-1.pdf>.

b) Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authorities on all matters related to capital markets. During the last three years, no penalties or strictures have been imposed on the Company by these authorities other than those mentioned in Directors Report. There was no suspension of trading of the Company's listed securities.

c) Dividend Distribution Policy

In accordance with Regulation 43A of the Listing Regulations, the Board of Directors of the Company has adopted a Dividend Distribution Policy ('Policy') which endeavor for fairness, consistency and sustainability while distributing profits to the shareholders. The Policy is available on the Company's website at <https://www.privi.com/Downloads/Policies-PSCL/PSCL-Dividend-Distribution-Policy.pdf>.

d) Compliance with requirement of Corporate Governance Report

The Company has complied with all mandatory requirements of Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of Listing Regulations.

e) CEO / CFO Certification

The requisite certification from the Chairman & Managing Director and the Chief Financial Officer required to be given under Regulation 17(8) read with part B of schedule II of the Listing Regulations, was placed before the Board of Directors of the Company.

f) Recommendation of Committees

The Board of Directors of the Company has accepted all the recommendations of the Committees of the Board.

g) Certificate from Company Secretary in Practice

The Company has obtained a certificate from M/s. Rathi & Associates, Companies Secretaries in Practice that none of the Directors of the Company have been debarred or disqualified from being appointed or re-appointed or continuing as a Directors of the Companies by SEBI, MCA or other regulatory authorities and the same is attached to this Annual report.



h) Consolidated Fees paid to Statutory Auditors.

During the year, total fees of ₹ 70.00 Lakhs was paid by the Company to M/s. B S R & Co. LLP, Statutory Auditors.

i) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a Policy on Sexual Harassment at Workplace ('POSH') which aims at protecting the women employees at workplace and to redress complaints, if any. During the year under review the Company has not received any complaint.

j) Legal Compliance

The Company is committed to and conducts its business activities lawfully and in a manner that is consistent with its compliance obligations while ensuring standards of good corporate governance, ethics and community expectations. Through a Legal Compliance Management software, your Company maintains an appropriate compliance program which manages, reports and monitors compliance with all laws which are applicable to the Company.

k) Non-Mandatory requirements adopted:

The Company has complied with non-mandatory requirements of the Listing Regulations relating to Corporate Governance.

- i. During the year under review, there was no Audit qualification in the Company's Financial Statements. The Company adopts best practices to ensure a regime of un-modified audit opinion.
- ii. The Internal Auditors of the Company reports to the Audit Committee

10. SUBSIDIARIES

Regulation 16 of the Listing Regulations defines a 'material subsidiary' to mean a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

In addition to the above, Regulation 24 of the Listing Regulations requires that at least one Independent Director on the Board of Directors of the listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not. For the purpose of this provision, material subsidiary means a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Accordingly, Independent Directors of the Company have been appointed on the Board of unlisted material subsidiaries. For effective governance, the Independent Directors appointed in such subsidiaries brief the Board of Directors of the Company at each Board Meeting on any significant issues of these unlisted material subsidiaries.

During the year under review, your Company has three subsidiaries namely:

- a) Privi Biotechnologies Private Limited; and
- b) Privi Speciality Chemicals USA Corporation (Formerly Known as Privi Organics USA Corp.) and;
- c) Prigiv Specialties Private Limited

Amongst above three Subsidiaries Privi Biotechnologies Private Limited and Privi Speciality Chemicals USA Corporation are wholly owned subsidiaries and Company controls 51% of the total Share Capital of Prigiv Specialties Private Limited.

Privi Speciality Chemicals USA Corporation (Formerly known as Privi Organics USA Corp) is a material Unlisted Subsidiary incorporated in New Jersey, USA. The minutes of the Meeting of the Board of Directors of Subsidiaries / Performance is placed before the Board of Directors for review on a quarterly basis.

The policy on determination of Material Subsidiary of the Company is available on the Company's website at <https://www.privi.com/Downloads/Policies-PSCL/PSCL-Determination-of-Materiality-V-1-1.pdf>.

11. MEANS OF COMMUNICATION

The Company has promptly reported all material information including declaration of quarterly financial results, press releases etc. to stock exchanges where shares of the Company are listed. Such information is also simultaneously displayed on the Company's website www.privi.com.

The quarterly unaudited financial results – both standalone and consolidated, and annual audited financial results-both standalone and consolidated were submitted to the stock exchanges immediately after its approval by the Board of Directors at their Meetings and were also published in The Economic Times, Mumbai edition in English and vernacular newspaper in Maharashtra Times, Mumbai edition in Marathi. Quarterly / Annual financial performance of the Company is also uploaded on the Company's website www.privi.com.

The Company's website www.privi.com contains a separate section named Investors Relations where the useful information for all the Stakeholders is made available.

12. GENERAL MEETING DISCLOSURES

The Thirty Eighth (38th) Annual General Meeting of the Company for the financial year 2022-23 will be held on Thursday, 10th day of August, 2023 at 04:00 p.m.

The location, day, date and time of the Annual General Meetings held during last three years along with Special Resolution(s) passed at these meetings are as follows:

Meeting	Year	Venue of General Meeting	Date & Time	No. of Special Resolutions
37 th AGM	2021-22	Hosted through other Audio-Visual Means from the Registered Office of the Company	September 28, 2022, at 3.00 pm	One
36 th AGM	2020-21	Hosted through other Audio-Visual Means from the Registered Office of the Company	August 27, 2021, at 12.15 pm	Two
35 th AGM	2019-20	Hosted through other Audio-Visual Means from the Registered Office of the Company	November 02, 2020, at 03.00 pm	Nine

Details of the Special Resolutions passed at the Annual General Meetings held during the past 3 financial years:

37 th AGM held on September 28, 2022, at 3.00 pm	<ul style="list-style-type: none"> Continuation of Mr. Padmanabh Ramchandra Barpande (DIN: 0016214) as Non-Executive Independent Director of the Company post attaining the age of 75 years
36 th AGM held on August 27, 2021, at 12.15 pm	<ul style="list-style-type: none"> Adoption of New Set of Articles of Association of the Company Re-appointment and fixation of remuneration payable to Mr. Mahesh P Babani as Chairman & Managing Director.
35 th AGM held on November 02, 2020, at 3.00 pm	<ul style="list-style-type: none"> Alteration in Memorandum of Association of the Company pertaining to Objects Clause. Adoption of new set of Articles of Association of the Company. Remuneration payable to Mr. Mahesh P Babani, Chairman & Managing Director Appointment and fixation of remuneration payable to Mr. Bhaktavatsala Rao Doppalapudi as Executive Director. Continuation of Mr. Dwarko Topandas Khilnani (DIN: 01824655) as Independent Director of the Company for the period upto March 31, 2024 Continuation of Mrs. Anuradha Eknath Thakur (DIN: 06702919) as Independent Director of the Company for the period upto March 31, 2025 Borrowing limits pursuant to Section 180 (1) (c) of the Companies Act, 2013 Creation of Charge / Security on the Assets of the Company pursuant to Section 180 (1) (a) of the Companies Act, 2013 Limits for giving Loan(s), Guarantee(s), to provide securities or to make Investment(s) pursuant to Section 186 of the Companies Act, 2013

Details of resolutions passed during FY 2022-23 through postal ballot: NIL

As on the date of this report there is no special resolution which is proposed to be conducted through Postal ballot.

**CERTIFICATE FROM PRACTICING COMPANY SECRETARY**

Your Board hereby confirms that the Company has obtained a certificate from Rathi & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

General Shareholders Information

1. Date, Time and Venue of Shareholder's Meeting	Meeting Day & Date : Thursday, August 10, 2023 Time : 04:00 p.m. Venue : VC/OAVM
2. Financial Year	April 01, 2023, to March 31, 2024
First Quarterly Results	On or before August 14, 2023
Second Quarterly Results	On or before November 14, 2023
Third Quarterly Results	On or before February 14, 2024
Fourth Quarterly Results	On or before May 30, 2024
3. Date of Book Closure:	Friday, August 04, 2023 to Thursday, August 10, 2023
Record Date:	NA
4. Dividend Payment Date	NA
5. Address for Correspondence	Registered Office Privi House, A-71, TTC, Thane Belapur Road, Near Koparkhairne, Navi Mumbai – 400710 Tel: +91-22-68713200/33043500, Fax: +91-22-27783049 Website: www.privi.com
6. Corporate Identity Number	L15140MH1985PLC286828
7. Listing on Stock Exchanges	National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 th floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051. BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
8. Stock Code	NSE: PRIVISCL BSE: 530117
9. ISIN No.	INE959A01019 (Equity Shares of ₹10/- each fully paid-up)
10. Registrar and Transfer Agent	Link Intime (India) Private Limited Ahemdabad Fax No.: +91 22 49186060 Email ID: rnt.helpdesk@linkintime.co.in
11. Investor Relationship Officer	The Company Secretary Privi Speciality Chemicals Limited Privi House, A-71, TTC, Thane Belapur Road, Koparkhairne, Navi Mumbai – 400710 Tel No.: +91 22-68713200/33043500 Fax: +91-22-27783049/68713232 Email: investors@privi.co.in

12. Listing Fees	Company has paid Annual Listing Fees for the Financial Year 2023-24 to the Stock Exchanges where the shares of the Company are listed (viz NSE & BSE)
13. PAN & Change of Address	<p>Members holding equity share in physical form are requested to notify the change of address/ dividend mandate, if any, to the Company's Registrar & Share Transfer Agent, at the address mentioned above.</p> <p>The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in dematerialized form are requested to submit their PAN, notify the change of address including e-mail address/ dividend mandate, if any, to their respective Depository Participant (DP). Members holding shares in physical form can submit their PAN, notify the change of address including e-mail address/ dividend mandate, if any, to the Company/ Registrar & Share Transfer Agent.</p>
14. Share Transfer Process	Effective April 01, 2019, requests for effecting the transfer of listed securities are required to be processed only in dematerialised form. Therefore, the Company had stopped accepting any fresh transfer requests for securities held in physical form with effect from the said date. Dematerialisation of holdings will prevent any fraud in physical transfer of securities and improve ease, convenience, and safety of transactions for investors. In view of the aforesaid, Members who are holding shares in physical form are hereby requested to dematerialise their holdings
15. Dematerialisation of Equity shares & Liquidity	To facilitate trading in demat form the Company has made arrangements with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders may open account with any of the Depository Participant registered with any of these two depositories. As on March 31, 2023, 99.70% of the equity shares of the Company is held by 19,920 Equity Shareholders in dematerialized form and the balance 0.30% is held by 504 Equity Shareholders in physical form. Entire Equity shareholding of the Promoters in the Company is held in dematerialized form.
16. Secretarial Audit	<p>Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued, on a yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.</p> <p>A Company Secretary in practice carries out on a quarterly basis Reconciliation of Share Capital Audit, to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).</p> <p>Mr. Himanshu Kamdar, Partner of M/s. Rathi & Associates, Practicing Company Secretaries, has conducted a Secretarial Audit of the Company for FY 2022-23. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made thereunder, its Memorandum and Articles of Association, Listing Regulations and the applicable SEBI Regulations. The Secretarial Audit Report forms part of Board Report.</p>

17. Dividend History & Unclaimed Dividend:

Section 124 and Section 125 of the Act, read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, transfer, and Refund) Rule, 2016 ('the Rules') mandates that companies transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to IEPF. Further, the Rules mandate the transfer of shares with respect to the dividend, which has

not been claimed for seven consecutive years or more to IEPF. Accordingly, the dividend for the years mentioned as follows will be transferred to the IEPF on the respective dates if the dividend remains unclaimed for seven years, and the corresponding shares will also be transferred to IEPF. The Shareholders are requested to claim the unclaimed dividend amount immediately in order to avoid the transfer of dividend and shares to IEPF.



Year	Type of Dividend	Dividend Per Share (in ₹)	Date of declaration of Dividend	Due date for transfer to IEPF
2015-16	Final	2.50	September 09, 2016	2022
2016-17	Final	1.00	August 11, 2017	2023
2017-18	Final	1.50	August 10, 2018	2024
2018-19	Final	2.50	August 08, 2019	2025
2019-20	Final	1.50	November 02, 2020	2026
2020-21	Final	2.00	August 27, 2021	2027
2021-22	Final	2.00	September 28, 2022	2028

Claim from IEPF Authority

Members/Claimant whose unclaimed dividends and shares have been transferred to the IEPF Authority can claim the same by making an application to the IEPF Authority in E-form IEPF-5 (available at www.iepf.gov.in) and sending duly signed physical copy of the same to the Company at its Registered office along with requisite documents as prescribed in the instruction kit of e-form IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

18. Shareholder's Correspondence:

The Company has addressed all the investors' grievances/ queries/ information requests. It is the endeavor of the Company to reply to all letters/ communications received from the shareholders within a maximum period of 7 working days.

21. Share Capital Build-up

Particulars	No. of Shares Issued	Cumulative Equity Capital (No. of Shares)	Date of Issue
Subscribers to MOA and AOA	7	7	May 25, 1985
Bonus Issue	31,500	31,507	August 27, 1994
Private Placement	3,000,000	3,031,507	August 27, 1994
Private Placement	750,000	3,781,507	March 25, 1995
Public Issue	2,618,493	6,400,000	April 19, 1995
Preferential Allotment	400,000	6,800,000	September 23, 1995
Preferential Allotment	200,000	7,000,000	November 18, 1995
Preferential Allotment	1,250,000	8,250,000	August 20, 1996
Preferential Allotment	250,000	8,500,000	October 10, 1996
Preferential Allotment	1,000,000	9,500,000	March 02, 2002
Bonus Issue	1,900,000	11,400,000	July 17, 2012
Bonus Issue	1,140,000	12,540,000	July 06, 2013
Bonus Issue	1,254,000	13,749,000	July 11, 2014
Pursuant to scheme of arrangement	12,634,353	26,428,353	March 14, 2017
Conversion of Compulsorily Convertible Preference Shares (CCPS) into equity shares in the ratio of one equity share of ₹ 10/- each fully paid for one CCPS of ₹ 10/- each. (As provided in Scheme of Arrangement)	11,181,404	37,609,757	March 14, 2017

All correspondence may please be addressed to the Registrar & Share Transfer Agent at the address given above and/or the Company Secretary at investors@privi.co.in.

19. Outstanding Convertible Securities

There are no outstanding warrants or any other convertible instruments which are likely to impact the equity capital of the Company as on March 31, 2023.

20. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The Company does not deal in commodities and hence, the disclosure pursuant to SEBI Circular dated 15th November 2018 is not required to be given.

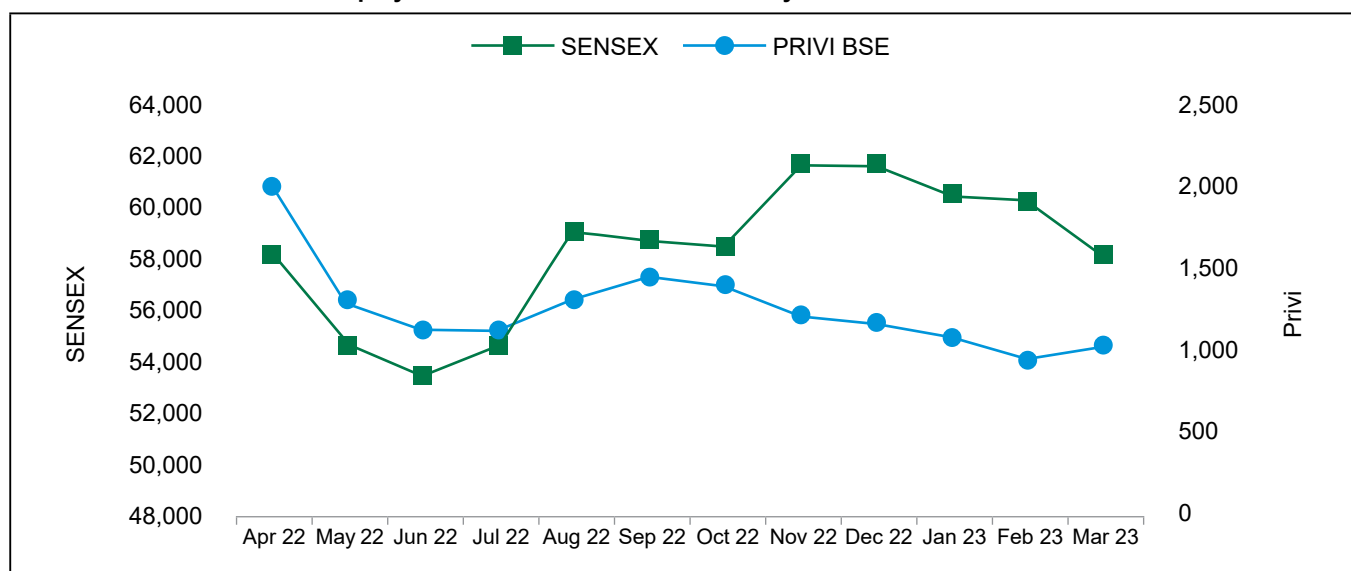
The Company has a Forex Risk Management Policy duly approved by the Board and has taken suitable steps from time to time for protecting self against foreign exchange risk(s).

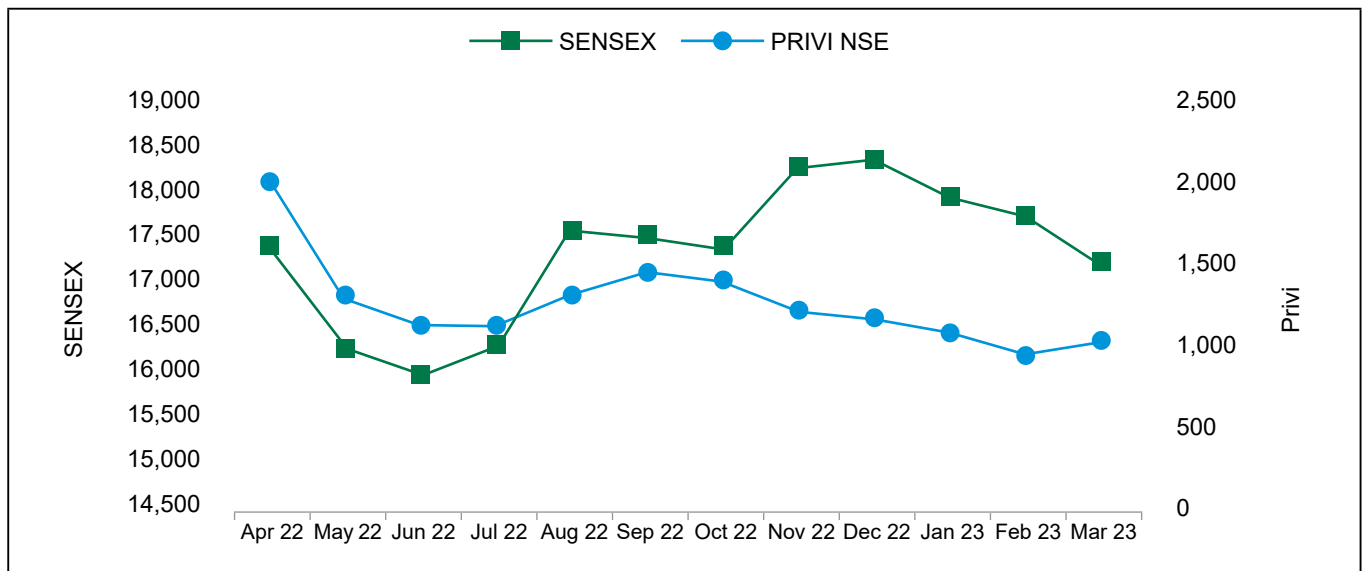
Particulars	No. of Shares Issued	Cumulative Equity Capital (No. of Shares)	Date of Issue
Conversion of remaining Compulsorily Convertible Preference Shares (CCPS) into equity shares in the ratio of one equity share of ₹ 10/- each fully paid for one CCPS of ₹ 10/- each. (As provided in Scheme of Arrangement)	1,452,949	39,062,706	September 05, 2018

22. Stock Market data relating to Shares Listed in India

Months	BSE			NSE		
	High (in ₹)	Low (in ₹)	Volume of Shares Traded	High (in ₹)	Low (in ₹)	Volume of Shares Traded
April, 2022	2,193.80	1,866.90	1,13,760	2,199.90	1,865.20	4,84,000
May, 2022	1,983.10	1,045.35	2,86,309	1,977.70	1,040.05	20,29,000
June, 2022	1,231.00	1,011.60	48,457	1,218.00	1,015.30	3,22,000
July, 2022	1,312.95	1,016.90	71,437	1,448.00	1,026.00	6,63,000
August, 2022	1,439.25	1,224.50	88,580	1,440.00	1,223.15	4,13,000
September, 2022	1,745.20	1,348.50	2,67,175	1,745.00	1,347.10	13,67,000
October, 2022	1,520.00	1,306.95	1,55,494	1,520.00	1,303.55	3,00,000
November, 2022	1,380.60	1,166.40	36,903	1,350.00	1,165.05	3,91,000
December, 2022	1,361.00	1,061.00	58,534	1,281.35	1,051.15	5,14,000
January, 2023	1,274.60	986.95	25,234	1,190.00	988.05	2,20,000
February, 2023	1,023.55	870.55	2,49,371	1,024.55	871.05	12,47,000
March, 2023	1,229.90	905.00	2,21,498	1,230.00	904.00	36,30,000

23. Relative Performance of the Equity Shares v/s. BSE Sensex and Nifty Index





24. Distribution of Shareholding as on March 31, 2023

No. of Equity Shares	Number of Share Holders		Number of Shares	
	Number	% of Holders	Number	% of Capital
Up to 500	19457	95.27	10,07,271	2.58
501-1000	408	1.99	3,02,674	0.78
1001-2000	224	1.10	3,30,281	0.85
2001-3000	71	0.35	1,77,128	0.45
3001-4000	41	0.20	1,47,548	0.38
4001-5000	39	0.19	1,77,476	0.45
5001-10000	73	0.36	5,55,300	1.42
10001 and Above	111	0.54	3,63,65,028	93.09

25. Categories of Equity Shareholders as on March 31, 2023

Category	No. of Shares held	% of total shares held
Promoter	2,89,25,601	74.05
Corporate Bodies	3,65,819	0.94
Individual	42,91,338	10.99
Financial Institution/Mutual Funds/Bank	14,61,546	3.74
Directors & Their Relatives	7,27,480	1.86
Foreign Institutional Investors/Overseas Corporate Bodies	27,34,572	7.00
Non-Resident Indians	2,44,510	0.63
Clearing Member	21,022	0.05
Hindu Undivided Family	2,19,916	0.56
IEPF	70,806	0.18
Trusts	96	0.00
Total	3,90,62,706	100%

26. Particulars of Shareholdings

a) Promoter Shareholding as on March 31, 2023

Sr. No.	Name of Shareholder	No. of Shares Held	% of Shareholding
1	M/s. Vivira Investments & Trading Pvt. Ltd.	1,54,95,188	39.67%
2	M/s. Money mart Securities Pvt. Ltd.	34,12,502	8.74%
3	Mr. Mahesh P Babani	25,86,348	6.62%
4	Mr. Mahesh Purshottam Babani HUF	17,91,720	4.59%
5	Mr. Bhaktavatsala Doppalapudi Rao	15,48,202	3.96%
6	Mr. Vinaykumar Doppalapudi Rao	8,91,068	2.28%
7	Mr. Vijaykumar Doppalapudi Rao	8,55,006	2.19%
8	Mrs. Premaleela Doppalapudi	5,24,522	1.34%
9	Mrs. Seema Mahesh Babani	3,90,000	1.00%
10	Ms. Snehal Mahesh Babani	3,90,000	1.00%
11	Ms. Jyoti Mahesh Babani	3,90,000	1.00%
12	Mrs. Sharon Doppalapudi	2,45,656	0.63%
13	Mrs. Grace Vinaykumar Doppalapudi	2,32,185	0.59%
14	Mr. Rameshbabu Gokarneswararao Guduru	93,446	0.24%
15	M/s MM Infra & Leasing Private Limited*	79,758	0.20%
16	Mr. Rajkumar Doppalapudi \$	0	–
17	Mrs. Prasanna Raj \$	0	–

*National Company Law Tribunal (NCLT), Mumbai Bench order dated October 13, 2021, had approved the Scheme of Arrangement between Minar Organics Private Limited (Transferor Company 01), Vivira Chemicals Private Limited (Transferor Company 02) and MM Infra & Leasing Private Limited (Transferee Company) and their respective Shareholders & Creditors (hereinafter referred to as the Scheme). As per the said Scheme Minar Organics Private Limited (Transferor Company 01), Vivira Chemicals Private Limited (Transferor Company 02) merged into MM Infra & Leasing P Limited (Transferee Company). The said scheme became effective post filing of Form INC-28 with Ministry of Corporate Affairs i.e w.e.f. November 10, 2021.

\$ Mr. Rajkumar Doppalapudi and Prasanna Doppalapudi have transferred their entire shareholding in the Company, to family members through gift deed, details of which are as follows:

Shareholding Details	Pre Transaction		Post Transaction	
	No. of Shares Held	% holding	No. of Shares Held	% holding
a) Acquirer/Transferee				
Vinaykumar Doppalapudi Rao	7,41,068	1.90%	8,91,068	2.28%
Vijaykumar Doppalapudi	7,05,006	1.80%	8,55,006	2.18%
Premaleela Doppalapudi	2,74,522	0.70%	5,24,522	1.34%
Doppalapudi Bhaktavatsala Rao	11,20,346	2.87%	15,48,202	3.97%
Total (a)	28,40,942	7.27%	38,18,798	9.77%
b) Seller/Transferor				
Rajkumar Doppalapudi	6,90,782	1.77%	–	–
Prasanna Raj	2,87,074	0.73%	–	–
Total (b)	9,77,856	2.50%	–	–
Total	38,18,798	9.77%	38,18,798	9.77%

**b) Top Ten (10) Public Shareholding as on March 31, 2023**

Sr. No.	Name of Shareholder	No. of Shares held	% of Shareholding
1	Banbridge Limited	23,83,958	6.10
2	SBI Large & Midcap Funds	9,18,221	2.35
3	Bimal D Parikh	2,89,786	0.74
4	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Growth Opportunities Fund	2,60,198	0.67
5	Bhartula Vjk Sharma	1,61,600	0.41
6	Elara India Opportunities Fund Limited	1,13,338	0.29
7	Abhijit Yashawant Gore	1,03,150	0.26
8	Gouresh Hirakant Sinari	97,849	0.25
9	Dhirendra B Shah	93,975	0.24
10	Trustline Deep Alpha Aif	71,400	0.18

Auditors Certificate on Compliance with the Conditions of Corporate Governance under regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Members of
Privi Speciality Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by Privi Speciality Chemicals Limited ('the Company') for the year ended March 31, 2023, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations have been limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We 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.

For Rathi & Associates
Company Secretaries

Himanshu S. Kamdar
Partner
Mem No. FCS5171
COP No. 3030

Place: Mumbai

Date: May 29, 2023



Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C Sub-clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

PRIVI SPECIALITY CHEMICALS LIMITED

Privi House, Plot No A-71, TTC,
Thane Belapur Road, KoparKhairane,
Navi Mumbai, Thane - 400710

Dear Sirs,

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Privi Speciality Chemicals Limited, having CIN: L15140MH1985PLC286828, and registered office at Privi House, Plot No A-71, TTC, Thane Belapur Road, Kopar Khairane, Navi Mumbai, Thane – 400710 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para C, sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of the Director	DIN	Date of Appointment
1.	Mr. Mahesh Purshottam Babani	00051162	11/05/2017
2.	Mr. Bhaktavatsala Rao Doppalapudi	00356218	11/05/2017
3.	Mr. Rajesh Harichandra Budhrani	01284426	11/05/2017
4.	Mr. Padmanabh Ramchandra Barpande	00016214	11/05/2017
5.	Mr. Dwarko Topandas Khilnani	01824655	13/08/2020
6.	Mr. Anurag Surana	00006665	13/08/2020
7.	Ms. Anuradha Eknath Thakur	06702919	13/08/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Rathi & Associates

Company Secretaries

Himanshu S. Kamdar

Partner

Mem No. FCS5171

COP No. 3030

Place: Mumbai

Date: May 29, 2023



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING



ABOUT US

PRIVI SPECIALITY CHEMICALS LTD. IS A LEADING MANUFACTURER OF AROMA CHEMICALS BASED IN INDIA. THE COMPANY WAS FOUNDED IN 1992 AND HAS SINCE THEN GROWN TO BECOME A GLOBALLY RECOGNIZED PLAYER IN THE INDUSTRY.

Organization's product range includes over 50 different aroma and fragrance chemicals, having a capacity of over 40,000 tons per annum. The company has state-of-the-art manufacturing facilities located in Mahad, Maharashtra and Jhagadia, Gujarat.

Privi Speciality Chemicals Ltd. is committed to maintaining the highest quality standards in its products and has been awarded various certifications, including ISO 9001:2015, ISO 14001:2015 for Environmental Management System (EMS) and has a ISO 45001:2018 standard Certification Accredited by Bureau Veritas (Occupational Health & Safety Management System (OHSMS) for all Manufacturing Units in Mahad from Bureau Veritas & ISO 9001:2015 for its Jhagadia unit.

Our mission is to be the preferred supplier of aroma chemicals globally, and the company has a strong focus on research and development to continuously improve its product portfolio and stay ahead of the competition.

We welcome the reporting framework 'Business Responsibility and Sustainability Reporting' ("BRSR") introduced by the Securities and Exchange Board of India ("SEBI") containing detailed Environmental, Social and Governance ("ESG") disclosures and we have mandatorily adopted the framework for the financial year 2022-23.



This report also speaks about the organization's ESG approach which propels the business strategy to deliver.

In this report, the words – 'Privi', 'We', 'Company', 'Our', 'Organization' are used interchangeably to denote Privi Speciality Chemicals Ltd.



ESG AND PRIVI SPECIALITY CHEMICALS LTD.

Privi Speciality Chemicals Ltd. is a leading aroma chemicals manufacturer, supplier and exporter with a culture and belief of holistic sustainable development. The organization supports wide range of ESG programs through ratings and disclosures related to carbon and water emission and has also received various awards on its social front.

The organization also engages in various other initiatives aligned with that of various SDG's (Please refer to Annexure A to this report)



ENVIRONMENT:

The organization on the environment front makes various disclosures and has received ranking on the Global level which makes the organization stand out from its peers. A few of the accolades include:

The organization being an active contributor towards environment, labor and human rights has participated in survey conducted by EcoVadis and has secured on the parameter of Environment 70 out of 100 and has been awarded with silver medal in recognition of its sustainability achievement.



The organization is actively disclosing its Scope 1, 2 and 3 emissions to Carbon Disclosure Project (CDP) and scored 'C' rating which is same as Asia regional average score.



SOCIAL:

The organization on the social front actively works for the benefit of its employees and has also received various awards from "National Safety Council" for contribution towards safety of its employees at different Units.

The organization has received Certificate of Appreciation on 17th March, 2023, from 'National Safety Council of India' for its Unit-II in Mahad, Raigad, Maharashtra in recognition of their appreciable achievement in Occupational Safety & Health during 2019-2021.



The organization has received on 12th November, 2022 Certificate form 'National Safety Council- Maharashtra Chapter' Maharashtra safety Awards- 2021 for achieving Longest Accident Free Period in Chemicals and Fertilizers Industrial Group for the location Unit-I and Unit II in Mahad, Raigad, Maharashtra.



The organization has participated in survey conducted by EcoVadis and has secured 60 out of 100 on the parameter of Labour and Human Rights and has been awarded with silver medal in recognition of its sustainability achievement.





GOVERNANCE:

On the Governance front, the organization has made various disclosures in regards to their initiatives towards supplier engagement and sustainable procurement and has received ratings on Global level.

The organization has participated in survey conducted by EcoVadis and has secured 50 and 60 out of 100 on the parameter of Ethics and Sustainable Procurement and has been awarded with silver medal in recognition of its sustainability achievement.



The organization discloses its Supplier Engagement Rating (SER) 2022 and has scored 'B-' rating which is in the Management band. This is higher than the Asia regional average and Chemicals sector average of C.



The TfS* on-site audit was conducted on the basis of best practices around Health & Safety, Governance, Ethics, Human Rights etc., on Nov 22, 2022 and the company has scored '85%' under Good Performance (Green classified) with 5 years validity.



* TfS is a joint initiative of chemical companies to ensure sustainability of supply chains.



Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity :

1.	Corporate Identity Number (CIN) of the Listed Entity	L15140MH1985PLC286828	
2.	Name of the Listed Entity	Privi Speciality Chemicals Limited	
3.	Year of incorporation	1985	
4.	Registered office address	Privi House, A-71, TTC Thane Belapur Road, Kopar Khairane, Navi Mumbai-400710	
5.	Corporate address	Privi House, A-71, TTC Thane Belapur Road, Kopar Khairane, Navi Mumbai-400710	
6.	E-mail	ashwini.shah@privi.co.in	
7.	Telephone	022-33043500	
8.	Website	http://www.privico.com	
9.	Financial year for which reporting is being done	2022-23	
10.	Name of the Stock Exchange(s) where shares are listed	Name of the Exchange BSE Ltd. National Stock Exchange of India Ltd.	Stock Code 530117 PRIVISCL
11.	Paid-up Capital	INR 39,06,27,060/-	
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Ashwini Saumil Shah, Company Secretary, Telephone number: +91 9870158955 Email: ashwini.shah@privi.co.in	
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). –	The disclosure under this report are made on a standalone basis, unless otherwise specified.	

II. Products/ services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing of Chemical	Manufacturing and trading of aroma chemicals	100%

15. Products/ Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/ Service	NIC Code	% of Turnover contributed
1.	Aroma Chemicals	20119	100%

* Note: For detailed list of products, we request you to refer to our website <https://www.privico.com/fragrances/our-product>

**III. Operations****16. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	8	2	10
International	–	2*	2

* Our International Offices are located in USA and The Netherlands.

17. Markets served by the entity:**a. Number of locations**

Locations	Number
National (No. of States)	21*
International (No. of Countries)	38

* Note: Number of States includes 3 Union Territories

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

Total export contribution for the reporting period is 74%

c. A brief on types of customers:

The Company is the manufacturer and supplier of wide varieties of aroma chemicals. The products are supplied to a large number of Flavours & Fragrance (F&F) companies globally, which includes the top 10 F&F houses in the world. Apart from this, the products are also supplied to FMCG companies like Procter & Gamble, Reckitt & Benckiser. Aroma chemicals supplied to fragrance houses like Givaudan, Symrise & Firmenich are utilized in manufacturing varieties of fragrance which are eventually used in products like detergents, soap, cream & perfumes etc.

These fragrance ingredients are also used in home care, personal care, fabric care, oral care, fine fragrances, food products like beverages, snacks, dairy products, sweets etc.

The Company also supplies the products through distributors located at different parts of the world. These distributors further supply the material to the end users.

IV. Employees**18. Details as at the end of Financial Year¹:****a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	542	501	92.44%	41	7.56%
2.	Other than Permanent (E)	130	114	87.69%	16	12.31%
3.	Total employees (D + E)	672	615	91.52%	57	8.48%
WORKERS						
4.	Permanent (F)	169	169	100.00%	Nil	Nil
5.	Other than Permanent (G)	Nil	Nil	Nil	Nil	Nil
6.	Total workers (F + G)	169	169	100.00%	Nil	Nil

¹SDG Targets

SDG: 5.1 End all forms of discrimination against all women & girls everywhere

SDG: 5.5 Ensure women's full & effective participation & equal opportunities for leadership at all levels of decision making in political, economic & public life

SDG: 8.5 By 2030, achieve full & productive employment & decent work for all women & men, including for young people & persons with disabilities, & equal pay for work of equal value

SDG: 10.3 Ensure equal opportunity & reduce inequalities of outcome, including by eliminating discriminatory laws, policies & practices & promoting appropriate legislation, policies & action in this regard

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	1	100.00%	Nil	Nil
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3.	Total differently abled employees (D + E)	1	1	100.00%	Nil	Nil
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	Nil	Nil	Nil	Nil	Nil
5.	Other than permanent (G)	Nil	Nil	Nil	Nil	Nil
6.	Total differently abled workers (F + G)	Nil	Nil	Nil	Nil	Nil

19. Participation/Inclusion/Representation of women²

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14.29%
Key Management Personnel	2	1	20.00%

20. Turnover rate for permanent employees and workers³ (in percent)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.97%	14.63%	14.02%	10.89%	12.0%	11.0%	5.42%	15.1%	6.1%
Permanent Workers	0.59%	Nil	0.59%	0.59%	Nil	0.59%	0.58%	Nil	0.58%

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

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

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Privi Biotechnologies Private Limited	Subsidiary	100	No
2.	Privi Speciality Chemicals USA Corporation (formerly known as Privi Organics USA Corporation)	Subsidiary	100	No
3.	Prigiv Specialties Private Limited	Subsidiary	51	No

²SDG Targets

SDG: 5.1 End all forms of discrimination against all women & girls everywhere

SDG: 5.5 Ensure women's full & effective participation & equal opportunities for leadership at all levels of decision making in political, economic & public life

SDG: 8.5 By 2030, achieve full & productive employment & decent work for all women & men, including for young people & persons with disabilities, & equal pay for work of equal value

SDG: 10.3 Ensure equal opportunity & reduce inequalities of outcome, including by eliminating discriminatory laws, policies & practices & promoting appropriate legislation, policies & action in this regard

³SDG: 5.1 End all forms of discrimination against all women & girls everywhere [SES Note: No Direct Linkage - Mapped for reference]

SDG: 8.5 By 2030, achieve full & productive employment & decent work for all women & men, including for young people & persons with disabilities, & equal pay for work of equal value

SDG: 10.1 By 2030, progressively achieve & sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average

**VI. CSR Details**

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013⁴ : Yes

(ii) Turnover (in ₹) – 1,42,406.49 Lakhs

(iii) Net worth (in ₹) – 80,735.81 Lakhs

VII. Transparency and Disclosures Compliances

23. Complaints/Grievance on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:⁵

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No)	FY 2022-23			FY 2021-22		
		(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Communities	Yes, the organization has grievance mechanism in place, and the concerned aggrieved can raise their concern at info@privi.co.in	Nil	Nil	Nil	NIL	NIL	NIL
Investors (other than shareholders)	Yes: The organization has grievance policy in place wherein the aggrieved investor can write at investors@privi.co.in	Nil	Nil	Nil	NIL	NIL	NIL
Shareholders	Yes: A SEBI specified mechanism is in place and the concerned can write their concerns to Audit Committee: pbarpande@gmail.com	4	Nil	Nil	NIL	NIL	NIL

⁴SDG Targets

SDG: 8.1 Sustain per capita economic growth in accordance with national circumstances &, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries

SDG: 9.1 Develop quality, reliable, sustainable & resilient infrastructure, including regional & transborder infrastructure, to support economic development & human well-being, with a focus on affordable & equitable access for all

SDG 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation & substantially increasing the number of research & development workers per 1 million people & public & private research & development spending

Aligned TCFD

Strategy disclosure – a) Describe the climate related risks & opportunities the organization has identified over the short, medium, & long term.

Strategy disclosure – b) Describe the impact of climate-related risks & opportunities on the organization's businesses, strategy & financial planning.

⁵SDG Targets

SDG: 16.6 Develop effective, accountable & transparent institutions at all levels.

Aligned TCFD

Strategy disclosure – a) Describe the climate related risks & opportunities the organization has identified over the short, medium, & long term.

Strategy disclosure – b) Describe the impact of climate-related risks & opportunities on the organization's businesses, strategy & financial planning.

Risk Management disclosure – a) Describe the organization's processes for identifying & assessing climate-related risks.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No)	FY 2022-23			FY 2021-22		
Employees and workers	Yes: The organization has mechanism, wherein the aggrieved person can report the concern to their HR	Nil	Nil	Nil	NIL	NIL	NIL
Customers	Yes, the organization has grievance mechanism in place, and the concerned aggrieved can raise their concern at info@privi.co.in	Nil	Nil	Nil	NIL	NIL	NIL
Value Chain Partners		Nil	Nil	Nil	NIL	NIL	NIL

* Grievance redressal policy is a part of our HR manual and the same is available internally at <https://www.privico.com>

24. Overview of the entity's material responsible business conduct issues⁶ pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Management of the Legal and Regulatory Environment Compliances	Risk	The Chemical industry faces strict regulation governing air emissions, water discharge, chemical safety, and process safety, among other issues. Anticipating and adapting to regulatory developments, both in the short and long term, is a critical issue for the industry, as regulatory developments can significantly affect product demand, manufacturing costs, and brand value.	In order to mitigate the risk attached to Current and emerging regulations, the organization has EHS representatives responsible for each facility for understanding and reporting on local regulatory activity and they are responsible for all air permitting, air quality reporting, understanding, water permitting, wastewater quality reporting and ensuring the facility is ready for any new regulations. Organization also is an active participant in local industries associations where information related to change in regulation is being shared with members. Further, we manages this risk through assessments of potential risks and backup plans to continue production in the cases of disruptions to raw material sources, manufacturing sites, and even the distribution process.	Negative

⁶SDG Targets

SDG: 8.5 By 2030, achieve full & productive employment & decent work for all women & men, including for young people & persons with disabilities, & equal pay for work of equal value 13.1 Strengthen resilience & adaptive capacity to climate related hazards & natural disasters in all countries

Aligned TCFD

Governance disclosure – b) Describe management's role in assessing & managing climate-related risks & opportunities.

Strategy disclosure – a) Describe the climate related risks & opportunities the organization has identified over the short, medium, & long term.

Strategy disclosure – b) Describe the impact of climate-related risks & opportunities on the organization's businesses, strategy & financial planning.

Risk Management disclosure – a) Describe the organization's processes for identifying & assessing climate-related risks.

Risk Management disclosure – b) Describe the organization's processes for managing climate-related risks

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management.



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Employee Health & Safety	Risk	Employees in chemicals manufacturing facilities face health and safety risks from exposure to heavy machinery, harmful substances, high temperatures and pressure, and electrical hazards, among others. Creating an effective safety culture is critical to proactively mitigate safety impacts, which could result in financial consequences, including higher healthcare costs, litigation, and work disruption.	The organization being Chemical industry has already identified the risk associated with the same and thereby has strict policy and guidelines regulating health and safety of its employees. Safety is one of the five core values of our organization & hence gets top management focus. The organization endeavors to maintain a safe work environment and promote a culture of safety thereby minimizing safety-related expenses and potentially improve productivity. The company also provides insurance facility to its employees as a compensating measure in case of any health hazard.	Negative
3.	Climatic Effects	Risk	There are high chances of production/ operational activities getting affected in case of extreme weather events such as cyclones and floods, heatwave etc. The company, having vast area coverage of its operations has two such manufacturing locations in India. One is Mahad plant (prone to heavy rains) and other is Jhagadia plant (prone to Cyclone/ dry climate), apart from this we have dedicated third party manufactures in two other states of India.	Organization has invested in electrical and instrumentation (for flood protection) and other critical facilities. In order to prevent impact of such scenario, company has implemented proactive measures to tackle flood related emergency and climate conditions. Further, we have covered such instances in our insurance policy. In addition to this, we have kept our third-party manufacturers ready as backup in case of emergency. The entire emergency response team of the organization was trained on handling flood emergency by the local National Disaster Management team.	Negative
4	GHG Emissions	Risk	Chemical manufacturing generates direct (Scope 1) greenhouse gas (GHG) emissions from the combustion of fossil fuels in manufacturing and cogeneration processes, as well as process emissions from the chemical transformation of feedstocks.	The organization with the legacy of responsible innovation, continues to develop ways in order to reduce emission. Since we proactively discloses its details related to emission via CDP and EcoVadis, it helps us innovate and better utilize our alternate means of energy which further helps us to reduce GHG emissions.	Negative
	GHG Emissions	Opportunity	Since the organization is ahead of the curve in researching reporting and reducing the fatal aspects of its emissions and effluents, it is able to better manage its hazardous waste and other waste with a visible positive impact on financial and non-financial aspects.	NA	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1.7 a. Whether your entity’s policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	No	No	Yes	No	No	No	Yes	Yes

SDG Targets

SDG: 16.6 Develop effective, accountable & transparent institutions at all levels

Aligned TCFD

Governance disclosure – a) Describe the board’s oversight of climate-related risks & opportunities.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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c. Web Link of the Policies, if available

Web links for the policies are as mentioned below:

Supplier code of conduct guidelines

<https://www.privi.com/Downloads/Policies-PSCL/Supplier-Code-of-Conduct-guidelines.pdf> | P2, P3, P9

Vigil Mechanism & Whistleblower Policy:

<https://www.privi.com/Downloads/Policies-PSCL/PSCL-Vigil-Mechanism-Policy-V-1-1.pdf> | P1

Risk Management Policy: <https://www.privi.com/Downloads/Policies-PSCL/PSCL-Risk-Management-Policy--V-1-1.pdf> | P1, P2

Policy on Related Party Transaction:

<https://www.privi.com/Downloads/Policies-PSCL/PSCL-Policy-on-Related-Party-Transactions-V-1-1.pdf> | P1, P4, P7

Policy on Determination of Material Subsidiary :

<https://www.privi.com/Downloads/Policies-PSCL/PSCL-Policy-on-Material-Subsidiary.pdf> | P1

Familiarization Programmer for Independent Directors

<https://www.privi.com/Downloads/Policies-PSCL/PSCL-Directors-Familiarization-Programme.pdf> | P1

Policy on Corporate Social Responsibility:

https://www.privi.com/Downloads/Policies-PSCL/PSCL-Corporate-Social-Responsibility-Policy-Ver_1_1.pdf | P4, P8

Policy on Code of Conduct

<https://www.privi.com/Downloads/Policies-PSCL/PSCL-Code-of-Conduct.pdf> | P1

Policy on Dividend Distribution Policy :

<https://www.privi.com/Downloads/Policies-PSCL/PSCL-Dividend-Distribution-Policy.pdf> | P3, P4

Policy on Determination of Materiality of Events :

<https://www.privi.com/Downloads/Policies-PSCL/PSCL-Determination-of-Materiality-V-1-1.pdf> | P1, P4

Policy on Nomination and Remuneration Policy:

<https://www.privi.com/Downloads/Policies-PSCL/PSCL-Nomination-and-Remuneration-Policy.pdf> | P3, P4

Policy on Integrated Management System Policy :

https://www.privi.com/Downloads/Policies-PSCL/IMS-policy-revised-13_08_2020.pdf | P1, P3

Terms and Conditions of Appointment of Independent Director :

<https://www.privi.com/Downloads/Policies-PSCL/Terms-Conditions-of-Appointment-of-ID.pdf> |P1

Few of the companies' policies form the part of HR manual accessible to all employees which covers all the Principles of NGRBC.

2. Whether the entity has translated the policy into procedures. ⁸ (Yes / No)	Yes	Yes	Yes	No	Yes	No	Yes	No	Yes
3. Do the enlisted policies extend to your value chain partners? ⁹ (Yes/No)	Yes	Yes	Yes	No	Yes	No	Yes	No	Yes
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. ¹⁰	Policies as mentioned above are based on Principles of NGRBC. Additionally, they are in conformity with the international certifications obtained by the organization viz.: ISO 9001:2015, ISO 14001:2015 (Environmental Management System (EMS)) and has a ISO 45001:2018 standard Certification Accredited by Bureau Veritas (Occupational Health & Safety Management System (OHSMS) for all Manufacturing Units in Mahad (constituting 90% of operating units) from Bureau Veritas & ISO 9001:2015 for its Jhagadia unit.								

⁸ **Aligned TCFD**

Strategy disclosure – c) Describe the resilience of the entity's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management.

⁹ **Aligned TCFD**

Strategy disclosure – a) Describe the climate related risks & opportunities the organization has identified over the short, medium, & long term.

¹⁰ **Aligned TCFD**

Risk Management disclosure – b) Describe the organization's processes for managing climate-related risks.

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management.



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitments, goals and targets set by the entity with defined timelines, if any. ¹¹	The organization tries to endeavor its ESG journey by establishing a tangible data driven ESG strategy and sharing the progress with key stakeholders to show the ability to manage risks, remain profitable and operate responsibly.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. ¹²									
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (<i>listed entity has flexibility regarding the placement of this disclosure</i>). ¹³	Privi Speciality Chemicals Ltd. is committed to develop a suitable ESG framework for the organization. Being part of chemical industry, it is critical as well as challenging for us to keep our operations environmentally and socially sustainable. To address these challenges systematically and identify our most critical intervention areas, we strive to overcome hurdles in front of us.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). ¹⁴	Mr. R S Rajan, President rajan@privi.co.in								

¹¹ SDG Targets

SDG: 5.5 Ensure women’s full & effective participation & equal opportunities for leadership at all levels of decision making in political, economic & public life.

SDG: 12.2 By 2030, achieve the sustainable management & efficient use of natural resources.

SDG: 12.4 By 2030, achieve the environmentally sound management of chemicals & all wastes throughout their life cycle, in accordance with agreed international frameworks, & significantly reduce their release to air, water & soil in order to minimize their adverse impacts on human health & the environment.

SDG: 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling & reuse.

Aligned TCFD

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization’s overall risk management.

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

Metrics & Targets disclosure – b) Disclose Scope 1, Scope 2, &, if appropriate, Scope 3 greenhouse gas (GHG) emissions, & the related risks.

Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.

¹² Aligned TCFD

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization’s overall risk management.

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

Metrics & Targets disclosure – b) Disclose Scope 1, Scope 2, &, if appropriate, Scope 3 greenhouse gas (GHG) emissions, & the related risks.

Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.

¹³ SDG Targets

SDG: 5.5 Ensure women’s full & effective participation & equal opportunities for leadership at all levels of decision making in political, economic & public life.

SDG: 16.7 Ensure responsive, inclusive, participatory & representative decision-making at all levels.

Aligned TCFD

Governance disclosure – a) Describe the board’s oversight of climate-related risks & opportunities.

Governance disclosure – b) Describe management’s role in assessing & managing climate-related risks & opportunities.

Strategy disclosure – a) Describe the climate related risks & opportunities the organization has identified over the short, medium, & long term.

Strategy disclosure – c) Describe the resilience of the entity’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Metrics & Targets disclosure – b) Disclose Scope 1, Scope 2, &, if appropriate, Scope 3 greenhouse gas (GHG) emissions, & the related risks.

Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.

¹⁴ SDG Targets

SDG: 12.2 By 2030, achieve the sustainable management & efficient use of natural resources

Aligned TCFD

Governance disclosure – a) Describe the board’s oversight of climate-related risks & opportunities. Governance disclosure – b) Describe management’s role in assessing & managing climate-related risks & opportunities. Risk Management disclosure – b) Describe the organization’s processes for managing climate-related risks. Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization’s overall risk management.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. ¹⁵	Sustainable development is at the core of the company's operation which is also outlined in the Environment, Health, and Safety practices. Company follows sound environmental management practices at its manufacturing unit to access and address potential environmental risks.								

10. Details of Review of NGRBCs by the Company.¹⁶:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against Above policies and follow up action	Yes									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	No major non-compliance of material nature has been reported. Operational issues are being addressed on an 'ongoing basis' as and when identified. Each functional head monitors and ensures compliance applicable to their respective functions									Quarterly/ Annually wherever applicable.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? ¹⁷ (Yes/No). If yes, provide name of the agency.	In addition to periodic internal evaluation at Board and Committee level assurances and comfort is sought by the organization on its policies/ procedures through periodic audits by external agencies. For the purpose of this report through an extensive exercise, assessment of operationalization and effectiveness of policies mentioned in this section, is done by Dhir and Dhir Associates, a Law Firm.								
12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated: ¹⁸									
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									

¹⁵ **SDG Targets**

SDG: 12.2 By 2030, achieve the sustainable management & efficient use of natural resources

¹⁶ **Aligned TCFD**

Strategy disclosure – a) Describe the climate related risks & opportunities the organization has identified over the short, medium, & long term.

Strategy disclosure – b) Describe the impact of climate-related risks & opportunities on the organization's businesses, strategy & financial planning.

¹⁷ **Aligned TCFD**

Strategy disclosure – a) Describe the climate related risks & opportunities the organization has identified over the short, medium, & long term.

¹⁸ **Aligned TCFD**

Strategy disclosure – a) Describe the climate related risks & opportunities the organization has identified over the short, medium, & long term.

Strategy disclosure – c) Describe the resilience of the entity's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Risk Management disclosure – a) Describe the organization's processes for identifying & assessing climate-related risks.

Risk Management disclosure – b) Describe the organization's processes for managing climate-related risks

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

SDG's aligned

**Essential Indicators****1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:¹⁹**

Segment	Total Number of training and awareness programs held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	4	Familiarization Programme	100%
Key Managerial Personnel	1	POSH Awareness	60%
Employees other than BoD and KMPs	174	– HRMS Software training	100%
Workers	103	– Safety Training	
		– SAP Training	
		– Plant Process/ Engineering Process	
		– Disaster Management & Emergency Preparedness	
		– Fire Safety Training	
		– POSH Awareness	
		– ETI Base Code	
		– Competency/ Leadership	
		– Risk Assessment	
		– Privi Values	
		– Business Ethics & Code of Conduct	
		– Sustainability	
		– Town Hall	
		– Induction	
		– Employee Wellbeing and Health Awareness	
		– IMS (Integrated Management System) Awareness	

¹⁹SDG Targets

SDG: 16.3 Promote the rule of law at the national & international levels & ensure equal access to justice for all.

SDG: 16.7 Ensure responsive, inclusive, participatory & representative decision-making at all levels.

Aligned TCFD

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year (basis the materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)²⁰

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Monetary					
Penalty/Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding Fee	Nil	Nil	Nil	Nil	Nil
Non-Monetary					
Imprisonment	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.²¹

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Nil	Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.²²

Yes, the organization strongly supports transparency and openness within the organization and thereby has in place Anti-Corruption and Anti-bribery (ABAC) policy. The organization aims at detection and prevention of fraud, bribery, and all other corrupt business practices and thereby the policy applies to every individual working or is directly or indirectly associated with the organization.

The organization also has Vigil Mechanism & Whistleblower Policy in place providing adequate safeguards against victimization of employees who avail of the mechanism. No personnel of the Company have been denied access to the Chairperson of the Audit Committee.

The organization's ABAC policy is the part of HR manual and Vigil Mechanism & Whistleblower Policy as adopted by the Company is available on the Company's website at <https://www.privi.com/investor-relations/corporate-governance/company-policies>.

²⁰ Aligned TCFD

Governance disclosure – a) Describe the board's oversight of climate-related risks & opportunities. Strategy disclosure – a) Describe the climate related risks & opportunities the organization has identified over the short, medium, & long term.

²¹ Aligned TCFD

Governance disclosure – a) Describe the board's oversight of climate-related risks & opportunities. Strategy disclosure – a) Describe the climate related risks & opportunities the organization has identified over the short, medium, & long term. Strategy disclosure – b) Describe the impact of climate-related risks & opportunities on the organization's businesses, strategy & financial planning. Strategy disclosure – c) Describe the resilience of the entity's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

²² SDG Target

SDG: 16.5 Substantially reduce corruption & bribery in all their forms

Aligned TCFD

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management.



5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption: ²³

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest: ²⁴

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	Nil	Nil	Nil	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	NIL

7. Provide details of any corrective action taken or underway on issues related to fines / penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. ²⁵

The organization has requisite ABAC policy in place the same is reviewed periodically, and corrective actions are taken if and when required. However, since there was no such instance reported, no corrective actions were taken.

²³ SDG Target

SDG: 16.5 Substantially reduce corruption & bribery in all their forms

²⁴ SDG Target

SDG: 16.6 Develop effective, accountable & transparent institutions at all levels

Aligned TCFD

Strategy disclosure – a) Describe the climate related risks & opportunities the organization has identified over the short, medium, & long term.

²⁵ SDG Target

SDG: 16.5 Substantially reduce corruption & bribery in all their forms

Aligned TCFD

Strategy disclosure – c) Describe the resilience of the entity's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Leadership Indicators

1. Awareness programs conducted for value chain partners on any of the Principles during the financial year: ²⁶

Total number of awareness programs held	Topic/principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programs
2	<ul style="list-style-type: none"> - Road Safety - Product Sustainability (Brand awareness) - Supplier Code of Conduct - Health and safety 	80%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? ²⁷ (Yes/No) If yes, provide details of the same.

Yes, the organization has set procedures and has formulated a code of conduct to avoid/manage conflict of interest. In addition to annual disclosure obtained from Board on entities/ transaction in which they are interested, company also has a Policy on related party transaction, which regulates transactions with related parties and ensures transparency between them.



Privi being an active contributor towards environment, labour and human rights has participated in the survey during the Financial Year, and has scored as 62% (83rd Percentile).

Parameters	Scores Obtained (Out of 100)
Environment	70
Labour and Human Rights	60
Ethics	50
Sustainable Procurement	60
Overall Score	62

Ecovadis is a company that provides sustainability ratings and assessments of companies across various industries. It is now turning towards the global standard sustainability management platform for trading partners to be rated and monitored on their sustainability performance, while driving continuous improvement.

²⁶ **SDG Target**

SDG: 16.7 Ensure responsive, inclusive, participatory & representative decision-making at all levels

Aligned TCFD

Risk Management disclosure – a) Describe the organization’s processes for identifying & assessing climate-related risks. Risk Management disclosure – b) Describe the organization’s processes for managing climate-related risks

²⁷ **Aligned TCFD**

Strategy disclosure – a) Describe the climate related risks & opportunities the organization has identified over the short, medium, & long term.

Strategy disclosure – b) Describe the impact of climate-related risks & opportunities on the organization’s businesses, strategy & financial planning.

Risk Management disclosure – a) Describe the organization’s processes for identifying & assessing climate-related risks.

Risk Management disclosure – b) Describe the organization’s processes for managing climate-related risks.

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization’s overall risk management.

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe****SDG's aligned****Essential Indicators****1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively. ²⁸**

	FY 2022-23	FY 2021-22 (In Lakhs)	Details of improvements in the environmental and social impacts
R&D	CWIP	₹ 651.70	During the reporting year the organization has spent and capitalized an amount of ₹ 6,54,19,643 on various initiatives related to sustainability activities. The amount spent includes setting up 72 KLD Multiple Effective Evaporator (MEE) Plant with ATFD for treatment of liquid effluents, the Company have also invested in RO Plant which shall enable to reuse the treated water. Furthermore, the Company also has started its initiative in Solar Panel generation of electricity for its Unit 10 located at Mahad and it is expected to be commissioned and utilized by end of Q1 of 23-24. The amount spent is approximately ₹ 2.28 crores and is reflected in the Capital Work in Progress (CWIP) in the financials of FY 2022-23. The Company is also forming a Special Purpose Vehicle Company (SPV) for generating Electricity using Solar energy which shall help in about 25% of its electricity requirements for its Unit 2 located at Mahad. This SPV is expected to commence its operations by end of Q2 of 23-24. Apart from this the Company has also embarked upon engaging and building up a Zero Liquid Discharge facility for all its manufacturing units at Mahad. The Company has spent approximately ₹15.50 crores and the same is appearing as CWIP in the financials of FY 2022-23.
Capex	CWIP	₹ 590.16	

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

Yes, the organization recognizes its responsibility towards minimizing impact on human health, environment and community. We have a sustainable sourcing policy in place wherein it intends to procure materials, products or services in a manner that integrates fiscal responsibility, social equity and environmental stewardship.

b. If yes, what percentage of inputs were sourced sustainably?²⁹

The organization incurs 90% (inputs to total inputs by value) is being procured from sustainable sources.

²⁸ Aligned TCFD

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

²⁹ SDG Target

SDG: 5.2 Eliminate all forms of violence against all women & girls in the public & private spheres, including trafficking & sexual & other types of exploitation

Aligned TCFD

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management. Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The organization does not reclaim product, since all the wastes generated are disposed off scientifically to the authorized vendors certified by the Pollution Control Board.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.³⁰

No. Considering nature of operations, EPR is not applicable to us. We do not collect plastics /packing materials generated during our production process. All wastes are disposed-off scientifically to the authorized vendors certified by the Pollution Control Board.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?³¹

NIC Code	Name of Product/ Service	% of total Turnover Contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
20119	Aroma Chemicals	100%	Cradle to grave	Yes	Yes, the results are shared with statutory Authorities like MOEF

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.³²

Name of Product/ Service	Description of the risk/ concern	Action Taken
All Products	Since all the products of the organization are biodegradable, no major risk anticipated	Nil

³⁰ Aligned TCFD

Strategy disclosure – a) Describe the climate related risks & opportunities the organization has identified over the short, medium, & long term.

Strategy disclosure – c) Describe the resilience of the entity's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Risk Management disclosure – b) Describe the organization's processes for managing climate-related risks.

³¹ SDG Target

SDG: 12.4 By 2030, achieve the environmentally sound management of chemicals & all wastes throughout their life cycle, in accordance with agreed international frameworks, & significantly reduce their release to air, water & soil in order to minimize their adverse impacts on human health & the environment.

Aligned TCFD

Strategy disclosure – a) Describe the climate related risks & opportunities the organization has identified over the short, medium, & long term.

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

³² SDG Target

SDG: 3.9 By 2030, substantially reduce the number of deaths & illnesses from hazardous chemicals & air, water & soil pollution & contamination.

SDG: 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping & minimizing release of hazardous chemicals & materials, halving the proportion of untreated wastewater & substantially increasing recycling & safe reuse globally

SDG: 8.4 Improve progressively, through 2030, global resource efficiency in consumption & production & endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption & Production, with developed countries taking the lead

SDG: 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality & municipal & other waste management

SDG: 12.4 By 2030, achieve the environmentally sound management of chemicals & all wastes throughout their life cycle, in accordance with agreed international frameworks, & significantly reduce their release to air, water & soil in order to minimize their adverse impacts on human health & the environment

Aligned TCFD

Risk Management disclosure – a) Describe the organization's processes for identifying & assessing climate-related risks.

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management.



3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
	Nil	Nil

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	Nil	Nil	Nil	Nil	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous Waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste	Nil	Nil	Nil	Nil	Nil	Nil

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

Indicate product category	Reclaimed products and their packaging materials (as percentage of products sold) for each product category
Nil	Nil

* Since the organization disposes off all the packaging material and since our products are bio-degradable we do not reclaim product and their packaging material.

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

SDG's aligned



Essential Indicators

1. a. Details of measures for the well-being of employees:

	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	501	501	100.00%	501	100.00%	Nil	Nil	Nil	Nil	Nil	Nil
Female	41	41	100.00%	41	100.00%	41	100.00%	Nil	Nil	Nil	Nil
Total	542	542	100.00%	542	100.00%	41	100.00%	Nil	Nil	Nil	Nil
Other than Permanent Employees											
Male	114	114	100.00%	114	100.00%	Nil	Nil	Nil	Nil	Nil	Nil
Female	16	16	100.00%	16	100.00%	16	100.00%	Nil	Nil	Nil	Nil
Total	130	130	100.00%	130	100.00%	16	100.00%	Nil	Nil	Nil	Nil

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

	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	
Permanent Employees											
Male	338	169	50.00%	169	50.00%	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	338	169	50.00%	169	50.00%	Nil	Nil	Nil	Nil	Nil	Nil
Other than Permanent Employees											
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

2. Details of retirement benefits, for Current FY and Previous Financial Year.³³

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100.00%	100.00%	Y	100.00%	100.00%	Y
Gratuity	100.00%	100.00%	Y	100.00%	100.00%	Y
ESI	9.27%	0.59%	Y	5.76%	0.58%	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

Yes, the organization with the intention of promoting a culture of diversity and inclusion for all at its workplace, has enabled premises accessible to differently abled employees and workers as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the organization strongly promotes equal work opportunity for all and is thereby committed to provide environment that aims at creating a harmonious workplace through supportive work life policies for employees and a culture that creates a sense of belonging such that all employees can achieve their full potential, and thereby the organization has Anti-Discrimination and Equal Opportunity Policy as the part of their HR manual.

³³ Aligned TCFD

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.
Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.



5. Return to work and retention rates of permanent employees and workers that took parental leave.³⁴

Gender	Permanent Employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	Nil	Nil	Nil	Nil
Female	3.00	100.00%	Nil	Nil
Total	3.00	100.00%	Nil	Nil

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker?³⁵
If yes, give details of the mechanism in brief.**

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

7. Membership of employees and worker in Association(s) or Unions recognized by the listed entity:³⁶

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	542	Nil	Nil	555	Nil	Nil
Male	501	Nil	Nil	514	Nil	Nil
Female	41	Nil	Nil	41	Nil	Nil
Total Permanent Worker	169	169	100.00%	170	170	100.00%
Male	169	169	100.00%	170	170	100.00%
Female	Nil	Nil	Nil	Nil	Nil	Nil

³⁴SDG Target

SDG: 5.1 End all forms of discrimination against all women & girls everywhere

SDG: 5.4 Recognize & value unpaid care & domestic work through the provision of public services, infrastructure & social protection policies & the promotion of shared responsibility within the household & the family as nationally appropriate

SDG: 8.5 By 2030, achieve full & productive employment & decent work for all women & men, including for young people & persons with disabilities, & equal pay for work of equal value

SDG: 8.6 By 2030, substantially reduce the proportion of youth not in employment, education or training

³⁵SDG Target

SDG: 16.6 Develop effective, accountable & transparent institutions at all levels

³⁶SDG Targets

SDG: 8.8 Protect labour rights & promote safe & secure working environments for all workers, including migrant workers, in particular women migrants, & those in precarious employment

8. Details of training given to employees and workers:³⁷

	FY 2022-23					FY 2021-22				
	Total (A)	On Health and Safety measures		On Skill upgradation		Total (D)	On Health and Safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	501	501	100.00%	175	34.93%	514	514	100.00%	129	25.10%
Female	41	41	100.00%	13	31.71%	41	41	100.00%	9	21.95%
Total	542	542	100.00%	188	34.69%	555	555	100.00%	138	24.86%
Workers										
Male	169	169	100.00%	23	13.61%	170	170	100.00%	11	6.47%
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	169	169	100.00%	23	13.61%	170	170	100.00%	11	6.47%

9. Details of performance and career development reviews of employees and worker:³⁸

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	501	501	100.00%	514	514	100.00%
Female	41	41	100.00%	41	41	100.00%
Total	542	542	100.00%	555	555	100.00%
Workers						
Male	169	169	100.00%	170	170	100.00%
Female	Nil	Nil	Nil	Nil	Nil	Nil
Total	169	169	100.00%	170	170	100.00%

³⁷ SDG Targets

- SDG: 4.3** By 2030, ensure equal access for all women & men to affordable & quality technical, vocational & tertiary education, including university
- SDG: 5.1** End all forms of discrimination against all women & girls everywhere
- SDG: 8.2** Achieve higher levels of economic productivity through diversification/technological upgrading/innovation, including through focus on high-value added & labour-intensive sectors
- SDG: 8.5** By 2030, achieve full & productive employment & decent work for all women & men, including for young people & persons with disabilities, & equal pay for work of equal value
- SDG: 10.3** Ensure equal opportunity & reduce inequalities of outcome, including by eliminating discriminatory laws, policies & practices & promoting appropriate legislation, policies & action in this regard.

³⁸ SDG Targets

- SDG: 4.3** By 2030, ensure equal access for all women & men to affordable & quality technical, vocational & tertiary education, including university
- SDG: 5.1** End all forms of discrimination against all women & girls everywhere
- SDG: 8.5** By 2030, achieve full & productive employment & decent work for all women & men, including for young people & persons with disabilities, & equal pay for work of equal value
- SDG: 10.3** Ensure equal opportunity & reduce inequalities of outcome, including by eliminating discriminatory laws, policies & practices & promoting appropriate legislation, policies & action in this regard



10. Health and safety management system:³⁹

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the organization has occupational safety and health policy in place that sets up a system which deals with the prevention of injuries and illnesses related to work, as well as the protection and improvement of the health of workers. It further aims to improve the working conditions and the surrounding environment. Occupational health further includes promoting and maintaining the highest degree of physical and mental health and social well-being of workers in all professions.

Organization is certified ISO 45001:2018 standard Certification Accredited by Bureau Veritas (Occupational Health & Safety Management System (OHSMS) for all Manufacturing Units in Mahad from Bureau Veritas. All work related hazards identified through various risk assessment tools, mitigation measures are taken with advance solutions.

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

The organization follows various measures to identify work-related hazards

- Hazard identification and risk assessment checklists are used to assess the work related hazard and to evaluate risk with mitigation measures. All routine and non-routine activities are covered under this tool.
- Risk assessment of new process is evaluated through HAZOP study and before start up / commissioning of any activity of process/ equipment, we conduct Pre-start up Safety Review (PSSR).
- Job Safety Analysis is conducted for critical hot work, lifting work etc.

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

Yes, the organization aims to work towards the safety of its employees/ workers, and thereby has proper mechanism to report work-related hazards, wherein workers report work related hazards through BBS (Behavior Based Safety Observation) forms, during departmental safety meetings and in the central safety committee meeting. All these hazards are then analyzed and mitigation measures are taken to eliminate/control risk at shop floor.

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

Yes, the organization is committed for protecting health & safety of its employee by taking following measures,

1. Periodic onsite and offsite health checkups are conducted;
2. Creating awareness through programs like that of Stress Management, Office Ergonomics, Health Talks;
3. Arranging vaccination camps during epidemic/pandemic such as Covid-19, Swine Flu etc;
4. Organizing blood donation camps at various office locations;
5. Doctors are onboard for free health consultation to employees;
6. Bearing medical expenses of employees/ worker in case of on-duty employee's/ worker's medical emergency and financial assistant to employee/ worker in case of critical medical cases.

³⁹ SDG Target

SDG: 3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria & neglected tropical diseases & combat hepatitis, water-borne diseases & other communicable diseases

SDG: 3.5 Strengthen the prevention & treatment of substance abuse, including narcotic drug abuse & harmful use of alcohol

SDG: 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services & access to safe, effective, quality & affordable essential medicines & vaccines for all

SDG: 16.7 Ensure responsive, inclusive, participatory & representative decision-making at all levels

11. Details of safety related incidents, in the following format:⁴⁰

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	3
	Workers	12	11
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy work place.⁴¹

The organization has a firm policy for maintaining employee's safety and health at work place. Following are a few steps/initiatives taken by the entity:

- All workers are trained in health and safety aspects,
- Personal Protective Equipment's are provided to workers, and trainings are provided on its usage,
- Hazards at workplace are identified and control measures are taken to eliminate risks associated with it,
- Closed system are used for transfer of material and mechanical aids are used to reduce human intervention,
- Work permit system is implemented for all non-routine activities.

13. Number of Complaints on the following made by employees and workers:⁴²

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

⁴⁰ SDG Targets

SDG: 3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria & neglected tropical diseases & combat hepatitis, water-borne diseases & other communicable diseases

SDG: 3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention & treatment & promote mental health & well-being

SDG: 3.6 By 2030, halve the number of global deaths & injuries from road traffic accidents

SDG: 3.9 By 2030, substantially reduce the number of deaths & illnesses from hazardous chemicals & air, water & soil pollution & contamination

SDG: 8.8 Protect labour rights & promote safe & secure working environments for all workers, including migrant workers, in particular women migrants, & those in precarious employment

SDG: 16.1 Significantly reduce all forms of violence & related death rates everywhere

⁴¹ SDG Target

SDG: 3.6 By 2030, halve the number of global deaths & injuries from road traffic accidents

SDG: 8.8 Protect labour rights & promote safe & secure working environments for all workers, including migrant workers, in particular women migrants, & those in precarious employment

SDG: 16.1 Significantly reduce all forms of violence & related death rates everywhere

Aligned TCFD

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management.

⁴² SDG Targets

SDG: 16.6 Develop effective, accountable & transparent institutions at all levels



14. Assessments for the year:⁴³

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

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.⁴⁴

The organization takes active participation in maintaining health and safety practices at workplace. All Corrective and Preventive Actions (CAPA), significant risk and concerns arising from the assessment are well taken and all recommendations are covered under time bound action plan. Further, organization also follows certain regular practices such as:

- All actions compliance levels are tracked, and their statuses are discussed during daily meetings and in departmental safety meetings.
- All actions are characterized by engineering control, administrative controls and are effectively implemented.
- We have also implemented ISO 45001(OSHA) to assure safe and healthful conditions for workers by setting and enforcing standards and providing training, outreach, education and compliance assistance.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).⁴⁵

Yes, the organization is committed to take care of its employees and are therefore covered under Term Life insurance policy and workers under workman compensation policy.

Also, all employee and workers covered under Personal Accident policy.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The organization takes proper measures and monitors whether statutory dues have been deducted and deposited by the value chain partners through checklists which is followed by HR department and through periodic audits by various internal and external audit agencies.

⁴³ Aligned TCFD

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization’s overall risk management.

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

Metrics & Targets disclosure – b) Disclose Scope 1, Scope 2, &, if appropriate, Scope 3 greenhouse gas (GHG) emissions, & the related risks.

Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.

⁴⁴ SDG Targets

SDG: 8.8 Protect labour rights & promote safe & secure working environments for all workers, including migrant workers, in particular women migrants, & those in precarious employment

Aligned TCFD

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization’s overall risk management

⁴⁵ SDG Targets

SDG: 5.4 Recognize & value unpaid care & domestic work through the provision of public services, infrastructure & social protection policies & the promotion of shared responsibility within the household & the family as nationally appropriate

SDG: 8.5 By 2030, achieve full & productive employment & decent work for all women & men, including for young people & persons with disabilities, & equal pay for work of equal value

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:⁴⁶

	Total no. of affected employees/ workers		No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?⁴⁷ (Yes/ No)

Yes, the entity provides transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

5. Details on assessment of value chain partners:⁴⁸

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	90%
Working Conditions	90%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.⁴⁹

The organization conducts regular assessments of health and safety practices and working conditions, however, during the reporting period no concerns/ risk were reported.

⁴⁶ Aligned TCFD

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management.

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

Metrics & Targets disclosure – b) Disclose Scope 1, Scope 2, &, if appropriate, Scope 3 greenhouse gas (GHG) emissions, & the related risks.

Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.

⁴⁷ SDG Targets

SDG: 4.3 By 2030, ensure equal access for all women & men to affordable & quality technical, vocational & tertiary education, including university. 8.5 By 2030, achieve full & productive employment & decent work for all women & men, including for young people & persons with disabilities, & equal pay for work of equal value

SDG: 10.3 Ensure equal opportunity & reduce inequalities of outcome, including by eliminating discriminatory laws, policies & practices & promoting appropriate legislation, policies & action in this regard

⁴⁸ SDG Target

SDG: 5.2 Eliminate all forms of violence against all women & girls in the public & private spheres, including trafficking & sexual & other types of exploitation

SDG: 8.8 Protect labour rights, promote safe & secure working environments for all workers, including migrant workers, in particular women migrants, & those in precarious employment

SDG: 16.1 Significantly reduce all forms of violence & related death rates everywhere

Aligned TCFD

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management.

Metrics & Targets disclosure – a) Describe the metrics used by entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

⁴⁹ SDG Target

SDG: 5.2 Eliminate all forms of violence against all women & girls in the public & private spheres, including trafficking & sexual & other types of exploitation

SDG: 8.8 Protect labour rights & promote safe & secure working environments for all workers, including migrant workers, in particular women migrants, & those in precarious employment

SDG: 16.1 Significantly reduce all forms of violence & related death rates everywhere

Aligned TCFD

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management.



PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

SDG's aligned



Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.⁵⁰

The organization has identified respective Internal and External group of Stakeholders. Currently the Stakeholders who have immediate impact on the operations and working of the Company include Employees and workers, Shareholders, Customers, Suppliers, Communities, Statutory Authorities.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.⁵¹

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community, Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	<ul style="list-style-type: none"> ✓ Communication with VP's, ✓ Goal setting and performance appraisal meetings/review, ✓ Exit interviews, ✓ Union meetings, ✓ Wellness initiatives, ✓ Engagement activities, ✓ Email, ✓ Intranet, ✓ Website, ✓ Training programs, ✓ Circulars, publications, newsletter 	Ongoing	<ul style="list-style-type: none"> ✓ Operational efficiencies, ✓ Company Strategy, ✓ Healthy working environment, ✓ Improvement areas, ✓ Career enhancement, ✓ Succession planning, ✓ Long-term strategy plans, training and awareness, ✓ Responsible marketing, ✓ Brand communication, ✓ Health, safety and engagement initiatives.

⁵⁰ **SDG Target**

SDG: 16.7 Ensure responsive, inclusive, participatory & representative decision-making at all levels

Aligned TCFD

Governance disclosure – a) Describe the board's oversight of climate-related risks & opportunities.

Governance disclosure – b) Describe management's role in assessing & managing climate-related risks & opportunities.

Risk Management disclosure – a) Describe the organization's processes for identifying & assessing climate-related risks.

Risk Management disclosure – b) Describe the organization's processes for managing climate-related risks

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management.

⁵¹ **SDG Target**

SDG: 16.7 Ensure responsive, inclusive, participatory & representative decision-making at all levels

Aligned TCFD

Governance disclosure – a) Describe the board's oversight of climate-related risks & opportunities.

Governance disclosure – b) Describe management's role in assessing & managing climate-related risks & opportunities.

Risk Management disclosure – a) Describe the organization's processes for identifying & assessing climate-related risks.

Risk Management disclosure – b) Describe the organization's processes for managing climate-related risks. Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community, Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	<ul style="list-style-type: none"> ✓ General Meetings, ✓ Shareholder meets, ✓ Email, ✓ Stock Exchange (SE) intimations, ✓ Investor / analysts meet / conference calls, ✓ Annual report, ✓ Quarterly results, ✓ Media releases, ✓ Company / SE website 	Ongoing	<ul style="list-style-type: none"> ✓ Profitability and financial stability, ✓ Growth prospects, ✓ Information update, ✓ ESG practices, ✓ Share price appreciation/ depreciation, Dividend
Customers	No	<ul style="list-style-type: none"> ✓ Website, ✓ Customer meets, ✓ Customer plant visits, ✓ Focussed group discussion, ✓ Trade body membership, ✓ Complaints management, ✓ Email, ✓ Helpdesk, ✓ Conferences, ✓ Business Development meetings with key customers, satisfaction Survey 	Ongoing	<ul style="list-style-type: none"> ✓ Product compendium, ✓ Quality and availability ✓ Responsiveness to needs, ✓ After sales service, ✓ Responsible guidelines/ manufacturing, ✓ Company's Sustainability disclosures, ✓ Life cycle assessment
Suppliers/ Vendors	No	<ul style="list-style-type: none"> ✓ Website, ✓ Vendor Assessment/ Onsite Audit, ✓ Suppliers Meet, Prequalification / vetting, ✓ Trade Association Meets/ Seminar, ✓ Exhibitions, contract management/review 	Ongoing	<ul style="list-style-type: none"> ✓ Quality, ✓ Timely delivery and payments, ✓ ESG consideration (sustainability, safety checks, compliances, ethical behaviour), ✓ ISO and OHSAS standards ✓ Supplier Code of Conduct guidelines
Communities	No	<ul style="list-style-type: none"> ✓ Meets (of community / local authority and town council / committee / location head), ✓ Community visits and projects, ✓ Partnership with local charities, ✓ Volunteerism, seminars / conferences 	Ongoing	<ul style="list-style-type: none"> ✓ Waste management, ✓ Pure drinking Water System, ✓ Climate change impacts ✓ Community development ✓ Sustainability, ✓ Livelihood support, ✓ Disaster management training, ✓ Support of the United Nations Sustainable Development Goals (UN SDGs) building capacity of future leaders, ecosystem development



Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community, Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Statutory Authorities	No	<ul style="list-style-type: none"> ✓ Meetings with local / state/ national government and ministries, ✓ Seminars, ✓ Media releases, ✓ Circulars, ✓ Membership in local enterprise partnership and industry bodies (CHEMEXCIL, FICCI, FAFAI, IFRA, MMA) 	Ongoing	<ul style="list-style-type: none"> ✓ ESG practices (climate change roadmap, Carbon footprint, frameworks for sustainability, changes in regulatory frameworks, skill and capacity building, employment, environmental measures), ✓ Advocacy policy, ✓ Timely contribution to exchequer/ local infrastructure, proactive engagement

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.⁵²

The organization has a set procedure wherein, the management regularly interacts with key stakeholders i.e. investors, customers, suppliers, employees, etc. The organization has stakeholder relationship committee that updates the progress on the actions to the Management and takes inputs periodically on a quarterly basis.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.⁵³

Yes, the organization engages through various interactive sessions with its stakeholders like that of talk forums, meetings, customer meets and many others, so as to identify and prioritize the issues pertaining to economic, environmental and social topics. Since this is an evolving process the suggestions by the stakeholders are filtered through Board processes made by policies/ SoP.

⁵² **SDG Target**

SDG: 16.7 Ensure responsive, inclusive, participatory & representative decision-making at all levels

Aligned TCFD

Governance disclosure – a) Describe the board’s oversight of climate-related risks & opportunities.

Governance disclosure – b) Describe management’s role in assessing & managing climate-related risks & opportunities.

Risk Management disclosure – a) Describe the organization’s processes for identifying & assessing climate-related risks.

Risk Management disclosure – b) Describe the organization’s processes for managing climate-related risks

⁵³ **Aligned TCFD**

Risk Management disclosure – a) Describe the organization’s processes for identifying & assessing climate-related risks.

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization’s overall risk management.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.⁵⁴

The organization currently do not have any such instance, however the organization has different forums for dealing with the concerns of the relevant stakeholders from marginalized groups.

PRINCIPLE 5: Businesses should respect and promote human rights

SDG's aligned



Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:⁵⁵

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	542	542	100.00%	555	555	100.00%
Other than permanent	130	130	100.00%	129	129	100.00%
Total Employees	672	672	100.00%	684	684	100.00%
Workers						
Permanent	169	169	100.00%	170	170	100.00%
Other than permanent	Nil	Nil	Nil	Nil	Nil	Nil
Total Workers	169	169	100.00%	170	170	100.00%

⁵⁴ Target SDG

SDG: 16.7 Ensure responsive, inclusive, participatory & representative decision-making at all levels

Aligned TCFD

Governance disclosure – a) Describe the board's oversight of climate-related risks & opportunities.

Governance disclosure – b) Describe management's role in assessing & managing climate-related risks & opportunities.

Risk Management disclosure – a) Describe the organization's processes for identifying & assessing climate-related risks.

Risk Management disclosure – b) Describe the organization's processes for managing climate-related risks

⁵⁵ SDG Target

SDG: 4.3 By 2030, ensure equal access for all women & men to affordable & quality technical, vocational & tertiary education, including university

SDG: 8.5 By 2030, achieve full & productive employment & decent work for all women & men, including for young people & persons with disabilities, & equal pay for work of equal value

SDG: 8.8 Protect labour rights & promote safe & secure working environments for all workers, including migrant workers, in particular women migrants, & those in precarious employment

SDG: 10.3 Ensure equal opportunity & reduce inequalities of outcome, including by eliminating discriminatory laws, policies & practices & promoting appropriate legislation, policies & action in this regard

SDG: 16.5 Substantially reduce corruption & bribery in all their forms

SDG: 16.7 Ensure responsive, inclusive, participatory & representative decision-making at all levels



2. Details of minimum wages paid to employees and workers, in the following format:⁵⁶

Category	2022-23					2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	542	Nil	Nil	542	100.00%	555	Nil	Nil	555	100.00%
Male	501	Nil	Nil	501	100.00%	514	Nil	Nil	514	100.00%
Female	41	Nil	Nil	41	100.00%	41	Nil	Nil	41	100.00%
Other than Permanent	130	Nil	Nil	130	100.00%	129	Nil	Nil	129	100.00%
Male	114	Nil	Nil	114	100.00%	117	Nil	Nil	117	100.00%
Female	16	Nil	Nil	16	100.00%	12	Nil	Nil	12	100.00%
Workers										
Permanent	169	Nil	Nil	169	100.00%	170	Nil	Nil	170	100.00%
Male	169	Nil	Nil	169	100.00%	170	Nil	Nil	170	100.00%
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other than Permanent	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

3. Details of remuneration/salary/wages, in the following format:⁵⁷

	Male		Female	
	Number	Median remuneration/ Salary/ Wages of respective category	Number	Median remuneration/ Salary/ Wages of respective category
Board of Directors (BoD)	2	3,25,00,000	Nil	Nil
Key Managerial Personnel	2	57,06,605	1	5,00,000
Employees other than BoD and KMP	497	6,14,012	40	6,04,266
Workers	169	5,47,709	Nil	Nil

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the organization strongly believes that for the employees to be productive and conducive at work, a proper mechanism needs to be implemented and thereby the organization has framed grievance redressal policy addressing various concerns relating to human rights. The organization therefore has set up a grievance redressal committee for reporting such issues, consisting of senior officials of the organization.

⁵⁶ SDG Target

SDG: 1.2 By 2030, reduce at least by half the proportion of men, women & children of all ages living in poverty in all its dimensions according to national definitions

SDG: 5.1 End all forms of discrimination against all women & girls everywhere

SDG: 8.5 By 2030, achieve full & productive employment & decent work for all women & men, including for young people & persons with disabilities, & equal pay for work of equal value

SDG: 10.3 Ensure equal opportunity & reduce inequalities of outcome, including by eliminating discriminatory laws, policies & practices & promoting appropriate legislation, policies & action in this regard

⁵⁷ SDG Targets

SDG: 16.7 Ensure responsive, inclusive, participatory & representative decision-making at all levels

Aligned TCFD

Governance disclosure – a) Describe the board's oversight of climate-related risks & opportunities.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues⁵⁸

The organization has in place a “Grievance Redressal Policy” with the objective to facilitate a culture where grievances are heard and resolved.

A senior officer is designated as grievance officer who is responsible for hearing the concerns and if the concerned is not satisfied then the committee can take further course of action.

6. Number of complaints on the following made by employees and workers:⁵⁹

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/ Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other Human Rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases⁶⁰

The organization aims to provide its employees “Great Place to Work” and thereby has framed policies and procedures to keep a check on instances of discrimination and harassment. Further, the company takes necessary measures to protect the complainant employee’s identity confidential and ensures no harm to his/her employee.

8. Do human rights requirements form part of your business agreements and contracts?⁶¹

Yes, the organization lays huge emphasis on human rights and thereby in all its business agreement and contracts which the organization enters, relevant clauses related to observance of human rights are included.

⁵⁸ SDG Target

SDG: 16.6 Develop effective, accountable & transparent institutions at all levels

⁵⁹ SDG Target

SDG: 5.1 End all forms of discrimination against all women & girls everywhere

SDG: 5.2 Eliminate all forms of violence against all women & girls in the public & private spheres, including trafficking & sexual & other types of exploitation

SDG: 8.7 Take immediate & effective measures to eradicate forced labour, end modern slavery & human trafficking & secure the prohibition & elimination of the worst forms of child labour, including recruitment & use of child soldiers, & by 2025 end child labour in all its forms

SDG: 8.8 Protect labour rights & promote safe & secure working environments for all workers, including migrant workers, in particular women migrants, & those in precarious employment

SDG: 16.2 End abuse, exploitation, trafficking & all forms of violence against & torture of children

SDG: 16.6 Develop effective, accountable & transparent institutions at all levels

⁶⁰ SDG Target

SDG: 16.6 Develop effective, accountable & transparent institutions at all levels

⁶¹ SDG Target

SDG: 5.2 Eliminate all forms of violence against all women & girls in the public & private spheres, including trafficking & sexual & other types of exploitation

SDG: 8.8 Protect labour rights & promote safe & secure working environments for all workers, including migrant workers, in particular women migrants, & those in precarious employment. 16.1 Significantly reduce all forms of violence & related death rates everywhere

SDG: 16.7 Ensure responsive, inclusive, participatory & representative decision-making at all levels

Aligned TCFD

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization’s overall risk management.



9. Assessments for the year:⁶²

	% of your plants and Offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	90%
Forced/involuntary labour	90%
Sexual Harassment	90%
Discrimination at workplace	90%
Wages	90%

Formal assessment has been done through SMETA Audit (SEDEX guidelines).

10. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 9 above.

Not applicable, since no significant risks/ concerns arose from the assessment, and thereby no actions are required to be taken pursuant to the assessments done.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints⁶³

The organization with the aim to keep its working environment great, has in place grievance redressal policy, applicable to all individuals associated with the organization.

However, the organization during the year have not identified any major issue relating to Human Rights violation, however, the policy is regularly been monitored and requisite modification are made as and when required.

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

Not Applicable, since during the reporting period no formal due-diligence was conducted.

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

Yes, the organization promotes a culture of diversity and inclusion for all at its workplace, and thereby has developed premises accessible to differently abled visitors as per the requirements of the Rights of Persons with Disabilities Act, 2016.

⁶² **SDG Target**

SDG: 5.2 Eliminate all forms of violence against all women & girls in the public & private spheres, including trafficking & sexual & other types of exploitation

SDG: 8.7 Take immediate & effective measures to eradicate forced labour, end modern slavery & human trafficking & secure the prohibition & elimination of the worst forms of child labour, including recruitment & use of child soldiers, & by 2025 end child labour in all its forms

SDG: 16.2 End abuse, exploitation, trafficking & all forms of violence against & torture of children

⁶³ **SDG Targets**

SDG: 16.6 Develop effective, accountable & transparent institutions at all levels

Aligned TCFD

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization’s overall risk management.

4. Details on assessment of value chain partners:⁶⁴

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	90%
Discrimination at workplace	90%
Child Labour	90%
Forced Labour / Involuntary Labour	90%
Wages	90%

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

Not applicable, since there was no assessment activity being undertaken of Value Chain Partners.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment⁶⁵

SDG's aligned



Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:⁶⁶

Parameter	Current FY In MJ	Last FY In MJ
Total electricity consumption (A)	19,14,94,188	16,42,71,600
Total Fuel Consumption (B)	1,27,82,72,484	1,16,35,66,494
Energy Consumption through other sources (C)	Nil	Nil
Total Energy consumption (A+B+C)	1,46,97,66,672	1,32,78,38,094
Energy intensity per rupee of turnover (MJ of consumption/ turnover of Cr in rupees)	9,14,602.78	9,47,102.77
Energy intensity – the relevant metric may be selected by the entity (MJ of consumption / Production in MT)	51,410.21	42,299.96

⁶⁴ SDG Targets

SDG: 5.2 Eliminate all forms of violence against all women & girls in the public & private spheres, including trafficking & sexual & other types of exploitation

SDG: 8.7 Take immediate & effective measures to eradicate forced labour, end modern slavery & human trafficking & secure the prohibition & elimination of the worst forms of child labour, including recruitment & use of child soldiers, & by 2025 end child labour in all its forms

SDG: 8.8 Protect labour rights & promote safe & secure working environments for all workers, including migrant workers, in particular women migrants, & those in precarious employment

SDG: 16.1 Significantly reduce all forms of violence & related death rates everywhere

⁶⁵ It is to be noted that Head Office and Administrative Office are not being considered for computing data with regards to principle 6 disclosures.

⁶⁶ SDG Target

SDG: 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

SDG: 7.3 By 2030, double the global rate of improvement in energy efficiency

SDG: 8.4 Improve progressively, through 2030, global resource efficiency in consumption & production & endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption & Production, with developed countries taking the lead

SDG: 12.2 By 2030, achieve the sustainable management & efficient use of natural resources

SDG: 13.1 Strengthen resilience & adaptive capacity to climate related hazards & natural disasters in all countries

Aligned TCFD

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

Metrics & Targets disclosure – b) Disclose Scope 1, Scope 2, &, if appropriate, Scope 3 greenhouse gas (GHG) emissions, & the related risks.

Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.



Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

There is no Independent Assessment done. All the required statutory and internal inspections/ audits are carried out on a periodic basis.

- 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India?⁶⁷ (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any**

Not applicable, since the organization does not have sites/ facilities identified as Designated Consumer under the PAT Scheme.

- 3. Provide details of the following disclosures related to water, in the following format:⁶⁸**

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	Nil	Nil
(iii) Third party water (MIDC water)	529346	484190
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Rainwater	3363	1257
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	532709	485447
Total volume of water consumption (in kilolitres)	532709	485447
Water intensity per rupee of turnover (KL of consumption/ turnover of Cr in rupees)	331.3279015	346.2038226
Water intensity – (KL of consumption/ MT of production)	18.63	15.46

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assessment has been carried out under Water Security Disclosure, CDP works with, and motivates companies to disclose and reduce their environmental impacts.

⁶⁷ SDG Target

SDG: 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

SDG: 8.4 Improve progressively, through 2030, global resource efficiency in consumption & production & endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programs on Sustainable Consumption & Production, with developed countries taking the lead

SDG: 12.2 By 2030, achieve the sustainable management & efficient use of natural resources

SDG: 13.2 Integrate climate change measures into national policies, strategies & planning

Aligned TCFD

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management.

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

Metrics & Targets disclosure – b) Disclose Scope 1, Scope 2, &, if appropriate, Scope 3 greenhouse gas (GHG) emissions, & the related risks.

Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.

⁶⁸ SDG Target

SDG: 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping & minimizing release of hazardous chemicals & materials, halving the proportion of untreated wastewater & substantially increasing recycling & safe reuse globally

SDG: 6.4 By 2030, substantially increase water-use efficiency across all sectors & ensure sustainable withdrawals & supply of freshwater to address water scarcity & substantially reduce the number of people suffering from water scarcity

SDG: 12.4 By 2030, achieve the environmentally sound management of chemicals & all wastes throughout their life cycle, in accordance with agreed international frameworks, & significantly reduce their release to air, water & soil in order to minimize their adverse impacts on human health & the environment

Aligned TCFD

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

Metrics & Targets disclosure – b) Disclose Scope 1, Scope 2, &, if appropriate, Scope 3 greenhouse gas (GHG) emissions, & the related risks.

Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.⁶⁹

The organization has implemented Reverse Osmosis Plant and Multi Effect Evaporator plant to recycle and reuse waste water which enables to utilize treated water. The organization's Jhagadia unit (Gujarat) is designated as ZLD by Gujarat Pollution Control Board. Further, at Mahad unit (Maharashtra) the organization has already taken initiative in its unit-II to implement ZLD mechanism and for unit III the same is under trial run.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:⁷⁰

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	mg/Nm ³	6.13	10.59
SOx	Kg/day	13.85	15.92
Particulate matter (PM)	ppm	52.63	65
Persistent organic pollutants (POP)		Nil	Nil
Volatile organic compounds (VOC)		Nil	Nil
Hazardous air pollutants (HAP)		Nil	Nil
Others	mg/Nm ³	Nil	Nil

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the monitoring is done by Maharashtra Pollution Control Board approved agency Aavanira Biotech Labs, Pune.

⁶⁹ SDG Target

SDG: 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping & minimizing release of hazardous chemicals & materials, halving the proportion of untreated wastewater & substantially increasing recycling & safe reuse globally

SDG: 6.4 By 2030, substantially increase water-use efficiency across all sectors & ensure sustainable withdrawals & supply of freshwater to address water scarcity & substantially reduce the number of people suffering from water scarcity

SDG: 6.a By 2030, expand international cooperation & capacity-building support to developing countries in water and sanitation-related activities & programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling & reuse technologies

SDG: 12.4 By 2030, achieve the environmentally sound management of chemicals & all wastes throughout their life cycle, in accordance with agreed international frameworks, & significantly reduce their release to air, water & soil in order to minimize their adverse impacts on human health & the environment

Aligned TCFD

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

Metrics & Targets disclosure – b) Disclose Scope 1, Scope 2, &, if appropriate, Scope 3 greenhouse gas (GHG) emissions, & the related risks.

Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.

⁷⁰ SDG Target

SDG: 3.9 By 2030, substantially reduce the number of deaths & illnesses from hazardous chemicals & air, water & soil pollution & contamination

SDG: 12.4 By 2030, achieve the environmentally sound management of chemicals & all wastes throughout their life cycle, in accordance with agreed international frameworks, & significantly reduce their release to air, water & soil in order to minimize their adverse impacts on human health & the environment

SDG: 14.3 Minimize & address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels

SDG: 15.2 By 2030, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests & substantially increase afforestation & reforestation globally

Aligned TCFD

Governance disclosure – b) Describe management's role in assessing & managing climate-related risks & opportunities.

Risk Management disclosure – a) Describe the organization's processes for identifying & assessing climate-related risks.

Risk Management disclosure – b) Describe the organization's processes for managing climate-related risks

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management.

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

Metrics & Targets disclosure – b) Disclose Scope 1, Scope 2, &, if appropriate, Scope 3 greenhouse gas (GHG) emissions, & the related risks.

Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.



6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:⁷¹

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	138236.41 MT CO2e Breakup: CO2: 137163.01 N2O: 2.34 CH4: 16.12	126570.42 MT CO2e Breakup: CO2: 125588.79 N2O: 2.14 CH4: 14.74
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	41960.33 MT CO2e*	33947.27 MT CO2e*
Total Scope 1 and Scope 2 emissions per rupee of turnover (MT of CO2e/Turnover of Cr in rupee)		112.13 MT CO2e per Cr Turnover	114.49 MT CO2e per Cr Turnover
Total Scope 1 and Scope 2 emission intensity – (Production in MT/ turnover of Cr in rupees)		6.30 MT CO2e per MT production. Total production considered: 28589 MT	5.11 MTCO2e per MT production Total production considered: 31391 MT

**Note (Scope-2 Emissions): Corporate office emissions (owing to electricity consumption at HO) were not included as no significant contribution to emissions was observed.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the assessment has been carried out under CDP (Carbon Disclosure Projects).

⁷¹ **SDG Target**

- SDG: 3.9** By 2030, substantially reduce the number of deaths & illnesses from hazardous chemicals & air, water & soil pollution & contamination
- SDG: 12.4** By 2030, achieve the environmentally sound management of chemicals & all wastes throughout their life cycle, in accordance with agreed international frameworks, & significantly reduce their release to air, water & soil in order to minimize their adverse impacts on human health & the environment
- SDG: 13.1** Strengthen resilience & adaptive capacity to climate related hazards & natural disasters in all countries
- SDG: 14.3** Minimize & address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels
- SDG: 15.2** By 2030, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests & substantially increase afforestation & reforestation globally

Aligned TCFD

- Governance disclosure – b) Describe management’s role in assessing & managing climate-related risks & opportunities.
- Risk Management disclosure – a) Describe the organization’s processes for identifying & assessing climate-related risks.
- Risk Management disclosure – b) Describe the organization’s processes for managing climate-related risks
- Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization’s overall risk management.
- Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.
- Metrics & Targets disclosure – b) Disclose Scope 1, Scope 2, &, if appropriate, Scope 3 greenhouse gas (GHG) emissions, & the related risks.
- Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.⁷²

The company focuses on sustainable technologies and best practices to improve its fuel & energy efficiency, human health and well-being and chemicals from sustainable sources.

The company has installed vapour absorption chillers (VAM's) in 3 of its units which run on waste steam to produce chilled water whereby saving significant electricity & directly helps to reduce the GHG emissions. Additionally, new VAM proposal is under consideration for waste heat recovery from flue gases.

The company also has "fuel replacement project" under implementation on burning of Biomass by replacing Coal combustion which is underway and targets to be completed by 2030. The company is also installing solar panels at its Mahad unit to fulfil its Science Based Targets commitment for Net Zero by 2050. Currently the plan is to have 25% of its power requirement from solar power by 2025.

⁷² SDG Target

SDG: 3.9 By 2030, substantially reduce the number of deaths & illnesses from hazardous chemicals & air, water & soil pollution & contamination

SDG: 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

SDG: 12.4 By 2030, achieve the environmentally sound management of chemicals & all wastes throughout their life cycle, in accordance with agreed international frameworks, & significantly reduce their release to air, water & soil in order to minimize their adverse impacts on human health & the environment

SDG: 13.1 Strengthen resilience & adaptive capacity to climate related hazards & natural disasters in all countries

SDG: 14.3 Minimize & address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels

SDG: 15.2 By 2030, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests & substantially increase afforestation & reforestation globally

Aligned TCFD

Governance disclosure – b) Describe management's role in assessing & managing climate-related risks & opportunities.

Risk Management disclosure – a) Describe the organization's processes for identifying & assessing climate-related risks.

Risk Management disclosure – b) Describe the organization's processes for managing climate-related risks

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management.

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

Metrics & Targets disclosure – b) Disclose Scope 1, Scope 2, &, if appropriate, Scope 3 greenhouse gas (GHG) emissions, & the related risks.

Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.

**8. Provide details related to waste management by the entity, in the following format: ⁷³**

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	9.5	61.91
E-waste (B)	1.92	Not assessed
Bio-medical waste (C)	Nil	Nil
Construction and demolition waste (D)	960	Not assessed
Battery waste (E)	33 nos	Not assessed
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. (G) (ETP waste, sludge from Multiple Effect Evaporator (MEE) and other waste residues sent to Authorised member of solid waste treatment (Mahad Waste Management Limited (MWML) and Bharuch Enviro Infrastructure Limited (BEIL)).	7968.156	9646.9
Other Non-hazardous waste generated (H). (Other scrap, Boiler ash, paper etc.)	2515	3357
Total (A+B + C + D + E + F + G + H)	11454.57	13065.81
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	Nil	Nil
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	Nil	Nil
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	154.7	25.2
(ii) Landfilling (we are sending waste to authorised member of waste treatment plant (Mahad Waste Management Limited (MWML) and Bharuch Enviro Infrastructure Limited (BEIL) who further processed for landfilling and Incineration)	4694.75	2336
(iii) Other disposal operations	Nil	5046.69*
Total	4849.45	7407.89

* **Other disposal operations:** Earlier the by-products generated were considered under other disposal category, however in the organization's newly received Environment Clearance certificate they are considered under Product category as they generate revenue and are sold to end users.

⁷³ SDG Taret

- SDG: 3.9** By 2030, substantially reduce the number of deaths & illnesses from hazardous chemicals & air, water & soil pollution & contamination
- SDG: 6.6** By 2030, protect & restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers & lakes
- SDG: 8.4** Improve progressively, through 2030, global resource efficiency in consumption & production & endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption & Production, with developed countries taking the lead
- SDG: 11.2** By 2030, provide access to safe, affordable, accessible & sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities & older persons
- SDG: 11.6** By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality & municipal & other waste management
- SDG: 12.4** By 2030, achieve the environmentally sound management of chemicals & all wastes throughout their life cycle, in accordance with agreed international frameworks, & significantly reduce their release to air, water & soil in order to minimize their adverse impacts on human health & the environment
- SDG: 15.1** By 2030, ensure the conservation, restoration & sustainable use of terrestrial & inland freshwater ecosystems & their services, in particular forests, wetlands, mountains & drylands, in line with obligations under international agreements

Aligned TCFD

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

Metrics & Targets disclosure – b) Disclose Scope 1, Scope 2, &, if appropriate, Scope 3 greenhouse gas (GHG) emissions, & the related risks.

Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the data with respect to the said assessment is already in the public domain in MPCB as well as Ministry of Environment and Forest (MoEF).

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes ⁷⁴

The company has membership with waste management treatment plant such as Mumbai Waste Management Limited (MWML) in Maharashtra and Bharuch Enviro Infrastructure Limited (BEIL) in Gujarat who is responsible for further processing of landfilling and incineration operation as per local laws. The annual returns on quantity of waste generated is being reported to the state pollution control board by filling and submission of form IV & V (Rules & Regulation Published in the Gazette of India, Part-II, Section-3, Sub-section (ii)) Ministry of Environment, Forest and Climate Change).

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format: ⁷⁵

S. No.	Location of operations/offices	Types of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable, since none of our units are located in ecologically sensitive area.			

⁷⁴ SDG Target

- SDG: 3.9** By 2030, substantially reduce the number of deaths & illnesses from hazardous chemicals & air, water & soil pollution & contamination
- SDG: 6.3** By 2030, improve water quality by reducing pollution, eliminating dumping & minimizing release of hazardous chemicals & materials, halving the proportion of untreated wastewater & substantially increasing recycling & safe reuse globally
- SDG: 6.6** By 2030, protect & restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers & lakes
- SDG: 8.4** Improve progressively, through 2030, global resource efficiency in consumption & production & endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption & Production, with developed countries taking the lead
- SDG: 11.6** By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality & municipal & other waste management
- SDG: 12.4** By 2030, achieve the environmentally sound management of chemicals & all wastes throughout their life cycle, in accordance with agreed international frameworks, & significantly reduce their release to air, water & soil in order to minimize their adverse impacts on human health & the environment

Aligned TCFD

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management.

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

Metrics & Targets disclosure – b) Disclose Scope 1, Scope 2, &, if appropriate, Scope 3 greenhouse gas (GHG) emissions, & the related risks.

Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.

⁷⁵ SDG Target

- SDG: 6.6** By 2030, protect & restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers & lakes
- SDG: 14.2** By 2030, sustainably manage & protect marine & coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, & take action for their restoration in order to achieve healthy & productive oceans
- SDG: 15.1** By 2030, ensure the conservation, restoration & sustainable use of terrestrial & inland freshwater ecosystems & their services, in particular forests, wetlands, mountains & drylands, in line with obligations under international agreements
- SDG: 15.5** Take urgent & significant action to reduce the degradation of natural habitats, halt the loss of biodiversity &, by 2030, protect & prevent the extinction of threatened species

Aligned TCFD

Strategy disclosure – a) Describe the climate related risks & opportunities the organization has identified over the short, medium, & long term.

Strategy disclosure – c) Describe the resilience of the entity's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Risk Management disclosure – b) Describe the organization's processes for managing climate-related risks



11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: ⁷⁶

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Proposed expansion in our Unit-II in Mahad.	EIA Notification, 2006	24-08-2022	Aditya Environmental Services Pvt Ltd	Yes	Environment Conservation - World's Leading Aroma Chemical Manufacturer, Supplier and Exporter (www.privi.com)
Proposed Expansion at our Unit-III in Mahad	Eia Notification, 2006	24-08-2022	Aditya Environmental Services Pvt Ltd	Yes	Environment Conservation - World's Leading Aroma Chemical Manufacturer, Supplier and Exporter (www.privi.com)

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Serial Number	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective taken, if any action
Yes, the organization is in compliance with all the applicable environmental legislations.				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format: ⁷⁷

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	Nil	Nil
Total fuel consumption (B)	171000	186840
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	171000	186840

⁷⁶ SDG Target

SDG: 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping & minimizing release of hazardous chemicals & materials, halving the proportion of untreated wastewater & substantially increasing recycling & safe reuse globally

SDG: 6.a By 2030, expand international cooperation & capacity-building support to developing countries in water & sanitation-related activities & programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling & reuse technologies

SDG: 12.4 By 2030, achieve the environmentally sound management of chemicals & all wastes throughout their life cycle, in accordance with agreed international frameworks, & significantly reduce their release to air, water & soil in order to minimize their adverse impacts on human health & the environment

Aligned TCFD

Strategy disclosure – a) Describe the climate related risks & opportunities the organization has identified over the short, medium, & long term.

Risk Management disclosure – b) Describe the organization's processes for managing climate-related risks

⁷⁷ SDG Targets

SDG: 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

SDG: 7.3 By 2030, double the global rate of improvement in energy efficiency

SDG: 8.4 Improve progressively, through 2030, global resource efficiency in consumption & production & endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programs on Sustainable Consumption & Production, with developed countries taking the lead

SDG: 12.2 By 2030, achieve the sustainable management & efficient use of natural resources

SDG: 13.1 Strengthen resilience & adaptive capacity to climate related hazards & natural disasters in all countries

Aligned TCFD

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

Metrics & Targets disclosure – b) Disclose Scope 1, Scope 2, &, if appropriate, Scope 3 greenhouse gas (GHG) emissions, & the related risks.

Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.

Parameter	FY 2022-23	FY 2021-22
From non-renewable sources		
Total electricity consumption (D)	191494188	164271600
Total fuel consumption (E)	1278102456	1163379654
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	1469596644	1327651254

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

There is no Independent Assessment done. All the required statutory and internal inspections/ audits are carried out on a periodic basis.

2. Provide the following details related to water discharged: ⁷⁸

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Nil	Nil
– No treatment	Nil	Nil
– With treatment – please specify level of treatment	Nil	Nil
(ii) To Groundwater	Nil	Nil
– No treatment	Nil	Nil
– With treatment – please specify level of treatment	Nil	Nil
(iii) To Seawater	Nil	Nil
– No treatment	Nil	Nil
– With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third-parties	CETP	CETP
– No treatment	Nil	Nil
– With treatment – please specify level of treatment	33839 KL Primary, Secondary, and Tertiary treatment meeting all the PCB norms	47045 KL Primary, Secondary, and Tertiary treatment meeting all the PCB norms
(v) Others	Nil	Nil
– No treatment	Nil	Nil
– With treatment	Nil	Nil
Total water discharged (in kilolitres)	33839 KL	47047 KL

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assessment has been carried out under CDP- Water Security Disclosure.

⁷⁸ SDG Targets

SDG: 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping & minimizing release of hazardous chemicals & materials, halving the proportion of untreated wastewater & substantially increasing recycling & safe reuse globally

Aligned TCFD

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

Metrics & Targets disclosure – b) Disclose Scope 1, Scope 2, &, if appropriate, Scope 3 greenhouse gas (GHG) emissions, & the related risks.

Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.



3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): ⁷⁹

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (water consumed in KL/Turnover of Cr in rupee)		
Water intensity (Water consumed in KL /production qty in MT)		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
– No treatment		
– With treatment – please specify level of treatment		
(ii) Into Groundwater		
– No treatment		
– With treatment – please specify level of treatment		
(iii) Into Seawater		
– No treatment		
– With treatment – please specify level of treatment		
(iv) Sent to third-parties		
– No treatment		
– With treatment – please specify level of treatment		
(v) Others		
– No treatment		
– With treatment – please specify level of treatment		
Total water discharged (in kilolitres) - No water discharge as unit is ZLD (Zero Liquid Discharge).		

Not Applicable, since the company does not withdraw, consume, or discharge water in Central Ground Water Board (CGWB) notified areas of water stress.

Not Applicable

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable, since the company does not withdraw, consume, or discharge water in Central Ground Water Board (CGWB) notified areas of water stress.

⁷⁹ **SDG Targets**

SDG: 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping & minimizing release of hazardous chemicals & materials, halving the proportion of untreated wastewater & substantially increasing recycling & safe reuse globally

Aligned TCFD

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

Metrics & Targets disclosure – b) Disclose Scope 1, Scope 2, &, if appropriate, Scope 3 greenhouse gas (GHG) emissions, & the related risks.

Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:⁸⁰

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions	Metric tonnes of CO2 equivalent	111259.94	114348.187
Total Scope 3 emissions intensity – (MT of CO2e/ Turnover of Cr in rupee)		69.23	81.559
Total Scope 3 emission intensity – (MT of CO2e/ MT production)		3.89	3.64

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The data is disclosed under CDP.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.⁸¹

Not Applicable, since none of our units are located at ecologically sensitive area.

⁸⁰ SDG Target

SDG: 3.9 By 2030, substantially reduce the number of deaths & illnesses from hazardous chemicals & air, water & soil pollution & contamination

SDG: 12.4 By 2030, achieve the environmentally sound management of chemicals & all wastes throughout their life cycle, in accordance with agreed international frameworks, & significantly reduce their release to air, water & soil in order to minimize their adverse impacts on human health & the environment

SDG: 13.1 Strengthen resilience & adaptive capacity to climate related hazards & natural disasters in all countries

SDG: 14.3 Minimize & address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels

SDG: 15.2 By 2030, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests & substantially increase afforestation & reforestation globally

Aligned TCFD

Governance disclosure – b) Describe management's role in assessing & managing climate-related risks & opportunities.

Risk Management disclosure – a) Describe the organization's processes for identifying & assessing climate-related risks.

Risk Management disclosure – b) Describe the organization's processes for managing climate-related risks

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management.

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

Metrics & Targets disclosure – b) Disclose Scope 1, Scope 2, &, if appropriate, Scope 3 greenhouse gas (GHG) emissions, & the related risks.

Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.

⁸¹ SDG Target

SDG: 6.6 By 2030, protect & restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers & lakes

SDG: 14.2 By 2030, sustainably manage & protect marine & coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, & take action for their restoration in order to achieve healthy & productive oceans

SDG: 15.1 By 2030, ensure the conservation, restoration & sustainable use of terrestrial & inland freshwater ecosystems & their services, in particular forests, wetlands, mountains & drylands, in line with obligations under international agreements

SDG: 15.5 Take urgent & significant action to reduce the degradation of natural habitats, halt the loss of biodiversity &, by 2020, protect & prevent the extinction of threatened species

Aligned TCFD

Strategy disclosure – a) Describe the climate related risks & opportunities the organization has identified over the short, medium, & long term.

Strategy disclosure – b) Describe the impact of climate-related risks & opportunities on the organization's businesses, strategy & financial planning.

Risk Management disclosure – b) Describe the organization's processes for managing climate-related risks

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management.



6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:⁸²

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Dry vac pumps (10 nos. Ital vac) installed to save Power consumption, steam consumption & Effluent load reduction.		Savings will reflect in 2023-24
2	Boiler feed water (DM Water) preheating by utilising distillation columns top condensers heat and reduction of Cooling Tower Load		Savings will reflect in 2023-24
3	Commissioned Vapour Absorption Machines (200 TR VAM) which works on available unused flash steam and hot water (Using waste steam from C-columns) for Chilled Water generation. Thus, reducing power consumption on chilling plants (Stopped Mechanical chillers).		Savings will reflect in 2023-24
4	925 KWH Captive Cogen turbine installed at Unit -4.		Will be commissioned in 2023
5	400 KWH roof top solar plant installation in Mahad underway.		Will be commissioned in 2023

7. Does the entity have a business continuity and disaster management plan?⁸³ Give details in 100 words/ web link.

Yes, the organization has Business Continuity Plan (BCP) & Disaster management plans in place. The organization has identified risk related to any loss of connectivity, utility service, injury, staff loss material shortage and many others, which can disrupt the continuity of business, thereby the organization has mitigation plans in place mentioning all probabilities and ways through the same. The organization also reviews the same every year.

The Disaster Management plan covers entire Plants and Office Operations, Supply Chain, IT, etc & all possible scenarios are covered and considered in the plan. The disaster management plan is submitted to Directorate of Industrial Safety and Health (DISH). We also conduct mock drills every quarter to maintain high state of emergency preparedness.

⁸² **SDG Target**

- SDG: 8.4** Improve progressively, through 2030, global resource efficiency in consumption & production & endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption & Production, with developed countries taking the lead
- SDG: 11.6** By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality & municipal & other waste management
- SDG: 12.2** By 2030, achieve the sustainable management & efficient use of natural resources
- SDG: 12.4** By 2030, achieve the environmentally sound management of chemicals & all wastes throughout their life cycle, in accordance with agreed international frameworks, & significantly reduce their release to air, water & soil in order to minimize their adverse impacts on human health & the environment

Aligned TCFD

- Governance disclosure – b) Describe management’s role in assessing & managing climate-related risks & opportunities.
- Risk Management disclosure – a) Describe the organization’s processes for identifying & assessing climate-related risks.
- Risk Management disclosure – b) Describe the organization’s processes for managing climate-related risks
- Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization’s overall risk management.
- Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.
- Metrics & Targets disclosure – b) Disclose Scope 1, Scope 2, &, if appropriate, Scope 3 greenhouse gas (GHG) emissions, & the related risks.
- Metrics & Targets disclosure – c) Describe the targets used by the entity to manage climate-related risks & opportunities & performance against targets.

⁸³ **Aligned TCFD**

- Strategy disclosure – c) Describe the resilience of the entity’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
- Risk Management disclosure – b) Describe the organization’s processes for managing climate-related risks

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?⁸⁴

During the year, no significant adverse impact to the environment, arising from the value chain of the entity has occurred.

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

None, however the Company plans to conduct the same in coming years.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

SDG's aligned



Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

The organization is affiliated with 9 trade and industry chambers.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	International Fragrance Association (IFRA)	International
2	Chemical Export Promotion Council (CHEMEXCIL)	National
3	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
4	Flavours and Fragrance Association of India (FAFAI)	National
5	Export Inspection Agency (EIA)	National
6	Indian Institute of Packaging (IIP)	National
7	Indo-Arab Chamber of Commerce and Industries –Membership	National
8	IMC (Indian Merchants' Chamber) - Chamber of Commerce and Industry	National
9	Mahad Manufacturers Association (MMA)	State

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities¹

Name of authority	Brief of the case	Corrective active taken
Not Applicable, because no adverse orders from regulatory authorities were received.		

Leadership Indicators

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

Sr. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, If available
The organization did not have any complaint on the same during the year					

⁸⁴ **SDG Target**

Strategy disclosure – b) Describe the impact of climate-related risks & opportunities on the organization's businesses, strategy & financial planning.

¹**6.3** Promote the rule of law at the national & international levels & ensure equal access to justice for all

16.6 Develop effective, accountable and transparent institutions at all levels



PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

SDG's aligned



Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and Brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web Link
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During the current financial year no SIA of projects were undertaken by the entity based on applicable laws.

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

S. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
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The organization has not undertaken any project during the year attracting the provisions of rehabilitation and resettlement.

3. Describe the mechanisms to receive and redress grievances of the community.⁸⁵

The organization engages with the community by conducting informal and formal meetings apart from program specific meetings to facilitate harmony.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:⁸⁶

Parameter	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	5%	5%
Sourced directly from within the district and neighbouring districts	10%	10%

⁸⁵ **SDG Targets**

SDG: 1.4 By 2030, ensure that all men & women, in particular the poor & the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership & control over land & other forms of property, inheritance, natural resources, appropriate new technology & financial services, including microfinance

SDG: 2.3 By 2030, double the agricultural productivity & incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists & fishers, including through secure & equal access to land, other productive resources & inputs, knowledge, financial services, markets & opportunities for value addition & non-farm employment

SDG: 9.1 Develop quality, reliable, sustainable & resilient infrastructure, including regional & trans-border infrastructure, to support economic development & human well-being, with a focus on affordable & equitable access for all

SDG: 9.4 By 2030, upgrade infrastructure & retrofit industries to make them sustainable, with increased resource-use efficiency & greater adoption of clean & environmentally sound technologies & industrial processes, with all countries taking action in accordance with their respective capabilities

SDG: 16.6 Develop effective, accountable & transparent institutions at all levels

Aligned TCFD

Risk Management disclosure – b) Describe the organization’s processes for managing climate-related risks

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization’s overall risk management.

⁸⁶ **SDG Targets**

SDG: 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity & innovation, & encourage the formalization & growth of micro-, small- & medium-sized enterprises, including through access to financial services

Aligned TCFD

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable, since no SIA was undertaken by the organization	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No	State	Aspirational District	Amount spent (In INR)
	Nil	Nil	Nil

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

Considering the type of industry, the organization currently do not purchase from suppliers comprising marginalized/ vulnerable groups.

- (b) From which marginalized /vulnerable groups do you procure?

Not applicable, since the organization do not procure from marginalized/ vulnerable group.

- (c) What percentage of total procurement (by value) does it constitute?

Not applicable, since the organization do not procure from marginalized/ vulnerable group.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable, since no Intellectual Property was acquired by the entity				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective Action taken
Not Applicable, since no Intellectual Property was owned or acquired by the entity		

6. Details of beneficiaries of CSR Projects:⁸⁷

S. No	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Health & Hygiene	6737	Data for the above is not ascertainable, howsoever the CSR team would endeavour the data collection on the same in the coming years.
2	Environment	Public at large	
3	Education	3740	

⁸⁷ SDG Targets

- SDG 1.4** By 2030, ensure that all men & women, in particular the poor & the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership & control over land & other forms of property, inheritance, natural resources, appropriate new technology & financial services, including microfinance
- SDG 2.3** By 2030, double the agricultural productivity & incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists & fishers, including through secure & equal access to land, other productive resources & inputs, knowledge, financial services, markets & opportunities for value addition & non-farm employment.



PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

SDG's aligned

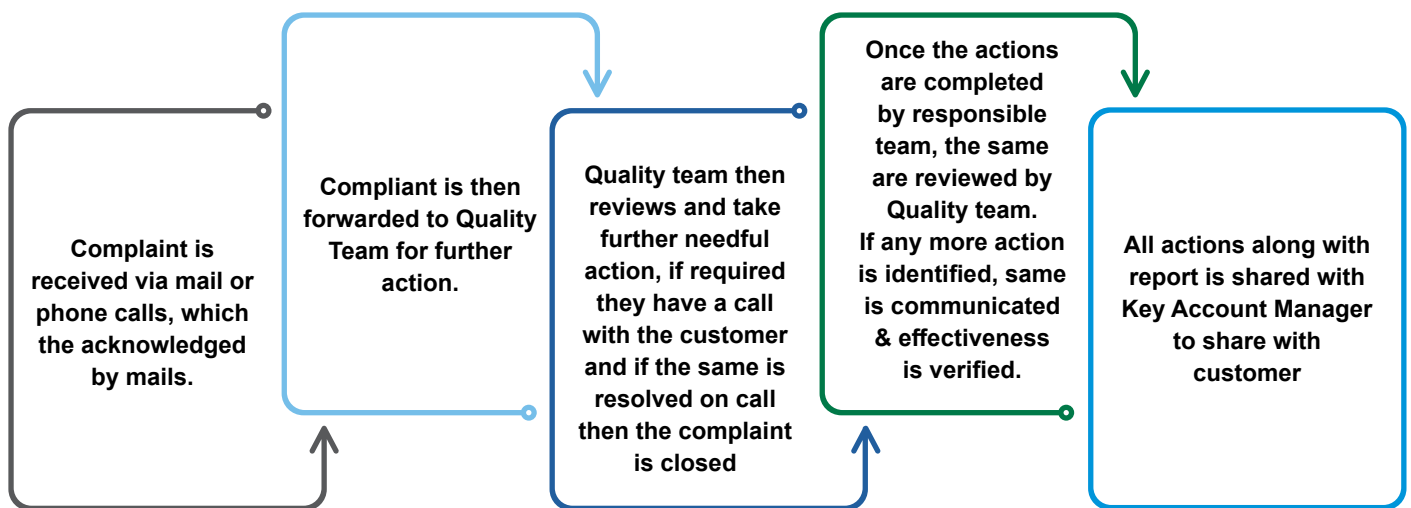


Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.⁸⁸

For any organization, it is important to keep its customers happy and resolve their concerns. The organization has set procedure for the resolving its customers concern. The same is presented below:

Complaint is received via mail or phone calls, which the acknowledged by mails.



2. Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about:⁸⁹

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

⁸⁸ **SDG Targets**

SDG: 16.6 Develop effective, accountable & transparent institutions at all levels

Aligned TCFD

Risk Management disclosure – b) Describe the organization's processes for managing climate-related risks

⁸⁹ **SDG Targets**

SDG: 12.8 By 2030, ensure that people everywhere have the relevant information & awareness for sustainable development & lifestyles in harmony with nature

Aligned TCFD

Metrics & Targets disclosure – a) Describe the metrics used by the entity to assess climate-related risks & opportunities in line with its strategy & risk management process.

3. Number of consumer complaints in respect of the following:⁹⁰

Category	FY 2022-23			FY 2021-22		
	Received during the Year	Pending resolution at end of year	Remarks	Received during the Year	Pending resolution at end of year	Remarks
Data Privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy⁹¹

Company has a robust Cyber Security policy which provides guidelines for addressing cyber security and related risks and the mitigation of such risks.

Web Link: <https://www.privi.com/privacy-policy>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.⁹²

Not Applicable, as no such incidents reported.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The organization being a customer driven entity, for easy accessibility of its product, it keeps the details and information related to product updated & available on its website.

The web-link for the same is: <https://www.privi.com/fragrances/our-product>

⁹⁰ SDG Target

SDG: 16.3 Promote the rule of law at the national & international levels & ensure equal access to justice for all

SDG: 16.10 Ensure public access to information & protect fundamental freedoms, in accordance with national legislation & international agreements.

⁹¹ SDG Target

SDG: 16.3 Promote the rule of law at the national & international levels & ensure equal access to justice for all

SDG: 16.10 Ensure public access to information & protect fundamental freedoms, in accordance with national legislation & international agreements

⁹² Aligned TCFD

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management.



2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.⁹³

The organization always ensures to keep its website updated and also educates customers about product's safe and responsible usage through its website. Further, the organization also shares all products MSDS (Material Safety Data Sheet) & PDS (Product Safety Data Sheet) with all its customers and also labelling procedures are in place.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Even though the company does not fall under essential service category, through emails and phone calls, it informs its consumers of any risk of disruption/discontinuation of essential services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?⁹⁴ (Yes/No)

The company being highly regulated industry, follows and fulfils all its statutory and mandatory labelling requirements, however, it does not provide any involuntary information over the product. The organization further conducts customer satisfaction survey annually.

5. Provide the following information relating to data breaches:⁹⁵

a) Number of instances of data breaches along-with impact

Since no such instance of data breach has occurred during the year, it is not applicable.

b) Percentage of data breaches involving personally identifiable information of customers

Not applicable, since no such incidents were reported.

⁹³ **SDG Target**

SDG: 12.8 By 2030, ensure that people everywhere have the relevant information & awareness for sustainable development & lifestyles in harmony with nature

SDG: 16.3 Promote the rule of law at the national & international levels & ensure equal access to justice for all

Aligned TCFD

Risk Management disclosure – c) Describe how processes for identifying, assessing, & managing climate-related risks are integrated into the organization's overall risk management.

⁹⁴ **SDG Targets**

SDG: 12.8 By 2030, ensure that people everywhere have the relevant information & awareness for sustainable development & lifestyles in harmony with nature




SDG: 16.3 Promote the rule of law at the national & international levels & ensure equal access to justice for all.

⁹⁵ **SDG Target**

SDG: 16.3 Promote the rule of law at the national & international levels & ensure equal access to justice for all


ANNEXURE A:







Alignment of Principle with the UN Sustainability Development Goals :⁹⁶

NGRBC Principle	SDGs covered	Activities
Principle 1		<p>SDG 16: PEACE, JUSTICE AND STRONG INSTITUTIONS:</p> <ul style="list-style-type: none"> To ensure good governance practice and robust institution, the Company has policies inter alia on: <ul style="list-style-type: none"> ✓ Statutory Policies specified under Companies Act & SEBI LODR ✓ Anti- Bribery & Anti- Corruption policy ✓ Code of Conduct ✓ Data privacy policy Further the organization follows various mechanism to engage with its stakeholders, some of those are as follows: <ul style="list-style-type: none"> ✓ Internal Communications ✓ Quarterly Reports, Annual Reports, Investor ✓ Press releases ✓ Company website ✓ Leadership Training Program
Principle 2		<p>SDG 6: CLEAN WATER AND SANITATION:</p> <ul style="list-style-type: none"> The company reports its water security disclosure through the CDP platform which work with water security motivates to disclose and reduce the environmental impacts by using the power of investors and customers. The organization has effectively employed its Reverse Osmosis Plant and Multi Effect Evaporator Plant to recycle waste water. This allows the company to use the treated water in its operations and aims to attain Zero Liquid Discharge.
		<p>SDG 7: AFFORDABLE AND CLEAN ENERGY:</p> <ul style="list-style-type: none"> The Company is committed towards continual improvement, preventions of pollution and preservation of nature resources for protection of the environment, takes certain measures, some of them are: <ul style="list-style-type: none"> • Installations of Captive COGEN turbines for two units. • Conventional chillers are replaced with Vapor absorption Machine running on flash steam. • Installation of Thermo syphon re-boilers to replace forced circulation technology. • Eliminating, reducing, recycling, recovering and proper disposal of waste generated. • Dry vac pumps (Ital vac) are installed to save steam consumption. • Replacement of low efficiency motors by High efficiency Motors • Automation of Oil cum Gas Burner modulation system in New Incinerator Plant for better combustion of residues. • VFDs are provided on the vacuum pumps & reactor agitators for optimising the power consumption • Commissioned Vapour Absorption Machines (VAMs) which works on available unused flash steam and hot water for Chilled Water generation. Thus, reducing power consumption on chilling plants.







⁹⁶ UNSDGs alignment with Principles is specified in NGRBC - https://www.mca.gov.in/Ministry/pdf/NationalGuideline_15032019.pdf



NGRBC Principle	SDGs covered	Activities
		<p>SDG 8: DECENT WORK AND ECONOMIC GROWTH</p> <ul style="list-style-type: none"> The Company continues to focus on creating strong and long term relationship with all employees and stakeholders. The organization focuses on the development of its value chain partners through training modules that were created in-house. The company also follows standard practices such as providing healthy and safe working environment, and working hours as per applicable laws. The company has various committees such as the stakeholder relationship committee, CSR committee, Risk Management Committee and various other committees to have a check over the implementation of policies.
		<p>SDG 10: REDUCED INEQUALITIES:</p> <ul style="list-style-type: none"> Company undertakes CSR initiatives - primarily focused on healthcare, education, and holistic development for the underprivileged, vulnerable and marginalized stakeholders. The Company has a zero-tolerance policy (Anti-discrimination) towards any form of discrimination which is available on the intranet of the company. The Company has an equal Opportunity Policy as the part of HR manual.
		<p>SDG 12: RESPONSIBLE COSUMPTION AND PRODUCTION:</p> <ul style="list-style-type: none"> The Company does sustainable procurement of its raw materials and mechanism is in place to procure raw materials from different sources considering availability, transportation, requirement of factories etc. This also includes transportation from suppliers to our factories. The organization has committed to SBTi to reach net-zero value chain GHGs emissions by no later than 2050.
		<p>SDG 13: CLIMATE ACTION:</p> <ul style="list-style-type: none"> The organization through its dedicated team, have been monitoring performance of various plants and equipment to reduce energy consumption. The organization has committed to SBTi to reach net-zero value chain GHGs emissions by 2050. Further the organization is in plan of implementing solar power projects in order to have 25% of its total electricity requirements through renewable power by 2025. Use of high pressure pumps to reduce water usage in cleaning and washing Recycled water reused for cooling towers and plantations – More than 50% of treated effluent water has been recycled directly reducing fresh water requirement.
<p>Principle 3</p>		<p>SDG 3: GOOD HEALTH AND WELL BEING:</p> <ul style="list-style-type: none"> The Company pays utmost importance towards safety and health of its employees by implementing policies, procedures and conducting various awareness programmes among the employees. Company has regularly undertaken various initiatives for the continual improvement in Health, Safety and Environment (HSE) at the works and surrounding areas It conducts various promotional activities among its work force on safety adherence. The organization has committed to SBTi to reach net-zero value chain GHGs emissions by 2050.





NGRBC Principle	SDGs covered	Activities
		<p>SDG 4: QUALITY EDUCATION:</p> <ul style="list-style-type: none"> The focus on employee development through training modules that were created in-house.
		<p>SDG 5: GENDER EQUALITY:</p> <ul style="list-style-type: none"> The Company has a 'Prevention of Sexual Harassment at Workplace' (POSH) policy with the aim of ensuring safety and security of its women employees. The Company has zero tolerance towards sexual harassment at workplace and has adopted a policy to abide by letter and spirit requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.
		<p>SDG 8: DECENT WORK AND ECONOMIC GROWTH</p> <ul style="list-style-type: none"> The company has adopted various policies like that of risk management, working hour policy, remuneration policy and likewise many more. The organization focus on development of its employees through training modules that were created in-house. The Company has increased the numbers of man-hours by continuously investing in learning and development programs by arranging target-oriented training programs, creating appropriate work environment and maintaining a structured recognition system. The company also follows standard practices such as providing healthy and safe working environment, and working hours as per applicable laws. The company has various committees such as the audit committee, stakeholder relationship committee, CSR committee, Risk Management Committee and various other committees to have a check over the implementation of policies.
		<p>SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE:</p> <ul style="list-style-type: none"> The company continuously engages in research and development of new technologies and processes so as to aid the same in developing improved cleaner processes for the organization The organization treats effluent water (ZLD ~ 300 KLD), which has bought specific consumption of water significantly down to almost zero in some of the plants.
		<p>SDG 11: SUSTAINABLE CITIES AND COMMUNITIES:</p> <ul style="list-style-type: none"> Customer feedback is taken periodically, and all complaints are handled in a responsible and time-bound manner. The Company inculcates the needs and requirements of its customers at the time of product development. The organization further participates in EcoVadis assessment which helps to get the clear picture of our sustainability practices within the four themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement.
		<p>SDG 16: PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <ul style="list-style-type: none"> To ensure good governance practice and robust institution, the Company has policies inter alia on: <ul style="list-style-type: none"> Fair Remuneration Policy Nomination & Remuneration Policy Dividend distribution policy Working Hours Employee Insurance Policy



NGRBC Principle	SDGs covered	Activities
Principle 4		<p>SDG 5: GENDER EQUALITY</p> <ul style="list-style-type: none"> The Company has a 'Prevention of Sexual Harassment at Workplace' (POSH) policy with the aim of ensuring safety and security of its women employees and stakeholders. The Company has zero tolerance towards sexual harassment at workplace and has adopted a policy to abide by letter and spirit requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.
		<p>SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE:</p> <ul style="list-style-type: none"> The organization further has "Green Practice" initiative wherein new innovative practices are used like that of the following: <ul style="list-style-type: none"> RESUE wherein the organization is working on novel ways of making high value Aroma Chemicals from CST side streams and Agrochemicals from other by-products, thus reducing waste and enhancing profits. REVERSE OSMOSIS wherein Waste water processed through Reverse Osmosis, 85% of waste water is treated and reused in the cooling towers, Boiler feed. ORGANIC WASTES wherein Organic Wastes such as Tops & Residues converted into Valued Added Products.
		<p>SDG 11: SUSTAINABLE CITIES AND COMMUNITIES:</p> <ul style="list-style-type: none"> The Company believes in remaining one step ahead in the efforts of conserving natural resources, recycle & reuse of materials, and creating waste to wealth
		<p>SDG 16: PEACE, JUSTICE AND STRONG INSTITUTIONS:</p> <ul style="list-style-type: none"> To ensure good governance practice and robust institution, the Company has policies inter alia on: <ul style="list-style-type: none"> Dividend Distribution Policy Conflict of interest policy
	Principle 5	
		<p>SDG 8: DECENT WORK AND ECONOMIC GROWTH</p> <ul style="list-style-type: none"> The company has adopted various policies like that of risk management, working hour policy, remuneration policy and likewise many more. The company also follows standard practices such as providing healthy and safe working environment, and working hours as per applicable laws. The company has various committees such as the audit committee, stakeholder relationship committee, CSR committee, Risk Management Committee and various other committees to have a check over the implementation of policies.
Principle 6		<p>SDG 3: GOOD HEALTH AND WELL BEING:</p> <ul style="list-style-type: none"> The organization has committed to SBTi to reach net-zero value chain GHGs emissions by 2050.

NGRBC Principle	SDGs covered	Activities
		<p>SDG 6: CLEAN WATER AND SANITATION:</p> <ul style="list-style-type: none"> The organization further engages in rainwater harvesting and uses the same for process applications & gardening.
		<p>SDG 7: AFFORDABLE AND CLEAN ENERGY:</p> <ul style="list-style-type: none"> Please refer to SDG 7, as mentioned under Principle 2
		<p>SDG 13: CLIMATE ACTION:</p> <ul style="list-style-type: none"> Recycled water reused for cooling towers and plantations – More than 50% of treated effluent water has been recycled directly reducing fresh water requirement. Further the organization is in plan of implementing solar power projects in order to have 25% of its total electricity requirements through renewable power by 2025.
		<p>SDG 14: LIFE BELOW WATER</p> <ul style="list-style-type: none"> The Company is supporting the crocodile conservation project of the Government near Mahad in Savitri River.
		<p>SDG 15: LIFE ON LAND</p> <ul style="list-style-type: none"> The organization on March 30, 2023 has completed the project “Privi Lungs of Mahad” wherein total 43865 numbers of trees has been planted. Further the organization also celebrated World Environment Day every year wherein several activities are conducted like planting trees, awareness program etc.
<p>Principle 7</p>		<p>SDG 7: AFFORDABLE AND CLEAN ENERGY:</p> <ul style="list-style-type: none"> Please refer to SDG 7 as mentioned under Principle 2
		<p>SDG 10: REDUCED INEQUALITIES:</p> <ul style="list-style-type: none"> Company undertakes CSR initiatives - primarily focused on healthcare, education, and holistic development for the underprivileged, vulnerable and marginalized stakeholders. The Company has a zero-tolerance policy (Anti-discrimination) towards any form of discrimination which is available on the intranet of the company. The Company has an equal Opportunity Policy as the part of HR manual.
		<p>SDG 11: SUSTAINABLE CITIES AND COMMUNITIES:</p> <ul style="list-style-type: none"> The organization further participates in EcoVadis assessment which helps to get the clear picture of our sustainability practices within the four themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement.
<p>Principle 8</p>		<p>SDG 1: NO POVERTY</p> <ul style="list-style-type: none"> We contribute towards the skill development of the people in the surrounding villages so that they can obtain employment to secure their source of income.
		<p>SDG 3: GOOD HEALTH AND WELL-BEING:</p> <ul style="list-style-type: none"> The Company focuses on improving the health care facilities in the nearby areas by arranging health check-up camps, distributing free medicines, building gymnasiums, spreading health awareness, as well as providing safe drinking water.



NGRBC Principle	SDGs covered	Activities
		<p>SDG 4: QUALITY EDUCATION:</p> <ul style="list-style-type: none"> The organization aims to provide learning aids, access to quality education, value building, vocational and livelihood guidance. The majorly aims at facilitating education and livelihood of underprivileged children; distribution of scientific lab equipment in schools and many more. The Company aims to build healthier and stronger communities. Its initiatives are focused providing basic health care facilities through active intervention, hygiene and health camps, sanitization facilities, etc. Also during the year, the organization also supported communities in combating the COVID-19 pandemic by providing medical equipment and other essential kits. The company through Hirwal Education Trust is also supporting tribal communities and under privileged students in the areas of healthcare and education. Amplifying the education system with focus on digital education, the organization focus on digital education, at Zila Parishad Schools by providing them the requisite software.
		<p>SDG 6: CLEAN WATER AND SANITATION:</p> <ul style="list-style-type: none"> The organization aims to provide basic healthcare facilities hygiene and health camps, sanitization facilities and safe drinking water for children and communities. The organization also provides assistance in the construction and repair of washroom in the surrounding areas and works to create awareness about hygiene.
		<p>SDG 16: PEACE, JUSTICE AND STRONG INSTITUTIONS:</p> <ul style="list-style-type: none"> To ensure good governance practice and robust institution, the Company has policies inter alia on: <ul style="list-style-type: none"> ✓ Policy on Equal Opportunity
Principle 9		<p>SDG 11: SUSTAINABLE CITIES AND COMMUNITIES:</p> <ul style="list-style-type: none"> Customer feedback is taken periodically, and all complaints are handled in a responsible and time-bound manner. The Company inculcates the needs and requirements of its customers at the time of product development.

ANNEXURE B :

Global Best Practices⁹⁷ & ESG Journey Of The Organization

1. Alignment Of BRSR Sections A & B Mapping

Section A: General Disclosures	
1.	No direct linkage
2.	GRI 2: General Disclosures 2021 GRI 2-1: Organizational details
3.	No direct linkage
4.	No direct linkage
5.	GRI 2: General Disclosures 2021 GRI 2-1: Organizational details
6.	GRI 2: General Disclosures 2021 GRI 2-3: Reporting period, frequency and contact point

Section A: General Disclosures

7.	GRI 2: General Disclosures 2021 GRI 2-3: Reporting period, frequency and contact point
8.	No direct linkage
9.	GRI 2: General Disclosures 2021 GRI 2-3: Reporting period, frequency and contact point
10.	No direct linkage
11.	No direct linkage
12.	GRI 2: General Disclosures 2021 GRI 2-3: Reporting period, frequency and contact point
13.	GRI 2: General Disclosures 2021 GRI 2-2: Entities included in the organization's sustainability reporting
14.	GRI 2: General Disclosures 2021 GRI 2-6: Activities, value chain and other business relationships
15.	GRI 2: General Disclosures 2021 GRI 2-6: Activities, value chain and other business relationships
16.	GRI 2: General Disclosures 2021 GRI 2-6: Activities, value chain and other business relationships
17.	GRI 2: General Disclosures 2021 GRI 2-6: Activities, value chain and other business relationships
18.	GRI 2: General Disclosures 2021 GRI 2-7: Employees GRI 2-8 Workers who are not employees
19.	GRI 405: Diversity and Equal Opportunity 2016 GRI 405-1 Diversity of governance bodies and employees
20.	GRI 401: Employment 2016 GRI 401-1: New employee hires and employee turnover
21.	GRI 2: General Disclosures 2021 GRI 2-2: Entities included in the organization's sustainability reporting
22.	GRI 201: Economic Performance 2016 GRI 201-1: Direct economic value generated and distributed
23.	GRI 2: General Disclosures 2021 GRI 2-25: Processes to remediate negative impacts
24.	GRI 3: Material Topics 2021 GRI 3-1: Process to determine material topics GRI 3-2: List of material topics GRI 3-3: Management of material topics a. describe

Section B: Management and Process disclosures

1.	GRI 2: General Disclosures 2021\GRI 2-23: Policy commitments
2.	GRI 2: General Disclosures 2021\ (e) 2-24: Embedding policy commitments
3.	GRI 2: General Disclosures 2021\ (e) 2-24: Embedding policy commitments
4.	No direct linkage

⁹⁷ https://www.globalreporting.org/media/loqnxm/xe/sebi_brsb_gri_linkage_doc.pdf



Section B: Management and Process disclosures

5.	GRI 3: Material Topics 2021\GRI 3-3 Management of material topics
6.	GRI 3: Material Topics 2021\GRI 3-3 Management of material topics
7.	GRI 2: General Disclosures 2021\GRI 2-22: Statement on sustainable development strategy
8.	GRI 2: General Disclosures 2021\GRI 2-13: Delegation of responsibility for managing impacts
9.	GRI 2: General Disclosures\GRI 2-9: Governance structure and composition
10.	No direct linkage
11.	GRI 2: General Disclosures 2021\GRI 2-5: External assurance
12.	No direct linkage

2. Alignment Of BRSR Section C⁹⁸

BRSR	Page Number	GRI	SDG
PRINCIPLE 1 - Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable – ESSENTIAL INDICATORS		GRI 2: General Disclosures 2021 -	Goal 16 : Peace & Justice Strong Institutions
		GRI 2-17: Collective knowledge of the highest governance body	
		GRI 2-23: Policy commitments	
		GRI 2-25: Processes to remediate negative impacts	
		GRI 2-27: Compliance with laws and regulations	
		GRI 3: Disclosures on material topics	
		GRI 3-3 - Management of material topics	
PRINCIPLE 1 - Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable – LEADERSHIP INDICATORS		GRI 205 - Anti-corruption	
		GRI 205-3: Confirmed incidents of corruption and actions taken	
		GRI 2-10: Nomination and selection of the highest governance body	
		GRI 2-15: Conflicts of interest	
		GRI 2-24: Embedding policy commitments	

⁹⁸ https://www.mca.gov.in/Ministry/pdf/NationalGuideline_15032019.pdf

BRSR	Page Number	GRI	SDG
Principle 2 - Businesses should provide goods and services in a manner that is sustainable and safe – ESSENTIAL INDICATORS		GRI 301: Materials 2016	Goal 6 : Clean Water & Sanitation
		GRI 301-2: Recycled input materials used	Goal 7 : Affordable & Clean Energy
		GRI 3: Management of Material Topics	Goal 8 : Decent Work & Economic Growth
		GRI 3-3: Management of material topics	Goal 10 : Reduced Inequality
		GRI 306-2 Management of significant waste-related impacts	Goal 12 : Responsible Consumption & Production
Principle 2 - Businesses should provide goods and services in a manner that is sustainable and safe – LEADERSHIP INDICATORS		GRI 3: Disclosures on material topics	Goal 13 : Climate Action
		GRI 3-3: Management of material topics	
		GRI 301: Materials 2016	
		GRI 301-2: Recycled input materials used	
		GRI 301-3: Reclaimed products and their packaging materials	
Principle 3 - Businesses should respect and promote the well-being of all employees, including those in their value chains – ESSENTIAL INDICATORS		GRI 306-2: Management of significant waste-related impacts	
		GRI 201: Economic Performance 2016	Goal 3 : Good Health & Well Being
		GRI 201-1: Defined benefit plan obligations and other retirement plans	Goal 4 : Quality Education
		GRI 2-25: Processes to remediate negative impacts	Goal 5 : Gender Equality
		GRI 2: General Disclosure 2021	Goal 8 : Decent Work & Economic Growth
		GRI 2-30: Collective bargaining agreements	Goal 9 : Industry, Innovation and Infrastructure
		GRI 3: Disclosures on material topics	Goal 11 : Sustainable Cities & Communities
		GRI 3-3: Management of material topics	
		GRI 401: Employment 2016	
		GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	
		GRI 401-3: Parental leave	
		GRI 403: Occupational Health and Safety 2018	
		GRI 403-1: Occupational health and safety management system	
		GRI 403-2: Hazard identification, risk assessment, and incident investigation	
		GRI 403-5: Worker training on occupational health and safety	
		GRI 403-6: Promotion of worker health	
		GRI 403-9: Work-related injuries	
		GRI 403-10: Work-related ill health	
		GRI 404: Training and Education 2016	
		GRI 404-1: Average hours of training per year per employee	
	GRI 404-2: Programs for upgrading employee skills and transition assistance programs		
	GRI 404-3: Percentage of employees receiving regular performance and career development reviews		



BRSR	Page Number	GRI	SDG
Principle 3 - Businesses should respect and promote the well-being of all employees, including those in their value chains – LEADERSHIP INDICATORS		GRI 404: Training and Education 2016 GRI 404-2: Programs for upgrading employee skills and transition assistance programs GRI 3: Disclosures on material topics GRI 3-3: Management of material topics GRI 414: Supplier Social Assessment 2016 GRI 414-2: Negative social impacts in the supply chain and actions taken	
Principle 4 - Businesses should respect the interests of and be responsive to all its stakeholders – ESSENTIAL INDICATORS		GRI 2: General Disclosures 2021 GRI 2-29: Approach to stakeholder engagement GRI 3: Disclosures on material topics GRI 3-1: Process to determine material topics	Goal 5 : Gender Equality Goal 9 : Industry, Innovation and Infrastructure Goal 11 : Sustainable Cities & Communities Goal 16 : Peace & Justice Strong Institutions
Principle 4 - Businesses should respect the interests of and be responsive to all its stakeholders – LEADERSHIP INDICATORS		GRI 2: General Disclosures 2021 GRI 2-12: Role of the highest governance body in overseeing the management of impacts GRI 2-13: Delegation of responsibility for managing impacts GRI 3: Disclosures on material topics GRI 3-1: Process to determine material topics GRI 2: General Disclosures 2021 GRI 2-29: Approach to stakeholder engagement	Goal 5 : Gender Equality Goal 8 : Decent Work & Economic Growth
Principle 5 - Businesses should respect and promote human rights – ESSENTIAL INDICATORS		GRI 2: General Disclosures 2021 GRI 2-13: Delegation of responsibility for managing impacts GRI 2-19 Remuneration policies a. describe the remuneration policies for members of the highest governance body and senior executives GRI 2-21 Annual total compensation ratio GRI 2-23 Policy commitments GRI 2-24: Embedding policy commitments GRI 2-25: Processes to remediate negative impacts GRI 3: Disclosures on material topics GRI 3-3 Management of material topics GRI 202: Market Presence 2016 GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage GRI 205: Anti-Corruption 2016 GRI 205-2 Communication and training about anti-corruption policies and procedures GRI 403: Occupational Health and Safety 2018 GRI 403-5 Worker training on occupational health and safety GRI 404: Training and Education 2016	Goal 5 : Gender Equality Goal 8 : Decent Work & Economic Growth

BRSR	Page Number	GRI	SDG
		GRI 404-1 Average hours of training per year per employee	
		GRI 405: Diversity and Equal Opportunity 2016	
		GRI 405-2 Ratio of basic salary and remuneration of women to men	
		GRI 406: Non-discrimination 2016	
		GRI 406-1 Incidents of discrimination and corrective actions taken	
		GRI 410: Security Practices 2016	
		GRI 410-1 Security personnel trained in human rights policies or procedures	
Principle 5 - Businesses should respect and promote human rights – LEADERSHIP INDICATORS		GRI 2: General Disclosures 2021	
		GRI 2-25 Processes to remediate negative impacts	
		GRI 3: Material Topics 2021	
		GRI 3-1: Process to determine material topics	
		GRI 3-3: Management of material topics	
		GRI 414: Supplier Social Assessment 2016	
		GRI 414-1 New suppliers that were screened using social criteria	
		414-2 Negative social impacts in the supply chain and actions taken	
Principle 6 - Businesses should respect and make efforts to protect and restore the environment – ESSENTIAL INDICATORS		GRI 302: Energy 2016	Goal 3 : Good Health & Well Being
		GRI 302-1 Energy consumption within the organization	Goal 6 : Clean Water & Sanitation
		GRI 302-3: Energy intensity	Goal 7 : Affordable & Clean Energy
		GRI 303: Water and Effluents 2018	Goal 13 : Climate Action
		GRI 303-1: Interactions with water as a shared resource	Goal 14 : Life below water
		GRI 303-3: Water withdrawal	Goal 15 : Life on land
		GRI 303-5: Water consumption	
		GRI 304: Biodiversity 2016	
		GRI 304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
		GRI 305: Emissions 2016	
		GRI 305-1 Direct (Scope 1) GHG emissions	
		GRI 305-2: Energy indirect (Scope 2) GHG emissions.	
		GRI 305-4: GHG emissions intensity	
		GRI 305-5: Reduction of GHG emissions	
		GRI 305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	
		GRI 306: Waste 2020	
		GRI 306-2 Management of significant waste related impacts	



BRSR	Page Number	GRI	SDG
		GRI 306-3 Waste generated GRI 306-5 Waste directed to disposal GRI 2: General Disclosures 2021 GRI 2-27 Compliance with laws and regulations GRI 3: Material Topics 2021 GRI 3-3 Management of material topics GRI 413: Local Communities GRI 413-1 Operations with local community engagement, impact assessments, and development programs	
Principle 6 - Businesses should respect and make efforts to protect and restore the environment – LEADERSHIP INDICATORS		GRI 302: Energy 2016 GRI 302-1: Energy consumption within the organization GRI 303: Water and Effluents 2018 GRI 303-3 Water withdrawal GRI 303-4 Water discharge GRI 304: Biodiversity 2016 GRI 304-2 Significant impacts of activities, products and services on biodiversity GRI 304-3 Habitats protected or restored GRI 305: Emissions 2016 GRI 305-3 Other indirect (Scope 3) GHG emissions GRI 305-4 GHG emissions intensity GRI 308: Supplier Environmental Assessment 2016 GRI 308-1 New suppliers that were screened using environmental criteria	
Principle 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent – ESSENTIAL INDICATORS		GRI 308: Supplier Environmental Assessment 2016 GRI 308-1 New suppliers that were screened using environmental criteria GRI 308-2 Negative environmental impacts in the supply chain and actions taken GRI 3: Material Topics 2021, GRI 3-3 Management of material topics The organization shall report how it manages anti-competitive behavior	Goal 7 : Affordable & Clean Energy Goal 10 : Reduced Inequality Goal 11 : Sustainable Cities & Communities
Principle 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent – LEADERSHIP INDICATORS		GRI 2: General Disclosures 2021 GRI 2-28 Membership associations GRI 3: Material Topics 2021 GRI 3-3 Management of material topics The organization shall report how it manages anti-competitive behavior GRI 415: Public Policy 2016	

BRSR	Page Number	GRI	SDG
Principle 8 - Businesses should promote inclusive growth and equitable development – ESSENTIAL INDICATORS		GRI 2: General Disclosures 2021	Goal 1 : No Poverty
		GRI 2-25 Processes to remediate negative impacts	Goal 3 : Good Health & Well Being
		GRI 3: Material Topics 2021	Goal 4 :
		GRI 3-3 Management of material topics	Quality Education
		The organization shall report how it manages local communities	Goal 6 : Clean Water & Sanitation
		GRI 204: Procurement Practices 2016	Goal 16 : Peace & Justice Strong Institutions
		GRI 204-1 Proportion of spending on local suppliers	Goal 17 : Partnerships to achieve the Goal
		GRI 413: Local Communities 2016	
Principle 8 - Businesses should promote inclusive growth and equitable development – LEADERSHIP INDICATORS		GRI 413-1 Operations with local community engagement, impact assessments, and development programs	
		GRI 3: Material Topics 2021	
		GRI 3-3 Management of material topics	
		GRI 413: Local Communities 2016	
Principle 9 - Businesses should engage with and provide value to their consumers in a responsible manner – ESSENTIAL INDICATORS		GRI 413-1 Operations with local community engagement, impact assessments, and development programs	
		GRI 417: Marketing and Labeling 2016	Goal 11 : Sustainable Cities and Communities
		GRI 417-1 Requirements for product and service information and labelling	
		GRI 418: Customer Privacy 2016	
		GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	
		GRI 3: Material Topics 2021	
Principle 9 - Businesses should engage with and provide value to their consumers in a responsible manner – LEADERSHIP INDICATORS		GRI 3-3 Management of material topics	
		GRI 417: Marketing and Labeling 2016	
		GRI 417-1 Requirements for product and service information and labelling	
		GRI 418: Customer Privacy 2016	
		GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	
		GRI 3: Material Topics 2021	
	GRI 3-3 Management of material topics		



LIFE AT PRIVI SPECIALITY CHEMICALS LTD.



STANDALONE FINANCIAL STATEMENTS





Independent Auditors' Report

To the Members of
Privi Speciality Chemicals Limited

Report on the Audit of the Standalone Financial Statements **OPINION**

We have audited the standalone financial statements of Privi Speciality Chemicals Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

REVENUE RECOGNITION

See Note 20 and 37 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company's revenue is derived primarily from sale of products. The principal products of the Company comprise of aroma chemicals.</p> <p>Revenue from sale of goods is recognized on transfer of the products to the customer. The Company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. The performance obligations in the contracts may be fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on contract terms. There is a risk that revenue could be recognised at a time which is different from transfer of control especially for sales transactions occurring on and around the reporting period. Also, there is a risk of recognizing fictitious revenue throughout the year. In view of this and since revenue is a key performance indicator of the Company, we have identified timing of the revenue recognition as a key audit matter.</p>	<ul style="list-style-type: none"> • In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:- • Assessed the appropriateness of Company's accounting policies relating to revenue recognition as per the applicable accounting standard. • Obtained an understanding of the Company's sales process and evaluated the design and implementation of key internal controls in relation to the timing of revenue recognition. We also tested the operating effectiveness of such controls for a sample of transactions with special reference to controls over revenue recognised on and around the year end. • For a sample of sale transactions selected using statistical sampling, performed detailed testing and in particular examined whether these are recognised in the period in which control is transferred. This included examination of the terms and conditions as per customer orders, such as shipping terms, transporter documents and customer acceptances. • Tested on a sample basis, specific revenue transactions recorded around the year end date to check whether revenue has been recognised in the correct reporting period by examining the underlying documents. • Tested sample journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions.

BASIS FOR OPINION

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

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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".

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements.

b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts –

Refer Note 18 to the standalone financial statements.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 42 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 42 to the standalone financial statements, no funds have

been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The Company has not declared any dividend during the year.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1

April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Jayesh T Thakkar

Partner

Membership No.: 113959

ICAI UDIN:23113959BGXKTF1922

Place: Mumbai

Date: 29 May 2023



Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Privi Speciality Chemicals Limited for the year ended 31 March 2023

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in two years. In accordance with this programme, no property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Quarter	Name of bank	Particulars	Amount as per books of account (Rs in lakhs)	Amount as reported in the quarterly return/ statement (Rs in lakhs)	Amount of difference (Rs in lakhs)	Whether return/ statement subsequently rectified
Jun-22	Kotak Mahindra Bank and others	Trade Receivables and Inventories	1,01,281	96,290	4,990	No
Sep-22	Kotak Mahindra Bank and others	Trade Receivables and Inventories	1,11,592	1,11,689	-97	No
Dec-22	Kotak Mahindra Bank and others	Trade Receivables and Inventories	1,10,033	1,09,117	916	No
Mar-23	Kotak Mahindra Bank and others	Trade Receivables and Inventories	1,05,945	1,05,813	132	No

Refer note 14 of the standalone financial statements.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in companies, firms, limited liability partnership or any other parties. The Company has provided guarantee and security to Companies during the year in respect of which the requisite information is as below. The Company has not granted loans and advances in the nature of loans to Companies during the year in respect of which the requisite information is as below. The Company has not provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to limited liability partnership or any other parties during the year.

Particulars	Guarantees (₹ in lakhs)	Security Loans	Advances in nature of loans
Aggregate amount during the year			
Subsidiaries*	256	-	-
Joint ventures*	-	-	-
Associates*	-	-	-
Others	-	-	-
Balance outstanding as at balance sheet date			
Subsidiaries*	3,288	-	-
Joint ventures*	-	-	-
Associates*	-	-	-
Others	-	-	-

*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no loans are given during the year Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loans given. Further, the Company has not given any advances in the nature of loans to any party during the year. Accordingly, clause 3(iii) (d) of the Order is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted.

Accordingly, clause 3(iii) (e) of the Order is not applicable

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans. Accordingly, clause 3(iii) (f) of the Order is not applicable
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Income Tax Act, 1961	Income Tax	3.33	2005-06	CIT Appeals	Not Yet Paid
The Income Tax Act, 1961	Income Tax	316.13	2014-15	Commissioner (Appeals)	Not Yet Paid
The Income Tax Act, 1961	Income Tax	31.21	2015-16	CIT Appeals	Not Yet Paid
The Income Tax Act, 1961	Income Tax	317	2017-18	ITAT	Not Yet Paid
The Income Tax Act, 1961	Income Tax	1,119.00	2017-18	ITAT	Not Yet Paid
The Income Tax Act, 1961	Income Tax	268.79	2018-19	Commissioner (Appeals)	Not Yet Paid
The Customs Act, 1962	Custom Duty	9.52	1998-99	CESTAT	Not Yet Paid
The Customs Act, 1962	Custom Duty	90.54	2013-14	CESTAT	Not Yet Paid

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Jayesh T Thakkar
Partner

Place: Mumbai
Date: 29 May 2023

Membership No.: 113959
ICAI UDIN:23113959BGXKTF1922



Annexure B to the Independent Auditor's Report on the standalone financial statements of Privi Speciality Chemicals Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

OPINION

We have audited the internal financial controls with reference to financial statements of Privi Speciality Chemicals Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to

an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Jayesh T Thakkar

Partner

Place: Mumbai

Date: 29 May 2023

Membership No.: 113959

ICAI UDIN:23113959BGXKTF1922



Standalone Balance Sheet

As at March 31, 2023

	Note	(Currency: Indian Rupees in lakhs)	
		As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	93,556.99	62,659.88
Capital work-in-progress	3	8,821.37	36,118.43
Right of use assets	4 a	3,606.68	3,410.61
Other Intangible assets	4 b	1,017.28	485.85
Intangible assets under development	4 b	487.07	855.54
Financial assets			
Investments in subsidiaries	5	5,067.31	5,067.31
Other financial assets	6	1,497.35	1,389.77
Income tax assets (net)		2,343.19	1,394.36
Other non-current assets	7	3,093.30	1,696.26
Total non-current assets		1,19,490.54	1,13,078.01
Current assets			
Inventories	8	74,496.25	56,120.78
Financial assets			
Trade receivables	9	31,448.79	28,421.72
Cash and cash equivalents	10	1,025.27	2,636.96
Bank balances other than cash and cash equivalents	11	418.68	452.29
Other financial assets	6	9.84	1,320.51
Other current assets	7	7,402.37	10,808.22
Total current assets		1,14,801.20	99,760.48
TOTAL ASSETS		2,34,291.74	2,12,838.49
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12 a	3,906.27	3,906.27
Other equity	12 b	78,341.39	76,829.54
Total equity		82,247.66	80,735.81
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13 a	40,370.49	38,060.00
Lease liabilities	13 b	994.77	1,290.41
Provisions	15	1,750.17	1,675.45
Deferred tax liabilities (net)	16	2,021.94	1,458.27
Total non-current liabilities		45,137.37	42,484.13
Current liabilities			
Financial liabilities			
Borrowings	14	62,560.05	49,904.67
Lease liabilities	13 b	360.22	424.80
Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	17	927.53	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	17	28,844.76	30,822.69
Other financial liabilities	18	7,284.18	6,916.09
Other current liabilities	19	5,849.86	487.77
Provisions	15	212.56	194.98
Current tax liabilities (net)		867.55	867.55
Total current liabilities		1,06,906.71	89,618.55
Total liabilities		1,52,044.08	1,32,102.68
TOTAL EQUITY AND LIABILITIES		2,34,291.74	2,12,838.49
Notes to the standalone financial statements	3 to 44		
Significant accounting policies	2		

The accompanying notes forms an integral part of the standalone financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors of **Privi Speciality Chemicals Limited**For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar

Partner

Membership No: 113959

Place: Mumbai

Date: May 29, 2023

Mahesh Babani

Chairman & Managing Director

DIN: 00051162

Narayan S Iyer

Chief Financial Officer

Membership No: 105320

Place: Mumbai

Date: May 29, 2023

D. B. Rao

Executive Director

DIN: 00356218

Ashwini Shah

Company Secretary

Membership No: A-58378

Standalone Statement of Profit and Loss

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue from operations	20	1,57,784.32	1,39,146.57
Other income	21	2,159.61	3,259.92
TOTAL INCOME (I)		1,59,943.93	1,42,406.49
EXPENSES			
Cost of materials consumed	22	1,13,322.15	97,682.64
Changes in inventories of finished goods and work-in-progress	23	(18,243.98)	(14,726.56)
Employee benefits expense	24	7,235.42	6,778.94
Finance costs	25	6,662.48	2,377.64
Depreciation and amortisation expenses	26	10,515.53	7,304.39
Power and fuel expense	27	14,713.05	9,902.17
Other expenses	28	22,612.16	19,950.80
TOTAL EXPENSES (II)		1,56,816.81	1,29,270.02
Profit before exceptional items and tax expense (I) - (II)		3,127.12	13,136.47
Exceptional items			
Exceptional income/(loss) (refer note 40)		-	529.24
Profit before tax expense		3,127.12	13,665.71
Tax expenses:			
Current tax		333.81	3,395.97
Deferred tax		545.82	103.26
Tax expense		879.63	3,499.23
Profit for the year (III)		2,247.49	10,166.48
Other comprehensive income			
Items that will not be reclassified to profit or loss - Remeasurements of the net defined benefit plans		63.46	(58.67)
Income tax related to items that will not be reclassified to profit or loss		(17.85)	15.02
Total other comprehensive income / (loss) for the year net of taxes (IV)		45.61	(43.65)
Total comprehensive income for the year (III + IV)		2,293.10	10,122.83
Earnings per equity share: nominal value of share Rs.10/- each			
Basic and diluted (Rs.)	36	5.75	26.03
Notes to the standalone financial statements	3 to 44		
Significant accounting policies	2		

The accompanying notes forms an integral part of the standalone financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors of **Privi Speciality Chemicals Limited**

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Mahesh Babani

Chairman & Managing Director
DIN: 00051162

Narayan S Iyer

Chief Financial Officer
Membership No: 105320

Place: Mumbai
Date: May 29, 2023

D. B. Rao

Executive Director
DIN: 00356218

Ashwini Shah

Company Secretary
Membership No: A-58378

Jayesh T Thakkar

Partner
Membership No: 113959

Place: Mumbai
Date: May 29, 2023



Standalone Statement of Cash Flows

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
A Cash flow from operating activities		
Profit before tax after exceptional items	3,127.12	13,665.71
Adjustment for:		
Depreciation and amortisation	9,986.50	6,900.17
Amortisation of right of use assets	529.03	404.22
Gain on write-back of financial liabilities measured at amortised cost (refer note 21)	(2.57)	(158.67)
Sundry balances written off	-	53.21
Unrealised foreign exchange loss (net)	936.28	104.07
Interest income	(26.15)	(26.53)
Finance cost	6,662.48	2,377.64
Loss / (Profit) on tangible assets sold (net)	59.44	(0.69)
Profit on sales of investment (net)	(8.88)	(0.27)
Allowance for expected credit loss and credit impairment	-	20.92
Operating cash flow before working capital changes	21,263.25	23,339.78
Movements in working capital		
(Increase) in trade receivables	(2,702.91)	(4,440.36)
(Increase) in inventories	(18,375.47)	(24,623.26)
Decrease / (Increase) in other assets	2,349.49	(1,884.38)
(Decrease) / Increase in trade payable	(1,013.88)	12,799.35
Increase / (Decrease) in other current liabilities and provisions	5,231.32	(558.25)
	(14,511.45)	(18,706.90)
Cash generated from operations	6,751.80	4,632.88
Income taxes paid	(1,282.64)	(3,158.38)
Net cash generated from operating activities [A]	5,469.16	1,474.50
B Cash flow from investing activities		
Purchase of property, plant and equipment	(14,212.51)	(31,636.21)
Proceeds from sales of property, plant & equipment	7.67	13.57
Purchase of investment in subsidiaries	-	(765.00)
Investment in fixed deposits	(23.53)	(29.99)
Realisation from fixed deposits	122.61	0.35
Interest received	25.46	27.59
Net cash (used in) investing activities [B]	(14,080.30)	(32,389.69)
C Cash flow from financing activities		
Proceeds from Non-current borrowings	12,500.00	10,985.17
Repayment of Non-current borrowings	(6,065.15)	(3,370.02)
Current borrowings (net)	8,290.90	29,326.00
Payment of lease liabilities	(489.31)	(323.15)
Dividend paid including tax deducted at source	(781.25)	(781.21)
Interest paid	(6,460.70)	(3,407.77)
Net cash generated from financing activities [C]	6,994.49	32,429.02
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(1,616.65)	1,513.83
Cash and cash equivalents at the beginning of the year	2,636.96	1,136.42
Exchange differences on translation of foreign currency cash and cash equivalents	4.96	(13.29)
Cash and cash equivalents at end of the year (refer note 10)	1,025.27	2,636.96

Standalone Statement of Cash Flows

For the year ended March 31, 2023

Note A : The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Note B : Purchase of Property, Plant and Equipment includes movements in capital work-in-progress (including capital advances) during the year.

Note C : Reconciliation of net debts

Particulars	Lease liabilities	Non current borrowings	Current borrowings
Balance as on 1 April 2022	1,715.21	38,060.00	49,904.67
Loan/ lease taken during the current year	-	12,500.00	8,290.90
Repayment during the current year	-	-	(6,065.15)
Foreign exchange gain or loss	-	103.47	(40.49)
Current maturities of long term debt (refer note 13 a)	-	(10,292.98)	10,292.98
Interest accrued but not due on borrowings	-	-	177.14
Interest on lease liabilities	129.09	-	-
Payment against lease liabilities	(489.31)	-	-
Closing balance as on March 31, 2023	1,354.99	40,370.49	62,560.05

Particulars	Lease liabilities	Non current borrowings	Current borrowings
Balance as on 1 April 2021	739.56	36,621.67	14,228.16
Loan/ lease taken during the current year	1200.59	10,985.17	29,326.00
Repayment during the current year	-	(3,370.02)	-
Foreign exchange gain or loss	-	(71.18)	(21.51)
Current maturities of long term debt (refer note 13 a)	-	(6,105.64)	6,105.64
Interest accrued but not due on borrowings	-	-	266.38
Interest on lease liabilities	98.21	-	-
Payment against lease liabilities	(323.15)	-	-
Closing balance as on March 31, 2022	1,715.21	38,060.00	49,904.67

Note D : For Corporate social responsibility related spends, refer note 42

Significant accounting policies 2

The accompanying notes forms an integral part of the standalone financial statements. 3 to 44

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959
Place: Mumbai
Date: May 29, 2023

For and on behalf of the Board of Directors of **Privi Speciality Chemicals Limited**

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

Narayan S Iyer
Chief Financial Officer
Membership No: 105320
Place: Mumbai
Date: May 29, 2023

D. B. Rao
Executive Director
DIN: 00356218

Ashwini Shah
Company Secretary
Membership No: A-58378



Standalone Statement of Changes in Equity

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

A. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	3,906.27	3,906.27
Changes in equity share capital during the year	-	-
Balance at the end of the year	3,906.27	3,906.27

B. OTHER EQUITY

	Reserves and Surplus			Total
	General reserve	Retained earnings*	Capital Reserve (refer note 12(b))	
Balance as at April 01, 2021	35,573.76	31,913.16	1.00	67,487.92
Profit for the year	-	10,166.48	-	10,166.48
Other comprehensive income / (loss) (net of tax)	-	(43.65)	-	(43.65)
Total comprehensive income for the year	35,573.76	42,035.99	1.00	77,610.75
Contribution and distribution to the owners				
Dividend of Rs 2.00 per share for the year ended March 31, 2021 (including dividend distribution tax) (refer note 38)	-	(781.21)	-	(781.21)
Balance as at March 31, 2022	35,573.76	41,254.78	1.00	76,829.54
Profit for the year	-	2,247.49	-	2,247.49
Other comprehensive income / (loss) (net of tax)	-	45.61	-	45.61
Total comprehensive income for the year	-	2,293.10	-	2,293.10
Contribution and distribution to the owners				
Dividend of Rs 2.00 per share for the year ended March 31, 2022 (including dividend distribution tax) (refer note 38)	-	(781.25)	-	(781.25)
Balance as at March 31, 2023	35,573.76	42,766.63	1.00	78,341.39

* The Balance arising out of remeasurement of defined plans is adjusted against the available retained earnings.

Notes to the standalone financial statements 3 to 44

Significant accounting policies 2

The accompanying notes forms an integral part of the standalone financial statements.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar

Partner

Membership No: 113959

Place: Mumbai

Date: May 29, 2023

For and on behalf of the Board of Directors of **Privi Speciality Chemicals Limited**

Mahesh Babani

Chairman & Managing Director

DIN: 00051162

Narayan S Iyer

Chief Financial Officer

Membership No: 105320

Place: Mumbai

Date: May 29, 2023

D. B. Rao

Executive Director

DIN: 00356218

Ashwini Shah

Company Secretary

Membership No: A-58378

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

1 CORPORATE INFORMATION

Privi Speciality Chemicals Limited ('PSCL or 'the Company') incorporated on 25 May 1985 under the provisions of the Companies Act, 1956 is a public company domiciled in India. The Company was incorporated as H. K. Agro Oil Ltd. and later changed its name and style to Adi Finechem Limited. The Company is primarily engaged in the manufacture and export of aroma chemicals and in trading of chemicals. The Company's manufacturing units are located at Mahad and Jhagadia. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Ltd.

2 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted by the Company in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of Compliance

These Financial Statements of the Company comprising the Balance Sheet as at March 31, 2023, Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity, and Cash Flow Statement for the year ended March 31, 2023, and a summary of significant accounting policies and other explanatory information have been prepared by the Company in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 (the 'Act'), The Audit report of statutory auditor on these standalone financial statements of the company will be addressed to the Shareholders. The standalone financial statements were authorised for issue by the Company's Board of Directors at their meetings held on May ,29 2023.

i. Basis of preparation and Presentation

Basis of Preparation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- (i) Derivative Financial Instruments measured at fair value.
- (ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

(Currency: Indian Rupees in lakhs)

- (iii) Employee's Defined Benefit Plan as per actuarial valuation.

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 under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional and Presentation Currency

The standalone financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest lakh, unless otherwise stated.

ii. Use of estimates, judgements, and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets and liabilities, Actual results may differ from these estimates and assumptions.

Estimate and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

The Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and in the relevant notes to the financial statements.

Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectation



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

of future events that are believed to be reasonable under the circumstances. The Management believes that the estimates used in preparation of these financial statements are prudent and reasonable. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. "revisions to accounting estimates are accounted for prospectively .

Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

- a. Lease term, whether the Company is reasonably certain to exercise extension options – (Note 4 a)

Assumptions and estimation uncertainties

Information about judgements in applying accounting policies, as well as estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Measurement of defined benefit obligations for key actuarial assumptions - Note 31
- (b) Recognition of deferred tax assets – Note 16

iii. Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle.
- (b) it is held primarily for the purpose of being traded.
- (c) it is expected to be realised within 12 months after the balance sheet date; or

(Currency: Indian Rupees in lakhs)

- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the Company's normal operating cycle.
- (b) it is held primarily for the purpose of being traded.
- (c) it is due to be settled within 12 months after the balance sheet date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Terms of a liability that could, at the option of the counter party, result in its settlement by issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is twelve months from the time between the acquisition of assets for processing and their realization in cash or cash equivalents .

iv. Property, Plant and Equipment ("PPE") and depreciation

I Recognition and Measurement

Items of Property, Plant and equipment are measured at cost including nonrefundable taxed and import duties, which also includes capitalized borrowing costs less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment certain items of the property, plant, and equipment as of 1st

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

January 2005. The Company's date of transition to the standards was determined with the reference to its fair value at the date .

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of Property, Plant and equipment. Any Gain or loss on disposal of an item of Property, Plant and equipment is recognized in profit or loss.

II Subsequent Expenditure

Subsequent Expenditure is capitalized only if it is probable that the future economic benefits flow to the associated with the Expenditure will flow to the entity.

Depreciation and amortization

Depreciation is calculated using the straight-line method to allocate cost of property plant and equipment, net of residual values, over their estimated useful lives as per the useful life prescribed in schedule II of the Companies Act, 2013 except in case of the following class of assets where the useful life is based on technical evaluation of the management:

Fixtures in leasehold premises are amortized over the primary period of the lease or useful life of the fixtures, whichever is lower.

Asset Class	Estimated useful life (in Years)
Building	33
Plant and Machinery	10
Electrical installation	10
Laboratory equipment's	10
Furniture & Fixtures	16
Office Equipment	10
Leasehold Improvement	15
Vehicle	10
Computer	6

Depreciation on additions / deletions during the year is provided from the date in which the asset is ready to use to the date in which the asset is disposed of.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each

(Currency: Indian Rupees in lakhs)

reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets required under finance leases are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II of Companies Act, 2013) unless it is reasonably certain that Company will obtain ownership by the end of lease term, in which case the depreciation rates applicable for similar assets owned by the Company are applied.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

v. Intangible assets and amortisation

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets.

Asset Class	Estimated useful life (in Years)
Computers Soft wares	3 to 6 Years
Rights of Sale of Products	5 Years
Development Rights	5 Years

About internally generated intangible assets:

Expenditure on research activities, undertaken with the prospect of development of new products or gaining new technical knowledge and understanding, is recognised in profit or loss as incurred.

Capital expenditure on research and development is capitalized and depreciated as per accounting policy mentioned above. Revenue expenditure is charged off in the year in which it is incurred.



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in profit or loss as incurred.

Intangible assets are amortised in profit or loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

Gains or losses arising from derecognition 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 or loss when the asset is derecognised.

vi. Impairment of Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments

(Currency: Indian Rupees in lakhs)

of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its Recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

vii. Borrowing costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange differences arising from foreign currency borrowings (other than long term foreign currency borrowings) to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

viii. Foreign currency transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of profit and loss of the year.

Monetary assets and liabilities in foreign currency, which are outstanding as at the balance sheet date are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized 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 gains and losses are presented in the statement of profit and loss on a net basis within other incomes/expenses.

ix. Financial Instruments

a. Financial assets

Initial Recognition and Measurement

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Revenue Recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract

Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

Financial assets at amortised cost

A financial asset is classified as subsequently measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through Other Comprehensive Income (“FVTOCI”)

A financial asset is classified as subsequently measured at fair value through Other Comprehensive Income if both the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). However, the Company recognizes interest income,

impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to P&L. The Company did not have any financial assets at FVTOCI during the current year as well as previous year.



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

Financial assets at fair value through Profit and loss (“FVTPL”)

Financial assets at FVTPL are a residual category for financial assets. Any financial assets which do not meet the criteria of categorizing it at amortised cost or at FVTOCI is classified as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

De-recognition

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

(Currency: Indian Rupees in lakhs)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of Financial Assets

In view of its past experience of having insignificant impairment bad debts / write-offs and based on management’s estimate considering its portfolio of customers, this trend would continue for the foreseeable future, the Company has determined that significant impairment of Financial assets is not required to be recognised based on Expected Credit Loss model.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost and financial liabilities at FVTPL. Derivative liabilities are classified as FVTPL. All financial liabilities are recognised initially at fair value. The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss. Except derivative

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

instruments, the Company has not designated any financial liability as at FVTPL.

Financial liabilities at amortised cost

All financial liabilities except for derivatives are classified as measured at amortised cost. This category includes bank and other borrowings, trade payables and other financial liabilities.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

c. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Business Model Assessment

Financial assets -Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes: the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities, or expected cash outflows or realizing cash flows through the sale of the assets.

- how the performance of the portfolio is evaluated and reported to the Company's management.

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

- how managers of the business are compensated- e.g., whether compensation is based on the fair value of the assets managed, or the contractual cash flows collected, and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial Assets that are held for trading or are managed and whose performance I evaluated on a fair value basis are measured at FVTPL.

d. Derivatives

Initial recognition and subsequent measurement
The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and currency SWAPS, to hedge its foreign currency risks, interest rate risks and its long term loans, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The purchase contracts that meet the definition of a derivative under Ind-AS 109 are recognised in the Statement of Profit and Loss.

x. Segment Reporting

The Chief Operational Decision Maker (CODM) monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segments have been identified on the basis of nature



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

of products / services. The Accounting Policies adopted for segment reporting are in line with the Accounting Policies of the Company. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, trade receivables and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

xi. Cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flow. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

xii. Cash and Cash equivalents

Cash and cash equivalent in the balance sheet and for the statement cash flow 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.

xiii. Investment in subsidiaries and joint ventures

Investment in subsidiary companies and joint venture companies are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies and joint venture companies, the difference between net disposal proceeds and the carrying amount are recognised in the statement of Profit and Loss.

xiv. Leases

The Company has adopted Ind AS 116 effective from April 01 2019 using modified retrospective approach. For the purpose of preparation of Standalone Financial

(Currency: Indian Rupees in lakhs)

Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31, 2023.

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

As a lessee, the Company recognises 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.

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 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.

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.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

The lease liability is measured at amortised cost using the effective interest method.

The Company has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The Company's leases primarily comprise land and buildings and Plant and equipment. The Company leases land and buildings for warehouse facilities.

xv. Inventories

Inventories include raw materials, packing materials, fuel, consumable stores and spares and manufactured inventory. Inventory is valued at the lower of cost and net realisable value.

Cost comprises the purchase price, costs of conversion and other related costs incurred in bringing the inventories to their present location and condition. Cost of raw materials, packing materials, fuel, consumable, stores and spares are determined on the basis of Periodic moving weighted average method. Cost of finished goods and work in progress are determined using the absorption costing principle. Cost includes the cost of material consumed, labour and appropriate proportion of costs of conversion which include variable and fixed overheads.

Obsolete, defective, and unserviceable inventories are duly provided for. The comparison of cost and net realisable value is made on an item-to-item basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

xvi. Revenue Recognition

Revenue recognition Revenue from contracts with customers is recognised when control of the goods or

services are transferred to the customer i.e., when the customer is able to direct the use of the transferred goods or rendering of services and obtains substantially,

all of the remaining benefits at an amount that reflects the consideration entitled in exchange for those goods or services. The policy of recognizing the revenue is determined according to Ind AS 115 "Revenue from contracts with customers".

Sale of Goods: Revenue is recognised upon transfer of control of promised goods to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/ delivery of goods, based on contracts with the customers. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Insurance

Income in respect of Insurance and other claim is recognized only on reasonable certainty of ultimate collection. as per the requirement of the accounting standards.

Interest

Interest revenue is calculated by using the effective interest method for financial assets measured at amortised cost.

Dividend Income

Dividend income is recognised when the right to receive payment is established.

Export incentive

An export incentive is recognised in the statement of profit and loss when the right to receive credit as per the



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

terms of the scheme is established in respect of export made, and there is no uncertainty as to its receipt.

xvii. Employee Benefits

Short Term Employee Benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, ex-gratia etc. These are recognised as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

Post-employment Benefits

(i) Provident Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

(ii) Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the assets ceiling (if any, excluding interest), are recognised in OCI. All expenses related to defined benefit plan are recognised in employee benefits expense in the Statement of Profit and Loss.

(Currency: Indian Rupees in lakhs)

(iii) Compensated Absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The Company makes provision for compensated absences based on an independent external actuarial valuation carried out at the end of the year.

xviii. Taxation

Income tax expense comprises current tax and deferred tax charge or credit.

Current Income Tax

Provision for current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the enacted or substantively enacted tax rates and tax laws. 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.

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

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."

On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

are no material income tax uncertainties over income tax treatments.

Current tax assets and current tax liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

Current Tax is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Deferred Tax

Deferred tax is recognized in respect of 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.

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 utilized.

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.

(Currency: Indian Rupees in lakhs)

Deferred tax relating to items recognised outside profit or loss is recognised 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.

Minimum Alternative tax ('MAT') under the provisions of the Income tax Act, 1961 is recognized as current tax in the Statement of Profit and loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent it is probable that the Company will pay normal income tax during the year for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

xix. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the net profit for the year attributable to equity shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares, except where the results would be anti-dilutive.

xx. Provisions and contingent liabilities

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. The expense relating to a provision is presented in the statement of profit and loss.



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision in respect of loss contingencies relating to claims litigation, assessment, fines, penalties etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, probably will not, require an outflow of resources embodying economic benefits, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the standalone financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic resources embodying economic benefits will arise, related income are recognized in the year in which the change occurs.

xxi. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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.

(Currency: Indian Rupees in lakhs)

xxii. Estimation of uncertainties relating to the global health pandemic from COVID-19: -

The Global pandemic Covid-19 continues. The business of the Company was not affected for the year ended March 31, 2023 and impact is insignificant.

Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

xxii. Recent accounting pronouncements : -

Ministry of Corporate Affairs (MCA), on 31 March 2023, through the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2023 amended certain existing Ind ASs on miscellaneous issues with effect from 1 April 2023. Following are few key amendments relevant to the Company:

- i. Ind AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting – Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.
- ii. Ind AS 107 – Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.
- iii. Ind AS 8 – Accounting policies, changes in accounting estimate and errors-Clarification on what constitutes an accounting estimate provided.
- iv. Ind AS 12 – Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Company does not expect the effect of this on the financial statements to be material, based on preliminary evaluation.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

3 PROPERTY, PLANT AND EQUIPMENT

Description	Gross carrying amount			Accumulated Depreciation				Net carrying amount	
	As at April 01, 2022	Addition during the year	Disposal during the year"	As at March 31, 2023	As at April 01, 2022	Depreciation for the year	Disposal during the year	As at March 31, 2023	As at March 31, 2023
At cost :									
Building	17,714.20	7,361.00	-	25,075.20	2,205.13	710.50	-	2,915.63	22,159.57
Leasehold Improvement	547.20	18.00	-	565.20	514.91	1.43	-	516.34	48.86
Plant and equipment	76,467.75	29,409.92	-	1,05,877.67	33,935.32	8,051.03	-	41,986.35	63,891.32
Electrical installation	4,071.23	3,487.06	-	7,558.29	1,893.43	524.37	-	2,417.80	5,140.49
Furniture and fittings	123.08	144.84	-	267.92	56.53	12.04	-	68.57	199.35
Office equipment	400.54	66.04	-	466.58	175.99	32.25	-	208.24	258.34
Computers	1,149.81	35.70	-	1,185.51	521.54	144.25	-	665.79	519.72
Laboratory equipments	1,778.72	91.88	-	1,870.60	688.78	141.58	-	830.36	1,040.24
Vehicles	596.38	20.10	119.53	496.95	197.40	52.87	52.42	197.85	299.10
	1,02,848.91	40,634.54	119.53	1,43,363.92	40,189.03	9,670.32	52.42	49,806.93	93,556.99
Capital work -in- progress	36,118.43	13,337.48	40,634.54	8,821.37	-	-	-	-	8,821.37
	1,38,967.34	53,972.02	40,754.07	1,52,185.29	40,189.03	9,670.32	52.42	49,806.93	1,02,378.36

- The net carrying amount of property, plant and equipment amounting to Rs. 93,556.99 lakhs (March 31, 2022 : Rs 62,659.88 lakhs) are pledged as first charge security to banks providing term loans and second charge to banks providing working capital loans.
- The Plant and equipment, Building and Electrical Installation includes an amount of Rs.1,004.41 lakhs, Rs. 269.29 lakhs and Rs. 99.75 lakhs respectively (March 31, 2022 : Rs.381.30 lakhs, Rs. 87.84 lakhs and Rs. 20.81 lakhs) that represent borrowing cost capitalized @ 6.75% to 9.50% during the year.(March 31, 2022 : 6.75%).
- The Company has not recognised any impairment loss during the current year (March 31, 2022 : Nil).
- The title deeds of property plant and equipments are held in name of the Company.

Ageing for capital work-in-progress as at March 31, 2023 is as follows :

Description	Amount in Capital work-in-progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8,495.24	326.13	-	-	8,821.37
Projects temporarily suspended	-	-	-	-	-
	8,495.24	326.13	-	-	8,821.37

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

Ageing for capital-work-in progress, whose completion is overdue as at March 31, 2023 is as follows :

Description	Amount in Capital work-in-progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Hydrogen Generation	1,636.30	-	-	-	1,636.30
	1,636.30	-	-	-	1,636.30

Description	Gross carrying amount			Accumulated Depreciation				Net carrying amount	
	As at April 01, 2021	Addition during the year	Disposal during the year	As at March 31, 2022	As at April 01, 2021	Depreciation for the year	Disposal during the year	As at March 31, 2022	As at March 31, 2022
At cost :									
Building	15,047.70	2,666.50	-	17,714.20	1,689.37	515.76	-	2,205.13	15,509.07
Leasehold Improvement	547.20	-	-	547.20	501.74	13.17	-	514.91	32.29
Plant and equipment	65,155.69	11,328.28	16.22	76,467.75	28,405.04	5,533.62	3.34	33,935.32	42,532.43
Electrical installation	3,488.98	582.25	-	4,071.23	1,595.78	297.65	-	1,893.43	2,177.80
Furniture and fixtures	111.51	11.57	-	123.08	51.47	5.06	-	56.53	66.55
Office equipment	388.12	12.42	-	400.54	144.71	31.28	-	175.99	224.55
Computers	960.66	243.84	54.69	1,149.81	403.51	126.90	8.87	521.54	628.27
Laboratory equipments	1,188.56	590.16	-	1,778.72	599.58	89.20	-	688.78	1,089.94
Vehicles	596.38	-	-	596.38	143.74	53.66	-	197.40	398.98
	87,484.80	15,435.02	70.91	1,02,848.91	33,534.94	6,666.30	12.21	40,189.03	62,659.88
Capital work-in- progress	17,444.95	34,108.50	15,435.02	36,118.43	-	-	-	-	36,118.43
	1,04,929.75	49,543.52	15,505.93	1,38,967.34	33,534.94	6,666.30	12.21	40,189.03	98,778.31

- The net carrying amount of property, plant and equipment, amounting to Rs. 62,659.88 lakhs (March 31, 2021: Rs 53,949.86 lakhs) are pledged as first charge security to banks providing term loans and second charge to banks providing working capital loans.
- The Plant and machinery, Building and electrical installation includes an amount of Rs.381.30 lakhs, Rs. 87.84 lakhs and Rs. 20.81 lakhs respectively (March 31, 2022 : Rs.53.21 lakhs, Rs. 21.58 lakhs and Rs. 2.54 lakhs) that represent borrowing cost capitalized @ 6.75% during the year.(March 31, 2022 : 6.75%)
- The Company has not recognised any impairment loss during the current year (March 31, 2022 : Nil).
- The title deeds of property plant and equipments are held in name of the Company

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

Description	Amount in Capital work-in-progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	34,498.25	1,620.18	-	-	36,118.43
Projects temporarily suspended	-	-	-	-	-
	34,498.25	1,620.18	-	-	36,118.43

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

Ageing for capital-work-in progress, whose completion is overdue as at March 31, 2022 is as follows :

Description	Amount in Capital work-in-progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Central warehousing	1,262.03	-	-	-	1,262.03
GalaxMusk	14,715.09	-	-	-	14,715.09
Camphor	11,203.08	-	-	-	11,203.08
	27,180.20	-	-	-	27,180.20

4 A RIGHT OF USE ASSETS

Description	Gross carrying amount				Accumulated Amortisation			Net carrying amount	
	As at April 01, 2022	Addition during the year	Disposal during the year	As at March 31, 2023	As at April 01, 2022	Amortisation for the year	Disposal during the year	As at March 31, 2023	As at March 31, 2023
Land	3,272.97	802.62	85.18	3,990.41	626.77	308.58	7.66	927.69	3,062.72
Building	1,006.13	-	-	1,006.13	245.08	220.45	-	465.53	540.60
Plant and Machinery	67.00	-	-	67.00	63.64	-	-	63.64	3.36
Total right of use assets	4,346.10	802.62	85.18	5,063.54	935.49	529.03	7.66	1,456.86	3,606.68

The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The Company has not recognised any impairment loss during the current year (March 31, 2022 - Nil).

Description	Gross carrying amount				Accumulated Amortisation			Net carrying amount	
	As at April 01, 2021	Addition during the year	Disposal during the year	As at March 31, 2022	As at April 01, 2021	Amortisation for the year	Disposal during the year	As at March 31, 2022	As at March 31, 2022
Land	2,150.46	1,167.37	44.86	3,272.97	451.73	219.90	44.86	626.77	2,646.20
Building	419.01	767.50	180.38	1,006.13	244.74	180.72	180.38	245.08	761.05
Plant and Machinery	67.00	-	-	67.00	60.04	3.60	-	63.64	3.36
Total right of use assets	2,636.47	1,934.87	225.24	4,346.10	756.51	404.22	225.24	935.49	3,410.61



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The Company has not recognised any impairment loss during the current year (March 31, 2022 - Nil).

- i) The Company has taken land on lease for a non-cancellable period ranging 3 to 99 years, Building on lease for a tenure ranging from 3-5 years and plant and machinery for 10 years.

The Company leases with contract term of less than 1 year. These leases are short term and/or leases of low value items. The company has elected not to recognise right of use assets and lease liabilities of these assets.

- ii) Lease expenses recognized in statement of profit and loss not included in the measurement of lease liabilities:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Variable lease payments	-	-
Expenses relating to short-term leases	-	-
Interest cost lease liabilities	129.09	98.21
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-

- iii) Maturity analysis of lease liabilities– contractual undiscounted cash flows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Less than one year	461.80	492.90
One to five years	1,341.04	1,688.83
More than five years	-	-
Total undiscounted lease liabilities	1,802.84	2,181.73
Discounted lease liabilities included in the statement of financial position	1,354.99	1,715.21
Current lease liabilities	360.22	424.80
Non-current lease liabilities	994.77	1,290.41

- iv) The weighted average incremental borrowing rate of 6.25% (March 31, 2022 : 6.25% p.a.) has been applied for measuring the lease liability. at the date of initial application.

- v) The total cash outflow for leases for year ended March 31, 2023 is Rs. 489.31 lakhs (March 31, 2022 : Rs. 323.15 lakhs.)

- vi) Income from sub leasing of Right to use assets is Rs. NIL. (March 31, 2022 : Rs. NIL)

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

4 B OTHER INTANGIBLE ASSETS

Description	Gross carrying amount				Accumulated Amortisation			Net carrying amount	
	As at April 01, 2022	Addition during the year	Disposal during the year	As at March 31, 2023	As at April 01, 2022	Amortisation for the year	Disposal during the year	As at March 31, 2023	As at March 31, 2023
Computer softwares	480.69	778.51	-	1,259.20	455.63	131.10	-	586.73	672.47
Rights of sale of products	1,318.14	69.10	-	1,387.24	889.80	168.84	-	1,058.64	328.60
Development rights	265.65	-	-	265.65	233.20	16.24	-	249.44	16.21
Total intangible assets	2,064.48	847.61	-	2,912.09	1,578.63	316.18	-	1,894.81	1,017.28
Intangible assets under development	855.54	479.14	847.61	487.07	-	-	-	-	487.07
	2,920.02	1,326.75	847.61	3,399.16	1,578.63	316.18	-	1,894.81	1,504.35

Ageing for intangible assets under development as at March 31, 2023 is as follows :

Description	Amount in intangible assets under development for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	479.14	7.93	-	-	487.07
Projects temporarily suspended	-	-	-	-	-
	479.14	7.93	-	-	487.07

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

Description	Gross carrying amount				Accumulated Amortisation			Net carrying amount	
	As at April 01, 2021	Addition during the year	Disposal during the year	As at March 31, 2022	As at April 01, 2021	Amortisation for the year	Disposal during the year	As at March 31, 2022	As at March 31, 2022
Computer softwares	480.69	-	-	480.69	448.09	7.54	-	455.63	25.06
Rights of sale of products	1,240.42	77.72	-	1,318.14	679.71	210.09	-	889.80	428.34
Development rights	265.65	-	-	265.65	216.96	16.24	-	233.20	32.45
Total intangible assets	1,986.76	77.72	-	2,064.48	1,344.76	233.87	-	1,578.63	485.85
Intangible assets under development	63.89	933.26	141.61	855.54	63.89	-	63.89	-	855.54
	2,050.65	1,010.98	141.61	2,920.02	1,408.65	233.87	63.89	1,578.63	1,341.39



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

Ageing for intangible assets under development as at March 31, 2022 is as follows :

Description	Amount in intangible assets under development for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	855.54	-	-	-	855.54
Projects temporarily suspended	-	-	-	-	-
	855.54	-	-	-	855.54

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

5 INVESTMENTS UNQUOTED

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Investments measured at Cost:				
Equity Instruments:				
Subsidiaries:				
Face value of Rs. 10 each fully paid:				
Privi Biotechnologies Private Limited	3,62,74,728	4,271.70	3,62,74,728	4,271.70
Face value of USD 1 each fully paid:				
Privi Speciality Chemicals USA Corporation	50,100	30.61	50,100	30.61
Face value of Rs. 10 each fully paid:				
Prigiv Specialties Private Limited	76,50,000	765.00	76,50,000	765.00
Face value of Rs. 10 each fully paid:				
Total		5,067.31		5,067.31
Aggregate amount of unquoted investments		5,067.31		5,067.31
Aggregate amount of impairment in value of investments		-		-

6 OTHER FINANCIAL ASSETS

	Non-current portion		Current portion	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Security deposits *	1,496.78	1,323.73	-	-
Investments in term deposits (with remaining maturity of more than twelve months) **	0.57	66.04	-	-
Insurance claim receivable			9.84	1,320.51
	1,497.35	1,389.77	9.84	1,320.51

* An amount of Rs. 376 lakhs (March 31, 2022 : Rs. 376 lakhs) due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period . (refer note 30 and below table).

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Privi Biotechnologies Private Limited	25.00	25.00
Money Mart Securities Private Limited	300.00	300.00
MM Infra & Leasing Private Limited	51.00	51.00
Total	376.00	376.00

** Note : Term deposits with no lien amounting to Rs.0.57 lakhs (March 31, 2022: Rs 66.04 lakhs) against which bank guarantee given to statutory authorities and vendors.

7 OTHER NON-CURRENT ASSETS

	Non-current portion		Current portion	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Capital advances*				
Considered good	647.78	1,510.19	-	-
Considered doubtful	36.15	36.15	-	-
Less: Allowance for doubtful advances	(36.15)	(36.15)	-	-
	647.78	1,510.19	-	-
Advances other than capital advances				
Deposits with custom authorities	6.00	6.00	-	-
Prepaid expenses	48.85	73.83	1,092.05	1,280.40
Receivable from government authorities	2,390.67	106.24	5,262.10	7,274.58
Advances to employees	-	-	12.82	12.48
Advance for supply of goods and services*	-	-	1,195.40	2,400.76
Less: Allowance for doubtful advances	-	-	(160.00)	(160.00)
	3,093.30	1,696.26	7,402.37	10,808.22

*An amount of Rs.136.37 lakhs (March 31, 2022 : Rs. 897.50 lakhs) due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period . (refer note 30 and below table)

Particulars	Nature of transaction	As at March 31, 2023	As at March 31, 2022
Privi Speciality Chemicals USA Corporation	Advance for supply of goods and services	136.38	166.50
MM Infra & Leasing Private Limited *	Capital advances	-	731.00
Total		136.38	897.50

* Consequent to the scheme of merger passed by NCLT vide their order dated October 13, 2021, Minar Organics Private Limited and Vivira Chemicals Private Limited are merged with MM Infra & Leasing Private Limited. Accordingly, the related capital advances of Rs. 225 lakhs and Rs. 175 lakhs respectively has been transferred to MM Infra & Leasing Private Limited.



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

8 INVENTORIES

(valued at lower of cost and net realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials including goods in transit Rs.7,764.63 lakhs (March 31,2022 : Rs. 9,741.49 lakhs)	19,655.08	19,639.62
Finished goods including goods in transit Rs. 9,997.30 lakhs (March 31, 2022 : Rs. 10,206.11 lakhs)	25,948.48	17,283.55
Work-in-progress	27,752.09	18,173.04
Stores and spares	680.55	597.15
Packing material	119.71	105.26
Fuel	340.34	322.16
	74,496.25	56,120.78

- During the year ended March 31, 2023 : Rs. 270.89 lakhs (March 31, 2022: Rs. 33.19 lakhs) was recognised as an expense for inventories carried at net realisable value.
- The mode of valuation of inventories has been stated in note 2 xv of significant accounting policies.
- Bank overdrafts, cash credit and short-term loan from bank facility are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 9 and 14).

9 TRADE RECEIVABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good- Secured		
Dues from related parties (refer note 30)	8,621.50	6,737.56
Dues from others (Other than related party)	22,827.29	21,684.16
Trade receivables credit impaired (Other than related party)	27.84	27.84
Less: Allowance for expected credit loss and credit impairment	(27.84)	(27.84)
	31,448.79	28,421.72

Refer note 33 for information about credit risk and market risk of trade receivables.

The movement in allowance for expected credit loss and credit impairment of receivable is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	27.84	10.86
Allowance for expected credit loss and credit impairment	-	20.92
Allowance for expected credit loss written off during the year	-	(3.94)
Balance as at the end of the year	27.84	27.84

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

Trade receivables ageing as at March 31, 2023 based on due date

Particulars	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables-considered good	31,175.03	250.93	22.83	-	-	31,448.79
(ii) Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired	-	-	-	22.45	-	22.45
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-
(v) Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables-credit impaired	-	-	-	-	5.39	5.39
	31,175.03	250.93	22.83	22.45	5.39	31,476.63
Less:-						
Allowance for doubtful trade receivables	-	-	-	22.45	5.39	27.84
	31,175.03	250.93	22.83	-	-	31,448.79

Trade receivables ageing as at March 31, 2022 based on due date

Particulars	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables-considered good	28,036.24	333.33	52.15	-	-	28,421.72
(ii) Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired	-	-	-	20.92	-	20.92
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-
(v) Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables-credit impaired	-	-	-	-	6.92	6.92
	28,036.24	333.33	52.15	20.92	6.92	28,449.56
Less:-						
Allowance for doubtful trade receivables	-	-	-	22.45	5.39	27.84
	28,036.24	333.33	52.15	-	-	28,421.72

10 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks:-		
In current accounts	963.91	1,566.29
In Earner exchange foreign currency account	45.30	1,054.44
Term deposits (with original maturity of less than three months)	7.80	7.45
Cash on hand	8.26	8.78
	1,025.27	2,636.96

Current accounts include dividend accounts balance Rs.12.25 lakhs (March 31, 2022: Rs 1.76 lakhs)



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at	
	March 31, 2023	March 31, 2022
Margin money deposits (with original maturity of more than three months but less than twelve months)	418.68	452.29
	418.68	452.29

Note : Margin money deposit amounting to Rs.116.36 lakhs (March 31, 2022: Rs 85.82 lakhs) are pledged with banks for non cash limits and term deposit Rs.194.29 lakhs (March 31, 2022: Rs.204.95 lakhs) are pledged as cash security with banks for the loans taken by the Company and Rs.108.03 lakhs (March 31, 2022 Rs.161.52 lakhs) other deposits with no lien.

12a SHARE CAPITAL

Particulars	As at	
	March 31, 2023	March 31, 2022
Authorised Share Capital		
50,010,000 (March 31 2022: 50,010,000) equity shares of Rs. 10 each	5,001.00	5,001.00
5,000,000 (March 31, 2022 5,000,000) preference shares of Rs. 10 each	500.00	500.00
	5,501.00	5,501.00
Issued, subscribed and fully paid up:		
39,062,706 equity shares of Rs. 10 each (March 31 2022 : 39,062,706 equity shares of Rs.10 each)	3,906.27	3,906.27
	3,906.27	3,906.27

A Reconciliation of the number of equity shares

Description	As at		As at	
	March 31, 2023		March 31, 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	3,90,62,706	3,906.27	3,90,62,706	3,906.27
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	3,90,62,706	3,906.27	3,90,62,706	3,906.27

B Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regards to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

C Details of shareholders holding more than 5% of shares

Name of the Share holders	As at		As at	
	March 31, 2023		March 31, 2022	
	Number	%	Number	%
Vivira Investment and Trading Pvt Ltd.	1,54,95,188	39.67%	1,54,95,188	39.67%
Moneymart Securities Pvt Ltd	34,12,502	8.74%	34,12,502	8.74%
Mr. Mahesh P Babani	25,86,348	6.62%	25,86,348	6.62%
Banbridge Limited	23,83,958	6.10%	24,61,914	6.30%

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

12a SHARE CAPITAL (Contd.)

In the previous year, the Company was informed by promoters about the inter-se transaction between the Promoter/ Promoter Group on April 29, 2021, April 30, 2021, May 04, 2021, whereby entire holding of FIH Mauritius Investments Ltd, Mr. Utkarsh Shah, M/s. Jariwala Trade Link LLP and M/s.Nahoosh Trade Link LLP (collectively called as "Sellers") were acquired by Mr. Mahesh Babani, Mr.D.B. Rao and Promoter group (collectively called as "Acquirers"). FIH Private Investments Ltd Promoter Group Company sold its entire holding of 3,250 equity shares in the market on February 16, 2022. The necessary compliances as required under SEBI (Prohibition of insider Trading) Regulations, 2015 and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 has been complied with by the Acquirers, Sellers and Company.

D Aggregate number of shares allotted as fully paid up by way of bonus shares (during 5 years immediately preceding March 31, 2023) :

Equity shares allotted as fully paid up Bonus shares - Nil (March 31, 2022 - Nil)

E Shares allotted as fully paid up pursuant to scheme of arrangement without payment being received in cash (during 5 years immediately preceding March 31, 2023)

During Financial year ended March 31, 2017 -Equity shares of Rs. 10/each - 12,634,353 shares.

F Statement of changes in equity as at March 31, 2023

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3,906.27	-	-	-	3,906.27

Statement of changes in equity as at March 31, 2022

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3,906.27	-	-	-	3,906.27

G Shares held by promoters as at the March 31, 2023

Sr.	Promoter name	As at March 31, 2023		As at March 31, 2022		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Vivira Investment and Trading Pvt Ltd	1,54,95,188	39.67%	1,54,95,188	39.67%	-
2	Moneymart Securities Pvt Ltd	34,12,502	8.74%	34,12,502	8.74%	-
3	Mahesh P Babani	25,86,348	6.62%	25,86,348	6.62%	-
4	Mahesh Purshottam Babani HUF	17,91,720	4.59%	17,91,720	4.59%	-
5	Doppalapudi Bhaktavatsala Rao	15,48,202	3.96%	11,20,346	2.87%	1.09%
6	Vinaykumar Doppalapudi Rao	8,91,068	2.28%	7,41,068	1.90%	0.38%
7	Vijaykumar Doppalapudi	8,55,006	2.19%	7,05,006	1.80%	0.39%
8	Rajkumar Doppalapudi Rao	-	-	6,90,782	1.77%	-1.77%
9	Jyoti Mahesh Babani	3,90,000	1.00%	3,90,000	1.00%	-
10	Seema Mahesh Babani	3,90,000	1.00%	3,90,000	1.00%	-
11	Snehal Mahesh Babani	3,90,000	1.00%	3,90,000	1.00%	-
12	Prasanna Doppalapudi Rao	-	-	2,87,074	0.73%	-0.73%



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

12a SHARE CAPITAL (Contd.)

Sr.	Promoter name	As at March 31, 2023		As at March 31, 2022		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
13	Premaleela Doppalapudi	5,24,522	1.34%	2,74,522	0.70%	0.64%
14	Sharon Doppalapudi Rao	2,45,656	0.63%	2,45,656	0.63%	-
15	Grace Vinay Kumar Doppalapudi Rao	2,32,185	0.59%	2,32,185	0.59%	-
16	Rameshbabu Gokarneswararao Guduru	93,446	0.24%	93,446	0.24%	-
17	MM Infra & Leasing Private Limited *	79,758	0.20%	79,758	0.20%	-

Shares held by promoters as at March 31, 2022

Sr.	Promoter name	As at March 31, 2023		As at March 31, 2022		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Vivira Investment and Trading Pvt Ltd	1,54,95,188	39.67%	1,89,918	0.49%	39.18%
2	Moneymart Securities Pvt Ltd	34,12,502	8.74%	2,06,712	0.53%	8.21%
3	Mahesh P Babani	25,86,348	6.62%	25,86,348	6.62%	-
4	Mahesh Purshottam Babani HUF	17,91,720	4.59%	17,91,720	4.59%	-
5	Doppalapudi Bhaktavatsala Rao	11,20,346	2.87%	7,23,060	1.85%	1.02%
6	Vinaykumar Doppalapudi Rao	7,41,068	1.90%	4,78,278	1.22%	0.68%
7	Vijaykumar Doppalapudi Rao	7,05,006	1.80%	4,55,004	1.16%	0.64%
8	Rajkumar Doppalapudi Rao	6,90,782	1.77%	4,45,824	1.14%	0.63%
9	Jyoti Mahesh Babani	3,90,000	1%	3,90,000	1%	-
10	Seema Mahesh Babani	3,90,000	1%	3,90,000	1%	-
11	Snehal Mahesh Babani	3,90,000	1%	3,90,000	1%	-
12	Prasanna Doppalapudi Rao	2,87,074	0.73%	1,85,274	0.47%	0.26%
13	Premaleela Doppalapudi Rao	2,74,522	0.70%	1,77,174	0.45%	0.25%
14	Sharon Doppalapudi Rao	2,45,656	0.63%	1,58,544	0.41%	0.22%
15	Grace Vinay Kumar Doppalapudi Rao	2,32,185	0.59%	1,49,850	0.38%	0.21%
16	Rameshbabu Gokarneswararao Guduru	93,446	0.24%	60,309	0.15%	0.09%
17	Vivira Chemicals Private Limited *	79,758	0.20%	79,758	0.20%	-
18	Utkarsh Bhikhoobhai Shah	-	-	25,000	0.06%	-0.06%
19	Nahoosh Tradelink Llp	-	-	6,63,019	1.70%	-1.70%
20	Jariwala Tradelink Llp	-	-	3,36,981	0.86%	-0.86%
21	FIH Mauritius Investments Ltd	-	-	1,90,42,828	48.75%	-48.75%
22	FIH Private Investments Ltd	-	-	3,250	0.01%	-0.01%

Note: * Vivira Chemicals Private Limited (VCPL) amalgamated into MM Infra & Leasing Private Limited as per NCLT order dated October 13, 2021 and hence Shares held by VCPL in the Company also got transferred to MM Infra on May 04, 2022. The same is intimated to Stock Exchanges on May 05, 2022.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

12b OTHER EQUITY

Particulars	As at March 31, 2023	As at March 31, 2022
General reserve	35,573.76	35,573.76
Capital reserve	1.00	1.00
Retained earnings	42,766.63	41,254.78
Total other equity	78,341.39	76,829.54

The description of the nature and purpose of each reserve within equity is as follows:

A General reserve

As per the approved scheme of arrangement (Demerger) between the Privi Organics India Limited, Privi Specialities Chemicals Limited and Privi Organics Limited during the period ended 31 March 2017, the excess of book value of assets over liabilities is treated as general reserve.

B Retained earnings

Retained earnings represent the amount of accumulated earnings/ (losses) at each Balance Sheet date of the Company, prepared in accordance with the basis of preparation section.

C Capital reserve

As per the approved Scheme of Arrangement and Amalgamation amongst Fairchem Speciality Limited (Demerged / Transferee Company) and Privi Organics India Limited (Transferor Company). vide NCLT Mumbai order dated June 30, 2020, all the assets, liabilities and reserve pursuant to the scheme, have been transferred at carrying amount and the difference if any being the excess is treated as capital reserve.

D The Capital management objective of the Company is to (a) maximize shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued equity share capital, share premium and all other equity.

The Company monitors capital using debt-equity ratio, which is total debt less liquid investments and bank deposits divided by total equity.

The Company's debt equity ratio as at March 31, 2023 was as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Total Debt	1,02,930.54	87,964.67
Less: Cash and cash equivalents and short term investments	1,443.95	3,089.25
Net Liabilities (A)	1,01,486.59	84,875.42
Total Equity (B)	82,247.66	80,735.81
Debt - Equity Ratio	1.23	1.05

In addition, the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc.



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

13a NON-CURRENT BORROWINGS

Particulars	Non-current portion		Current portion (*)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Secured:				
Term loans from banks (refer note (i))				
Term loan in Indian currency (refer note (iii) below)	39,021.18	36,145.76	9,616.67	5,466.67
Term loans in foreign currency (refer note (ii) & (iii) below)	1,344.17	1,904.85	672.06	634.95
Term loans from financial institutions				
Vehicle loan (hypothecated with the lender) (refer note iii below)	5.14	9.39	4.25	4.02
	40,370.49	38,060.00	10,292.98	6,105.64

(*) Amount disclosed under the head ' current borrowings (secured) ' refer note 14

- i) Term loan are secured by a first mortgage on the Company's immovable properties both present and future ranking paripassu interest and a first charge by way of hypothecation of all the company's assets (save and except book debts and inventories) including movable machinery (save and except spares tools and accessories) both present and future subject to charges created in favour of the Company's bankers for inventories, book debts and other specified movable assets for securing the borrowings of working capital .
- ii) Currency swap on IDFC Rupee loan of Rs.4,000 lakhs and ICICI bank Rupee loan of Rs.4,000 lakhs are taken @ 64.42 per USD and @ 68.13 per USD respectively and other currency swap on HDFC Bank Rupee loan of Rs 5,600 lakhs and Rs 7,400 lakhs are taken @ 76.78 per USD and @ 75.83 per USD respectively, the currency swap represents derivative instruments which has been restated at the closing rate of exchange.

iii) Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

Name of the Bank / Financial Institutions	Currency	Interest Rate	Year of Maturity	Installment	Carrying amount as at March 31, 2023	Carrying amount as at March 31, 2022
Foreign Currency						
Ratnakar Bank - ECB	EUR	2.75%	2026	The term loan is repayable in 24 quarterly installments of EURO 187,500.00 each starting from Apr 2020.	2,016.23	2,539.80
Foreign Currency-Total (A)					2,016.23	2,539.80
Indian Currency						
Kotak Mahindra Bank	INR	8.43%	2027	The term loan is repayable in 20 quarterly installments of Rs.250 lakhs starting from Mar 2023 .	6,629.42	6,971.27
CITI Bank	INR	9.00%	2025	The term loan is repayable in 12 quarterly installments of Rs.750 lakhs starting from Mar 2023 .	10,071.30	10,979.69

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

13a NON-CURRENT BORROWINGS (Contd.)

Name of the Bank / Financial Institutions	Currency	Interest Rate	Year of Maturity	Installment	Carrying amount as at March 31, 2023	Carrying amount as at March 31, 2022
ICICI Bank	INR	7.90% - 8.60%	2025	The term loan is repayable in 20 quarterly installments of Rs.200 lakhs starting from Sep 2020 .	1,798.60	2,597.24
IDFC Bank	INR	8.60%	2024	The term loan is repayable in 20 quarterly installments of Rs.200 lakhs starting from Mar 2020 .	1,400.00	2,200.00
IDFC Bank	INR	9.05%- 9.30%	2029	The term loan is repayable in 20 quarterly installments of Rs.250 lakhs starting from Oct 2024.	4,989.14	-
HDFC Bank	INR	8.80% - 9.50%	2026	The term loan is repayable in 20 quarterly installments of Rs.280 lakhs starting from Apr 2021 .	3,350.91	4,464.23
HDFC Bank	INR	7.48% - 8.38%	2027	The term loan is repayable in 20 quarterly installments of Rs.370 lakhs starting from Jun 2022 .	5,920.00	7,400.00
HDFC Bank	INR	8.60%	2028	The term loan is repayable in 20 quarterly installments of Rs.350 lakhs starting from Jan 2024 .	7,000.00	7,000.00
HDFC Bank	INR	7.50%	2029	The term loan is repayable in 20 quarterly installments of Rs.375 lakhs starting from Sep 2024 .	7,478.47	-
Yes Bank (Vehicle loan)	INR	8.97%	2024	The term loan is repayable in 65 monthly installments of Rs.0.41 lakh starting from Jan-2020	9.40	13.41
Indian Currency total -B					48,647.24	41,625.84
Total Term Loan (A+B)					50,663.47	44,165.64

- iv) Term loans availed have been utilized for the purpose for which the funds have been borrowed.
- v) During the year, the Company has not complied on certain financial covenants with respect to term loans availed from banks. However, based on the review of periodic filings made by the Company to the Banks, the Banks have continued with the facilities. (have not placed any demand on the loans and the facility.).Accordingly, the Company continues to classify these loans as current and non-current based on the original maturity.

13b LEASE LIABILITIES

Particulars	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Lease liabilities	994.77	1,290.41	360.22	424.80
	994.77	1,290.41	360.22	424.80



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

14 CURRENT BORROWINGS (SECURED)

Particulars	As at March 31, 2023	As at March 31, 2022
From Banks:		
Cash credit (refer note e)	76.77	-
Working capital demand loan (refer note b & c)	34,950.00	29,500.00
Packing credit from bank (refer note d)	14,391.95	12,790.36
Buyers credit (refer note f)	2,404.83	1,242.29
Interest accrued but not due on borrowings	443.52	266.38
Current maturities of long term debt (refer note 13 a)	10,292.98	6,105.64
Total	62,560.05	49,904.67

- a) All the above loans are Rs 31,000 Lakhs fund base secured by first pari passu charge on all current assets of the Company both present and future. Balance Rs.21,267 Unsecured
- b) Working capital demand loans from banks are secured by way of hypothecation of inventories both on hand and in transit and book debts and other receivables both present and future and also secured by way of second charge on fixed assets Working capital loans carry interest rate @ 7.63% to 9.00%.
- c) Quarterly statements of current assets filed by the company with the banks are in agreement with the books of accounts

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-22	refer note-i	Trade receivables and Inventories	1,01,280.58	96,290.40	4,990.18	refer note-ii
Sep-22	refer note-i	Trade receivables and Inventories	1,11,592.04	1,11,688.59	-96.55	refer note-ii
Dec-22	refer note-i	Trade receivables and Inventories	1,10,032.65	1,09,117.06	915.59	refer note-ii
Mar-23	refer note-i	Trade receivables and Inventories	1,05,945.04	1,05,812.86	132.18	refer note-ii

- i) The bank includes Kotak Mahindra Bank, HDFC Bank Ltd, CITI bank, RBL Ltd., IDFC bank, ICICI Bank Ltd, Standard Chartered Bank
- ii) The returns are based on unaudited financial information in the interim period and are extracted from the books and records of the Company, as adjusted for certain quarterly closing entries, like adjustments in relation to unrealised gain/ (loss) on trade receivables and further adjusted by advances received from customers, exclusion of stores and spares and goods in transit from inventory. the related amounts are mentioned below :

Jun-22 unrealised gain of Rs. 945.27 lakhs, advance from customers of Rs. 284.32 lakhs, stores and spares inventory of Rs. 714.87 lakhs and Goods in transit of Rs. 3045.72 lakhs not included in quarterly statement submitted to bank.

Sep-22 unrealised gain Rs. 1060.08 lakhs, advance from customers Rs.560.32 lakhs, stores and spares inventory Rs. 712.39 lakhs and GIT Rs. (2429.34) lakhs not included in quarterly statement submitted to bank.

Dec-22 unrealised gain Rs. 788.13 lakhs, advance from customers Rs. 587.13 lakhs stores and spares inventory Rs. 713.94 lakhs and GIT Rs. (1173.61) lakhs not included in quarterly statement submitted to bank.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

14 CURRENT BORROWINGS (SECURED) (Contd.)

Mar-23 unrealised gain Rs. 149.22 lakhs, Stores and spares inventory Rs.(680.55) lakhs and GIT Rs. 663.51 lakhs not included in quarterly statement submitted to bank.

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-21	refer note-i	Trade receivables and Inventories	59,480.62	57,625.27	1,855.35	refer note-ii
Sep-21	refer note-i	Trade receivables and Inventories	60,709.21	59,551.09	1,158.12	refer note-ii
Dec-21	refer note-i	Trade receivables and Inventories	70,221.18	69,368.49	852.69	refer note-ii
Mar-22	refer note-i	Trade receivables and Inventories	84,542.50	83,680.57	861.93	refer note-ii

- i) The bank includes Kotak Mahindra Bank, HDFC Bank Ltd, CITI bank, RBL Ltd., IDFC bank, ICICI Bank Ltd, Standard Chartered Bank
- ii) The returns are based on unaudited financial information in the interim period and are extracted from the books and records of the Company, as adjusted for certain quarterly closing entries, like adjustments in relation to unrealised gain/ (loss) on trade receivables and further adjusted by advances received from customers, exclusion of stores and spares and goods in transit from inventory. the related amounts are mentioned below :

Jun-21 unrealised gain of Rs. (238.35) lakhs, advance from customers of Rs. (338.00) lakhs, stores and spares inventory of Rs. 612.00 lakhs and Goods in transit of Rs. 1819.70 lakhs not included in quarterly statement submitted to bank.

Sep-21 unrealised gain Rs. (146.03) lakhs, advance from customers Rs.(1,016.18) lakhs, stores and spares inventory Rs. 681.70 lakhs and GIT Rs. 1,638.63 lakhs not included in quarterly statement submitted to bank.

Dec-21 unrealised gain Rs. (108.98) lakhs, advance from customers Rs. (320.45) lakhs stores and spares inventory Rs. 783.40 lakhs and GIT Rs. 498.72 lakhs not included in quarterly statement submitted to bank.

Mar-22 unrealised gain Rs. (373.23) lakhs, advance from customers Rs. (264.56) lakhs, stores and spares inventory Rs. 597.15 lakhs and GIT Rs. 902.57 lakhs not included in quarterly statement submitted to bank.
- d) Packing credit in rupees carry interest rate @ 8.00% to 9.00% p.a.
- e) Cash credit loan from bank carry interest rate @ 8.10% to 9.50%.
- f) Buyers credit carry interest rate @ SOFR +1.41% to SOFR + 2.79% and due for payment within 180 days.



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

15 PROVISIONS

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provisions for employee benefits				
Compensated absences (refer note 31)	431.12	427.00	75.27	71.97
Gratuity (refer note 31)	1,319.05	1,248.45	137.29	123.01
	1,750.17	1,675.45	212.56	194.98

16 INCOME TAX

Particulars	As at March 31, 2023	As at March 31, 2022
Amounts recognised in profit or loss		
The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:		
Current income tax:		
Current income tax expenses	333.81	3,395.97
Recognition of MAT credit entitlement	-	-
Tax Adjustment of earlier years	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	545.82	103.26
Income tax expense reported in the statement of profit or loss	879.63	3,499.23
Income tax recognised in other comprehensive income		
Tax expense related to items recognised in OCI during the year:		
Remeasurements of defined benefit (asset)	17.85	(15.02)
Income tax charged to OCI	17.85	(15.02)
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:		
Accounting profit before income tax	3,127.12	13,665.71
At India's statutory income tax rate of 25.17% (March 31, 2022 : 25.17%)	787.10	3,439.66
Non-deductible expenses for tax purposes	83.82	58.01
Others	8.71	1.56
	879.63	3,499.23
	879.63	3,499.23

Income tax expense reported in the statement of profit and loss

The Company has chosen to exercise the option of lower tax rate of 25.17% (inclusive of surcharge and cess) under section 115BAA of the Income tax act, 1961 as introduced by the Taxation laws (Amendment) Ordinance 2019. The impact of this change has been recognised in tax expenses for the year ended March 31, 2023 and March 31, 2022 respectively at the effective tax rate.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

16 INCOME TAX (Contd.)

	As at 1 April 2022	Credit/(charge) in the statement of profit and Loss	Credit/(charge) in other comprehensive income	As at March 31, 2023
Deferred tax (assets)/liabilities				-
Provision for post retirement benefits and other employee benefits				
Tax depreciation	2,408.92	545.82	-	2,954.74
Deferred asset on ROU impact	(24.30)	-	-	(24.30)
Provision for doubtful debts and advances	(54.79)	-	-	(54.79)
Expenses allowable for tax purposes when paid	(440.73)	-	17.85	(422.88)
Forex loss unrealised Impact (Derivative instrument)	(430.83)	-	-	(430.83)
	1,458.27	545.82	17.85	2,021.94

	As at 1 April 2021	Credit/(charge) in the statement of profit and Loss	Credit/(charge) in other comprehensive income	As at March 31, 2022
Deferred tax (assets)/liabilities				
Tax Depreciation	2,305.66	103.26	-	2,408.92
Deferred asset on ROU impact	(24.30)	-	-	(24.30)
Provision for doubtful debts and advances	(54.79)	-	-	(54.79)
Expenses allowable for tax purposes when paid	(425.71)	-	(15.02)	(440.73)
Forex loss unrealised Impact (Derivative instrument)	(430.83)	-	-	(430.83)
	1,370.03	103.26	(15.02)	1,458.27

- a) In respect of Deferred taxes, all items are attributable to origination and reversal of temporary differences.
- b) Deferred tax benefits are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which, those deductible temporary differences can be realised.

17 TRADE PAYABLES

Particulars	As at March 31, 2023	As at March 31, 2022
a) Total outstanding dues of micro and small enterprises	927.53	-
b) Total outstanding dues of creditors other than micro and small enterprises		
i) Payable to related parties : (refer note no: 30)	2,665.59	2,266.67
ii) Payable to others	26,179.17	28,556.02
	29,772.29	30,822.69

The Company's exposure to credit and currency and liquidity risk related to trade payables are disclosed in Note 32



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

17 TRADE PAYABLES (Contd.)

Information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2023	As at March 31, 2022
a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	927.53	-
(ii) The interest due on above	-	-
The total of (i) & (ii)	927.53	-
b) The amount of interest paid by the buyer in terms of section 16 of the Act	-	-
c) The amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
d) The amounts of interest accrued and remaining unpaid at the end of financial year	-	-
e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act.	-	-
f) the 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.	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the group company and the same has been relied upon by the auditors.

Trade payables ageing as on 31-Mar-2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	927.53	-	-	-	927.53
ii) Others	28,821.49	21.23	-	2.04	28,844.76
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-
	29,749.02	21.23	-	2.04	29,772.29

Trade payables ageing as on 31-Mar-2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	-	-	-	-	-
ii) Others	30,748.85	60.75	0.98	12.11	30,822.69
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-
	30,748.85	60.75	0.98	12.11	30,822.69

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

18 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Payable for capital expenditure	5,114.03	5,657.31
Deposits	1.00	0.75
Salaries, wages and bonus payable	994.30	791.18
Derivative Instruments (forward exchange contracts and Interest rate swaps (Refer note 13 a))	1,174.85	466.70
Book overdrafts	-	0.15
	7,284.18	6,916.09

The Company exposure to credit and currency and liquidity risk related to the above financial liabilities are disclosed in note no.33.

19 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory liabilities	242.68	223.76
Advance from customers (refer note 37)	5,607.18	264.01
	5,849.86	487.77

20 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers disaggregated based on nature of product or services		
Sale of products (refer note 29 and 37)	1,57,541.82	1,39,012.53
	1,57,541.82	1,39,012.53

Other operating revenues

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Scrap Sales	242.50	127.70
b) Job work	-	6.34
	242.50	134.04
Total Income	1,57,784.32	1,39,146.57

21 OTHER INCOME

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income from fixed deposits carried at amortised cost	26.15	26.53
Gain on write-back of Financial liabilities measured at amortised cost	2.57	158.67
Profit on disposal of property, plant and equipment	5.04	0.69
Profit on sales of investment (net)	8.88	0.27
Net Gain on Foreign currency transactions and translation	1,820.78	2,949.98
Miscellaneous income	296.19	123.78
	2,159.61	3,259.92



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

22 COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Raw material consumed		
Opening Stock	19,639.62	9,591.30
Add: Purchases	1,11,101.61	1,05,491.02
Less: Stock lost on Flood	-	171.93
Less: Closing stock	19,655.08	19,639.62
Consumption	1,11,086.15	95,270.77
Packing material consumed		
Opening Stock	105.26	86.91
Add: Purchases	2,250.45	2,442.07
Less: Stock lost on Flood	-	11.85
Less: Closing Stock	119.71	105.26
Consumption	2,236.00	2,411.87
	1,13,322.15	97,682.64

23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Closing stock:		
Finished goods	25,948.48	17,283.55
Work in progress	27,752.09	18,173.04
	53,700.57	35,456.59
Stock lost by flood		222.07
	53,700.57	35,678.66
Opening stock:		
Finished goods	17,283.55	11,645.11
Work in progress	18,173.04	9,306.99
	35,456.59	20,952.10
(Increase)/ decrease in inventories	(18,243.98)	(14,726.56)

24 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	6,327.32	5,892.13
Contribution to provident and other funds	333.29	323.23
Staff welfare expenses	574.81	563.58
	7,235.42	6,778.94

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

25 FINANCE COST

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on term loans using effective interest rate measured at amortised cost	3,387.35	2,010.60
Less: Interest capitalised (refer note 3)	(1,049.11)	(1,428.03)
Net interest on term loans	2,338.24	582.57
Interest on working capital loans using effective interest rate measured at amortised cost	4,163.91	1,666.59
Interest on vehicle loans using effective interest rate measured at amortised cost	1.66	4.83
Loan arrangement fees amortised using effective rate of interest basis	29.58	25.44
Interest cost lease liability using effective interest rate measured at amortised cost	129.09	98.21
	6,662.48	2,377.64

26 DEPRECIATION AND AMORTISATION

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment	9,670.32	6,666.30
Amortisation of intangible assets	316.18	233.87
Amortisation of right of use assets	529.03	404.22
	10,515.53	7,304.39

27 POWER AND FUEL CONSUMED

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Fuel	9,234.49	6,338.51
Power	5,242.29	3,372.41
Water Charges	236.27	191.25
	14,713.05	9,902.17

28 OTHER EXPENSES

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spares	1,655.82	987.27
Excise duty related to (decrease) / increase in inventory of finished goods	-	-
Job work charges	1,919.77	2,281.43
Repairs and maintenance of:		
Buildings	453.01	327.84
Plant and machinery	1,329.73	1,007.07
Others	143.78	50.81
Contract labour charges	846.42	952.43
Research and development expense	537.11	651.70
Pollution control expenses	1,018.12	439.29
Other factory expenses	961.84	665.23
Insurance	1,356.61	1,104.70
Postage and telephone expense	74.03	43.27
Rates and taxes	54.66	57.92
Training expenses	4.98	5.32
Auditors remuneration:		
For audit	43.00	38.00



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

28 OTHER EXPENSES (Contd.)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
For limited review	27.00	27.00
Other services	0.25	4.69
Out of pocket expenses	2.08	1.98
Brokerage and commission	166.78	124.47
Printing and stationery	45.57	64.46
Freight outward	7,771.36	7,126.78
Selling and distribution	948.60	854.82
Legal and professional fees	1,312.93	1,433.44
Travelling and conveyance	857.30	589.21
Bank charges	153.39	112.46
CSR expenses (refer note 43)	333.00	255.53
Sundry balances w/off	-	53.21
Allowance for expected credit loss and credit impairment	-	20.92
Loss on Sale of property, plant and equipment	64.48	-
Miscellaneous expenses (net)	530.54	669.55
	22,612.16	19,950.80

29 SEGMENT INFORMATION

A. Factors used to identify the entity's reportable segments, including the basis of organisation

For management purpose, the Company has determined its reportable segment as "Aromatic chemicals" since the chief operating decision maker (CODM) evaluates the Company's performance as a single segment.

B. Information about reportable segments

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue sale of products	1,57,541.82	1,39,012.53
	1,57,541.82	1,39,012.53

C. Geographic information

The geographic information analyses the Company's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segments assets were based on the geographic location of the respective non-current assets.

The product offerings which are part of the speciality chemicals portfolio of the Company are managed on a worldwide basis from India. (refer note 37)

The amount of the group's revenue from sale of products is shown in the table below.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	35,765.81	35,220.65
Outside India #	1,21,776.01	1,03,791.88
Total	1,57,541.82	1,39,012.53

Includes deemed exports of Rs.3,856.43 lakhs for the year (March 31, 2022 : Rs.4,233.03 lakhs)

All the non-current assets of Company are located within India.

D. Information about Major Customers

Revenue from one major customer represented approximately Rs.26,864.29 lakhs (March 31, 2022 : Rs.22,202.94 lakhs)

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

30 RELATED PARTY DISCLOSURES

Details of transactions between the Company and other related party are disclosed below.

a) List of Related Parties

Promoter Group

Vivira Investment and Trading Private Limited (w.e.f. April 29, 2021)
 FIH Mauritius Investments Limited, Republic of Mauritius (FMIL) upto April 29, 2021
 FIH Private Investments Limited, Mauritius upto April 29, 2021 upto April 29, 2021
 (FMIL is wholly owned and controlled by Fairfax India Holdings Corporation, Canada)

Subsidiary Companies

Privi Biotechnologies Private Limited
 Privi Speciality Chemicals USA Corporation
 Prigiv Specialties Private Limited (w.e.f. September 01, 2021)

Enterprises owned by key management personnel or their relatives

Vivira Chemical Industries
 Minar Organics Private Limited, merged with MM Infra & Leasing Private Limited (w.e.f. dated October 13, 2021)
 Vivira Chemicals Private Limited, merged with MM Infra & Leasing Private Limited dated (w.e.f. October 13, 2021)
 Privi Life Science Private Limited
 Privi Fine Sciences private Limited
 Moneymart Securities Private Limited
 Babani Investment and Trading Private Limited
 Satellite Technologies Private Limited
 Vivira Investment and Trading Private Limited
 Prasad Organics Pvt Ltd
 MM Infra & Leasing Private Limited
 Babani Bros. LLP
 Fairchem Organics Limited upto April 29, 2021
 Privi Organics Ltd
 Jariwala Tradelink LLP upto April 29, 2021
 Nahoosh Tradelink LLP upto April 29, 2021

Key Management Personnel (KMP)

Mr. Mahesh P. Babani	Chairman & Managing Director
Mr. D. B. Rao	Executive Director
Mr. Sumit Maheshwari	Nominee Director upto April 29, 2021
Mr. Rajesh Budhrani	Independent Director
Mr. P.R. Barpande	Independent Director
Mr. Anurag Surana	Independent Director
Mrs. Anuradha Thakur	Independent Director
Mr. Dwarko Topandas Khilnani	Independent Director



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

30 RELATED PARTY DISCLOSURES (Contd.)

Relatives of Key Management Personnel

Mahesh Purshottam Babani HUF
 Mrs. Seema Mahesh Babani
 Ms. Snehal Mahesh Babani
 Ms. Jyoti Mahesh Babani
 Mr. Vijaykumar Doppalapudi Rao
 Mr. Vinaykumar Doppalapudi Rao
 Mrs. Grace Vinaykumar Doppalapudi Rao
 Mrs. Sharon Doppalapudi Rao
 Mrs. Premaleela Doppalapudi Rao
 Mr. Rajkumar Doppalapudi Rao
 Mrs. Prasanna Raj Doppalapudi Rao
 Mr. Rameshbabu Gokameswararao Guduru

b) During the year, following transactions were carried out with the related parties :

Particulars	Subsidiaries		Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Transactions						
Purchase of raw materials						
Privi Life Science Private Limited	-	-	33.60	18.00	-	-
Privi Speciality Chemicals USA Corporation	12,068.21	9,115.54	-	-	-	-
Prasad Organics Private Limited	-	-	1,068.79	2,052.42	-	-
Privi Organics Limited	-	-	63.07	2.39	-	-
Purchase of machinery						
Privi Life Science Private Limited	-	-	-	26.11	-	-
Sale of finished goods						
Privi Speciality Chemicals USA Corporation	26,864.30	22,202.95	-	-	-	-
Privi Life Science Private Limited	-	-	-	6.34	-	-
Prasad Organics Private Limited	-	-	987.32	919.81	-	-
Privi Biotechnologies Private Limited	-	5.09	-	-	-	-
Privi Organics Limited	-	-	-	13.98	-	-
Sale of Property plant & equipment						
Privi Organics Limited	-	-	-	13.57	-	-

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

30 RELATED PARTY DISCLOSURES (Contd.)

Particulars	Subsidiaries		Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Lease expense						
MM Infra & Leasing Private Limited	-	-	78.10	171.00	-	-
Money Mart Securities Private Limited	-	-	195.92	48.38	-	-
Privi Biotechnologies Private Limited	105.00	90.00	-	-	-	-
Technical Fees						
Privi Biotechnologies Private Limited	622.50	510.00	-	-	-	-
Lease income						
Minar Organics Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	-	-	0.18	-	-
Privi Life Science Private Limited	-	-	37.26	24.00	-	-
Money Mart Securities Private Limited	-	-	1.22	0.70	-	-
Privi Organics Limited	-	-	0.32	-	-	-
Vivira Chemicals Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	-	-	0.18	-	-
Security deposit						
Money Mart Securities Private Limited	-	-	-	300.00	-	-
MM Infra & Leasing Private Limited	-	-	-	51.00	-	-
Reimbursement of expense received						
Prigiv Specialties Private Limited	220.54	-	-	-	-	-
Privi Speciality Chemicals USA Corporation	52.92	37.50	-	-	-	-
Commission and reimbursement other expenses paid						
Privi Speciality Chemicals USA Corporation	29.17	42.90	-	-	-	-
Loans and advances						
Privi Speciality Chemicals USA Corporation	136.38	166.50	-	-	-	-
MM Infra & Leasing Private Limited	-	-	-	331.00	-	-
Investment in shares						
Prigiv Specialties Private Limited	-	-	-	-	-	-



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

30 RELATED PARTY DISCLOSURES (Contd.)

Particulars	Subsidiaries		Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Managerial remuneration						
Mr. D.B.Rao (*)	-	-	-	-	50.00	56.00
Mr. Mahesh P Babani (*)	-	-	-	-	600.00	600.00
Salary paid						
Mr.Vinaykumar Doppalapudi Rao	-	-	-	-	26.22	23.47
Dividend Paid						
Mr. Mahesh P Babani	-	-	-	-	51.73	51.73
Mahesh Purshottam Babani Huf	-	-	-	-	35.83	35.83
Mr. D.B.Rao	-	-	-	-	22.41	22.41
Money Mart Securities Private Limited	-	-	68.25	68.25	-	-
Vivira Investment and Trading Private Limited	-	-	309.90	309.90	-	-
Mm Infra & Leasing Private Limited	-	-	1.60	1.60	-	-
Mrs. Seema Mahesh Babani	-	-	-	-	7.80	7.80
Ms. Jyoti Mahesh Babani	-	-	-	-	7.80	7.80
Ms. Snehal Mahesh Babani	-	-	-	-	7.80	7.80
Mrs. Premaleela Doppalapudi Rao	-	-	-	-	5.49	5.49
Mr. Vinaykumar Doppalapudi Rao	-	-	-	-	14.82	14.82
Mrs. Grace Vinaykumar Doppalapudi Rao	-	-	-	-	4.64	4.64
Mr.Vijaykumar Doppalapudi Rao	-	-	-	-	14.10	12.49
Mrs. Sharon Doppalapudi Rao	-	-	-	-	4.91	4.91
Mr. Rajkumar Doppalapudi Rao	-	-	-	-	13.82	14.00
Mrs. Prasanna Raj Doppalapudi Rao	-	-	-	-	5.74	5.74
Mr. Rameshbabu Gokarneswararao Guduru	-	-	-	-	1.87	1.87
Sitting fees						
Mr. Anurag Surana	-	-	-	-	3.00	5.00
Mrs. Anuradha Thakur	-	-	-	-	4.00	5.00
Mr. Rajesh Budhrani	-	-	-	-	4.00	4.00
Mr. P.R. Barpande	-	-	-	-	4.00	5.00
Mr. Dwarko Topandas Khilnani	-	-	-	-	4.00	5.00

*Remuneration does not include charge for gratuity and leave encashment as employee-wise break up is not available

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

30 RELATED PARTY DISCLOSURES (Contd.)

c) Outstanding balances

Particulars	Subsidiaries		Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Receivables /Other assets						
Privi Speciality Chemicals USA Corporation	7,769.86	6,685.36	-	-	-	-
MM Infra & Leasing Private Limited	-	-	51.00	782.00	-	-
Privi Life Science Private Limited	-	-	38.63	15.90	-	-
Money Mart Securities Private Limited	-	-	300.00	300.00	-	-
Prasad Organics Private Limited	-	-	904.00	201.91	-	-
Privi Biotechnologies Private Limited	25.00	25.00	-	-	-	-
Prigiv Specialties Private Limited	45.39	-	-	-	-	-
Privi Organics Limited	-	-	-	0.89	-	-
Investments						
Privi Speciality Chemicals USA Corporation	30.61	30.61	-	-	-	-
Privi Biotechnologies Private Limited	4,271.70	4,271.70	-	-	-	-
Prigiv Specialties Private Limited	765.00	765.00	-	-	-	-
Trade Payables / Other Liabilities						
Privi Biotechnologies Private Limited	279.77	103.01	-	-	-	-
Privi Life Science Private Limited	-	-	39.86	18.25	-	-
MM Infra & Leasing Private Limited	-	-	36.72	-	-	-
Money Mart Securities Private Limited	-	-	90.19	0.75	-	-
Prasad Organics Private Limited	-	-	464.74	265.36	-	-
Privi Organics Limited	-	-	57.61	2.82	-	-
Privi Speciality Chemicals USA Corporation	1,696.70	1,877.23	-	-	-	-
Payable to Key Management Personal						
Mr. Mahesh P Babani (*)	-	-	-	-	9.70	28.41
Mr. D.B.Rao (*)	-	-	-	-	2.94	2.57
Relatives of Key Management Personnel						
Mr.Vinaykumar Doppalapudi Rao (*)	-	-	-	-	1.33	1.42
Company has provided Corporate Bank Guarantee to CITI Bank against a working capital Loan sanction to Privi Speciality Chemicals USA Corporation (formally known as Privi Organics USA Corporation) (refer note d below)	-	-	-	-	3,288.80	3,032.28

* Remuneration Net of Tax Deducted at Source and includes short term benefit and post employment benefit



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

30 RELATED PARTY DISCLOSURES (Contd.)

d) Disclosure required under Sec 186(4) of the Companies Act, 2013

Provided the guarantee on behalf of wholly owned subsidiary Privi Speciality Chemicals USA Corporation (Formerly known as Privi Organics USA Corporation) to Citi Bank USA which are disclosed below as required by Sec 186(4) of the Companies Act, 2013

Name of the loanee	Rate of Interest	Due date	Secured/ unsecured	31 March 2023	31 March 2022
Privi Speciality Chemicals USA Corporation	Not applicable	Not applicable	Working capital loan	3,288.80	3,032.28
				3,288.80	3,032.28

31 EMPLOYEE BENEFITS - POST-EMPLOYMENT BENEFIT PLANS

a) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and ESI which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue.

The Company has recognised the following amount as an expense and included in the note 24 under "Contribution to provident & other funds"

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to employees provident fund	331.64	320.86
Contribution to ESI	1.33	1.97

b) Defined benefit plans

The Company operates one post-employment defined benefit plan that provides gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement. In case of employees completing longer service periods, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount recognised in the balance sheet in respect of Gratuity		
Present value of the defined benefit obligation at the end of the year	1,456.34	1,371.47
Fair value of the plan assets	-	-
Net liability	1,456.34	1,371.47

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

31 EMPLOYEE BENEFITS - POST-EMPLOYMENT BENEFIT PLANS (Contd.)

Particulars	As at March 31, 2023	As at March 31, 2022
Movement in present value of defined benefit obligation		
Opening Liability	1,371.47	1,167.16
Current service cost	115.37	106.69
Interest cost	98.06	80.07
Actuarial /loss	(63.47)	58.67
Benefits paid	(65.09)	(41.12)
Closing defined benefit obligation	1,456.34	1,371.47
Expense recognised in statement of profit and loss		
Current service cost	115.37	106.69
Interest on defined benefit obligations	98.06	80.07
Total	213.43	186.76
Remeasurements recognised in Other comprehensive income		
Change in financial assumptions	(32.24)	(32.30)
Change in Demographic Assumptions	-	0.40
Experience adjustments	(31.23)	90.57
Total	(63.47)	58.67
Total expense recognised	149.96	245.43

Particulars	As at March 31, 2023	As at March 31, 2022
Principal actuarial assumptions at the balance sheet date		
Discount rate (p.a.)	7.44%	7.15%
Expected rate of salary increase (p.a.)	8.25%	8.25%
Attrition rate	For service 2 years and below 20.00% p.a. For service 3 years to 4 years 10.00% p.a. For service 5 years and above 5.00% p.a.	For service 2 years and below 20.00% p.a. For service 3 years to 4 years 10.00% p.a. For service 5 years and above 5.00% p.a.
Mortality tables	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

At March 31, 2023 the weighted average duration of the defined benefit obligation was 9 years (March 31, 2022 : 10 years)

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



Notes to the Standalone Financial Statements

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(Currency: Indian Rupees in lakhs)

31 EMPLOYEE BENEFITS - POST-EMPLOYMENT BENEFIT PLANS (Contd.)

A Quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Discount rate		Future salary increase	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Impact on defined benefit obligation due to:				
a. 1% increase	(101.99)	(101.88)	114.70	114.87
b. 1% decrease	116.77	117.28	(102.16)	(101.79)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period, as calculated by Actuary.

Experience adjustment for last five years

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Defined benefit obligation	1,456.34	1,371.47	1,167.16	1,016.53	789.99
Surplus/(deficit)	(1,456.34)	(1,371.47)	(1,167.16)	(1,016.53)	(789.99)
Experience adjustment on plan liabilities	(31.23)	90.57	11.38	43.72	54.61

Compensatory absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Amount of Rs. 82.13 lakhs (31 March, 2022 : Rs 145.46 lakhs) has been recognised in the Standalone Statement of profit and loss of provision for long-term employment benefit.

32 FINANCIAL INSTRUMENTS

a. Accounting classification and fair values

The Company is exposed to the risks of changes in fair value of its financial assets and liabilities. The following table summarises the fair values and carrying amounts of financial instruments.

As on 31 March 2023	Note	Carrying value			Fair value measurement using			
		Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial assets:								
Investment in equity instruments (unquoted)	5	5,067.31	-	-	5,067.31	-	-	-
Trade receivables	9	31,448.79	-	-	31,448.79	-	-	-
Cash and cash equivalents	10	1,025.27	-	-	1,025.27	-	-	-
Bank balances other than cash and cash equivalents	11	418.68	-	-	418.68	-	-	-
Other financial assets	6	1,507.19	-	-	1,507.19	-	-	-

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

32 FINANCIAL INSTRUMENTS (Contd.)

As on 31 March 2023	Note	Carrying value			Fair value measurement using			
		Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial liabilities:								
Non Current borrowings	13 a	40,370.49	-	-	40,370.49	-	-	40,370.49
Current borrowings	14	62,560.05	-	-	62,560.05	-	-	-
Trade payables	17	29,772.29	-	-	29,772.29	-	-	-
Derivatives	18	-	1,174.85	-	1,174.85	-	1,174.85	-
Lease liabilities	13 b	1,354.99	-	-	1,354.99	-	-	1,354.99
Other financial liabilities (other than lease liabilities)	18	6,109.33	-	-	6,109.33	-	-	-

As on 31 March 2022	Note	Carrying value			Fair value measurement using			
		Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial assets:								
Investment in equity instruments (unquoted)	5	5,067.31	-	-	5,067.31	-	-	-
Trade receivables	9	28,421.72	-	-	28,421.72	-	-	-
Cash and cash equivalents	10	2,636.96	-	-	2,636.96	-	-	-
Bank balances other than cash and cash equivalents	11	452.29	-	-	452.29	-	-	-
Other financial assets	6	2,710.28	-	-	2,710.28	-	-	-
Financial liabilities:								
Non Current borrowings	13 a	38,060.00	-	-	38,060.00	-	-	38,060.00
Current borrowings	14	49,904.67	-	-	49,904.67	-	-	-
Trade payables	17	30,822.69	-	-	30,822.69	-	-	-
Derivatives	18	-	466.70	-	466.70	-	466.70	-
Lease liabilities	13 b	1,715.21	-	-	1,715.21	-	-	1,715.21
Other financial liabilities (other than lease liabilities)	18	6,449.39	-	-	6,449.39	-	-	-

- b. The fair value of financial instruments as referred to in note (a) above have been classified into a three categories depending on the inputs used in the valuation technique.

The categories used are as follows:

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

32 FINANCIAL INSTRUMENTS (Contd.)

c. Calculation of fair values

The fair values of the financial assets and liabilities are defined as 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. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2023.

- (i) The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates. In case the forwards are taken from banks and financial institutions, the fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies by the bankers.
- (ii) The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
- (iii) Loans, lease liabilities and borrowings have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- (iv) Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.

33 FINANCIAL RISK MANAGEMENT

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports regularly to the board of Directors on its activities.

The Company's risk management are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities.

The Audit committee oversees how management monitors compliance with the company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit committee is assisted in its oversight role by internal audit by external party.

The Company has exposure to the following risks arising from the financial instruments:

a. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The carrying amount of financial assets represent the maximum credit exposure.

The Company's exposure to credit risk is influenced mainly by the individual characterisitic of each customer. However, management also consider the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which company operates.

The Company analyses credit worthiness of each new customer individually before standard payment and delivery terms are offered. The Company is monitoring economic environment in countires where it operates and is taking actions to limit its exposure to customers in those countries experiencing particular economic volatility."

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

33 FINANCIAL RISK MANAGEMENT (Contd.)

Impairment of Trade receivables

At March 31, 2023 the ageing of trade and other receivables that were not impaired was as follows.

	Carrying amount	
	March 31, 2023	March 31, 2022
Neither past due nor impaired	24,038.04	22,801.87
Past due 0-90 days	6,405.38	4,919.50
Past due 90-180 days	731.61	314.87
Past due 180-270 days	162.82	154.63
Past due 270-365 days	88.11	178.70
More than 365 days	22.83	52.15
	31,448.79	28,421.72

Movement in Loss allowance measured at amount equal to life time expected credit losses for trade receivables.

	Amount
Balance as at April 01, 2021	10.86
Impairment loss recognised	20.92
Amounts written off	3.94
Balance as at March 31, 2022	27.84
Impairment loss recognised	-
Amounts written off	-
Balance as at March 31, 2023	27.84

The Company uses an allowance matrix to measure the expected credit loss of trade receivables. Based on the industry practices and the business environment in which the entity operates, Management considers that the trade receivables are in default (credit impaired) if the payments are more than 365 days past due.

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk and the current provision for the bad debts represents the impacted credit loss it foresees in its receivables.

Financial assets other than trade receivables are not impaired and further, there are no amounts that are past due. Management believes that the amounts are collectible in full, based on historical payment behavior.

b. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains the level of its cash and cash equivalents at an amount in excess of expected cash outflow on financial liabilities. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash inflows on trade and other payables



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

33 FINANCIAL RISK MANAGEMENT (Contd.)

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

March 31, 2023	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	50,663.47	50,663.47	10,292.98	21,353.23	19,017.26	-
Other borrowings	52,267.07	52,267.07	52,267.07	-	-	-
Trade payables	29,772.29	29,772.29	29,772.29	-	-	-
Other financial liabilities	5,749.11	5,749.11	5,749.11	-	-	-
Lease liability	1,354.99	1,354.99	360.22	994.77	-	-
Derivative financial liabilities						
Interest rate swaps	1,174.85	1,174.85	1,174.85	-	-	-
	1,40,981.78	1,40,981.78	99,616.52	22,348.00	19,017.26	-

March 31, 2022	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	44,165.64	44,165.64	6,105.64	21,353.23	16,706.77	-
Other borrowings	43,799.03	43,799.03	43,799.03	-	-	-
Trade payables	30,822.69	30,822.69	30,822.69	-	-	-
Other financial liabilities	6,024.59	6,024.59	6,024.59	-	-	-
Lease liability	1,715.21	1,715.21	424.80	1,290.41	-	-
Derivative financial liabilities						
Interest rate swaps	466.70	466.70	466.70	-	-	-
	1,26,993.86	1,26,993.86	87,643.45	22,643.64	16,706.77	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

33 FINANCIAL RISK MANAGEMENT (Contd.)

c. Currency Risk

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2023 and March 31, 2022 are as below:

	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
	USD	EURO	USD	EURO
Financial assets				
Cash and cash equivalents	1.03	0.02	8.54	0.10
Trade Receivables	236.84	17.74	255.66	8.87
	237.87	17.76	264.20	8.97
Financial liabilities				
Borrowings	-	22.50	-	30.00
Buyers Credit	29.99	-	16.47	-
Packing credit in foreign currency	-	-	50.00	-
Working capital demand Loan	18.36	-	-	-
Trade payables and other financial liabilities	129.44	2.42	180.15	0.56
Other Current financial liabilities - Derivative Instruments Interest rate swap	15.29	0.92	6.11	0.04
	193.08	25.84	252.73	30.60
Net exposure	44.79	(8.08)	11.47	(21.63)

* The exposure disclosed here is net of currency swap taken by the Company

Currency exposure for borrowings is exclusive of Currency swap on IDFC Rupee loan of Rs.4,000 lakhs and ICICI bank Rupee loan of Rs.4,000 lakhs are taken @64.42 per USD and @68.13 per USD respectively and other currency swap on HDFC Bank Rupee loan of Rs 5,600 lakhs and Rs 7,400 lakhs are taken @ 76.78 per USD and @ 75.83 per USD respectively which are classified as Indian currency loan.

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk.

The Corporate treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

33 FINANCIAL RISK MANAGEMENT (Contd.)

d. Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currencies against INR at March 31, 2023 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR	Profit before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2023				
USD (3 % movement)	110.48	(110.48)	82.67	(72.25)
EUR (3 % movement)	(21.72)	21.72	(16.25)	14.20
	88.76	(88.76)	66.42	(58.05)

Effect in INR	Profit before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2022				
USD (3 % movement)	26.09	(26.09)	19.52	(17.06)
EUR (3 % movement)	(54.94)	54.94	(41.11)	35.93
	(28.85)	28.85	(21.59)	18.87

e. Interest risk

The company is exposed primarily to fluctuation in USD LIBOR rates. Interest rate risk on financial debt is managed through interest rate swaps.

The interest rate profile of the Company's interest-bearing financial instruments is as follows.

	March 31, 2023	March 31, 2022
Fixed-rate instruments	1,02,930.54	87,964.67
Variable-rate instruments	-	-
Total borrowings	1,02,930.54	87,964.67

*Effect of interest rate swaps is disclosed in Note 13 a .

Financial assets classified at amortized cost have fixed interest rate. Hence, the group is not subject to interest rate risk on such financial assets.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
March 31, 2023				
Variable-rate instruments	-	-	-	-
March 31, 2022				
Variable-rate instruments	-	-	-	-

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

34 CONTINGENT LIABILITIES:

Claims against the Company not acknowledged as debts are below

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax authorities	932.16	1,787.34
Custom Duty *	106.06	106.06

* Demand of ₹. 15.52 lakhs (out of which ₹. 6.00 lakhs paid) raised by Customs, Excise and Service Tax Appellate Tribunal West Zonal Bench, Mumbai for clearance of imported goods under DEPB scheme. (Contravention of the provisions of Section 111 (o) of the Customs Act, 1962). Further the demand of ₹. 101.53 lakh was raised by Customs authority out of which ₹. 10.98 lakh is paid under protest, balance ₹. 90.54 lakhs are unpaid as on March 31, 2023.

The claims against the Company comprise of pending litigations / proceedings pertaining to demands raised by Excise, Custom, Sales / VAT tax and other authorities / bodies. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The Company does not expect any reimbursements in respect of the above contingent liabilities.

35 COMMITMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of Rs.647.78 lakhs, (March 31, 2022 : Rs. 1,510.19 lakhs)	2,104.47	3,703.87
LC's issued in favour of suppliers, but the material not dispatched	754.57	1,319.00
Other Investment	1,600.00	-

36 EARNINGS PER SHARE

Particulars	As at March 31, 2023	As at March 31, 2022
Profit after tax attributable to equity shareholders [A]	2,247.49	10,166.48
Number of equity shares at the beginning of the year [B]	3,90,62,706	3,90,62,706
Number of equity shares outstanding at the end of the year [C]	3,90,62,706	3,90,62,706
Weighted average number of equity shares outstanding during the year [D]	3,90,62,706	3,90,62,706
Basic and diluted earnings per share of face value Rs. 10 [A]/[D]	5.75	26.03



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

37 REVENUE FROM CONTRACTS WITH CUSTOMERS

(A) The Company is primarily in the business of manufacture and sale of Aroma chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give significant credit period resulting in no significant financing component.

(B) Reconciliation of revenue recognised from Contract liability:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Contract liability	264.01	116.67
Less: Recognised as revenue during the year	2,697.06	1,324.79
Add: Addition to contract liability during the year	8,040.23	1,472.13
Closing Contract liability	5607.18	264.01

Contract liability primarily relates to advance consideration received from customers for sale of products in case of few contracts based on terms agreed. The contract liability is expected to be recognised within 12 months.

There is no contract asset as at 31 March 2023(31 March 2022 : Nil)

(C) Reconciliation of revenue as per contract price and as recognised in statement of standalone profit and loss:

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue from contract with customer as per Contract price	1,57,570.03	1,39,117.94
Less: Discounts and other adjustments	28.21	105.41
Revenue from contract with customer as per statement of standalone profit and loss	1,57,541.82	1,39,012.53

(D) Disaggregation of revenue from contract with customers

Particulars	As at March 31, 2023	As at March 31, 2022
India	40,270.01	39,453.68
Europe(excluding UK)	37,776.94	33,198.47
North America	41,703.11	32,354.13
Asia (Excluding India)	18,564.10	15,776.38
Middle East	7,443.05	7,520.83
United Kingdom	5,170.08	5,819.30
South America	3,872.38	3,048.67
Africa	2,658.01	1,772.44
Australia and New Zealand	84.14	68.63
	1,57,541.82	1,39,012.53

(E) Unsatisfied Performance Obligations

The Company applies the practical expedient in Paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

38 DIVIDEND ON EQUITY SHARES

Particulars	As at March 31, 2023	As at March 31, 2022
Dividend on equity shares declared and paid during the year		
Final dividend for the year ended March 31, 2022 -Rs. 2.00 (March 31, 2021 Rs.: 2.00) per fully paid up share	781.21	781.21
(Amount of Cash-out flow of dividend is inclusive of dividend distribution tax)	781.21	781.21
Dividends not recognized at the end of reporting period		
Final dividend of Rs. 0.00 per fully paid up equity shares (March 31, 2022 Rs. 2.00 per fully paid up share). This proposed dividend is subject to the approval of share holders in the ensuing annual general meeting.	-	781.21
	-	781.21

39 TRANSFER PRICING

Transactions with related parties are governed by transfer pricing regulations of the Indian Income-tax Act, 1961. The Company's international and domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended March 31, 2022. Management believes that the Company's international and domestic transactions with related parties post March 2022 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

40 EXCEPTIONAL ITEMS

- a) **Flood claim settlement (Net)** :- Unprecedented rainfall on July 22 and 23, 2021 in Raigad district of Maharashtra including Mahad and consequent overflow of Savitri river caused flooding and major power outage in and around Mahad. The factory operations at the units were temporarily suspended. The necessary steps were taken to resume the operations in phased manner from August 12, 2021 after taking into consideration the safety norms. There has been loss to assets comprising of Inventories, Plant & Machineries and Other fixed assets, etc. The profitability has also been impacted due to loss of sales. All the said losses are adequately insured including coverage towards loss of profit and replacement cost of fixed assets.

As per Management's best estimate, the book value of the assets lost due to flood including other expenses for the year ended March 31, 2022 is Rs. 1,791.28 lakhs which is debited to the statement of profit and loss and is disclosed as an exceptional item and netted off with final insurance claim settlement aggregating to Rs. 2,320.51 lakhs for which a settlement letter is also issued by insurance company resulting in an exceptional gain(net) of Rs. 529.24 lakhs for the year ended March 31, 2022. The Company has received partial insurance claim of Rs. 1,000 lakhs from the insurance company which is recognised in the quarter ended September 30, 2021. The balance amount of Rs.1,320.51 lakhs (of which Rs. 300 lakhs is received subsequent to the balance sheet date) is shown as receivable from insurance company in balance sheet as at March 31, 2022. The entire insurance claim settlement amount is being recognised in the statement of profit and loss as per the requirement of Accounting Standards.

41 ESTIMATION OF UNCERTAINTIES RELATED TO GLOBAL HEALTH PANDEMIC FROM COVID-19

Government of India announced a Nationwide Lockdown due to Covid-19 Global Pandemic due to which the Company shutdown few of its plants at Mahad & Jhagadia factories (except those involved in manufacture of chemicals used in essential goods) from March 24, 2020 which continued till April 7, 2020. Although sales were partially affected during the period of shutdown, however, impact is not significant. The Company had not seen any significant impact on net realisable value of its current assets.

The Global pandemic Covid-19 continued in the year 2021-22 as well. The business of the Company was not affected during the year. However, the completion of major capex project were delayed by 4 to 5 months due to second wave of Covid-19 during the period March 2021 to July 2021, on account of non-availability of labour, transport facilities, industrial oxygen, etc. Further, given the uncertainty due to Covid-19, the Company would continue to monitor any material changes to future economic conditions and the consequential impact on the standalone financial statements.



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

42 OTHER STATUTORY INFORMATION

a) Other informations

- (i) As on March 31, 2023 there is no utilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.
- (ii) The Company do not have any transactions with struck off companies.
- (iii) The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (v) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (vi) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (viii) The Company have 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:
 - (a) 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
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (ix) The Company have not entered in any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

- b) Changes in accounting policy :** The Company has changed its accounting policy in respect of valuation of inventory - Indian Accounting Standard (Ind AS) 2 – Inventories.

The change in accounting policy for valuation of inventory is from First in First out to Periodic Weighted Average Method, retrospectively, to the earliest period reported on voluntary basis. The change is owing to more reliable, relevant information being available through newly migrated accounting system, SAP and resulting in better presentation. Inventories include Raw Material, Packing Material, Fuel, consumable stores and spares are valued and determined basis of Periodic Unit Price Moving Weighted Average Method as against First in first out adopted until 31 March 2022. The Company has implemented SAP S4 Hana integrated ERP system from current financial year as against the earlier oracle R12.1.1 ERP system. SAP ERP system is more robust and conducive to the manufacturing operations. It provides real time data across modules. Inventory valuation now automated from SAP system and gives granular details and valuations of items at various

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

42 OTHER STATUTORY INFORMATION (Contd.)

stage of its operations. The Company thought it prudent to move from the legacy FIFO basis of valuation to the Periodic Moving Weighted Average Method of the SAP ERP system. This is also in line with the global practices followed in the industry. The voluntary change in method of valuation of Inventory is in the nature of Change in Accounting Policy and requires retrospective application as per Ind AS 8. As per the detailed assessment and re-computation performed by the Management, the impact thereof is not to be material and hence the financial statements are not re-stated to the earliest reported period. This change has resulted in inventories being higher than Rs 19.02 lakhs and corresponding effect in the retained earnings as at 31 March 2023. There is no significant impact on the opening equity as a result of the change. The impact on basic and diluted EPS is not material.

43 CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act, 2013 a corporate social responsibility (CSR) committee has been formed by the Company. The areas for CSR activities are Education, Environment Sustainability, Health and hygiene and Disaster Management. Amount spent during the year on activities which are specified in Schedule VII of the Companies Act 2013 are as mentioned below:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) amount required to be spend by the company / amount approved by the board for the year	333.00	250.68
b) amount of expenditure till date:		
Paid		
(i) construction / acquisition of any asset		
(ii) on purpose other than (i) above	333.00	255.53
Yet to be paid		
(i) construction / acquisition of any asset	-	-
(ii) on purpose other than (i) above	-	-
Total	333.00	255.53
c) shortfall at the end of the year	-	-
d) reason for shorfall	NA	NA
e) total of pervious year shortfall	NA	NA
f) nature of CSR activities	Education, Environment Sustainability, Health and hygiene and Disaster Management	Education, Environment Sustainability, Health and hygiene and Disaster Management



Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

44 ADDITIONAL REGULATORY INFORMATION

Ratio	Numerator	Denominator	Year ended March 31, 2023	Year ended March 31, 2022	% Variance
Current Ratio (in times)	Total current assets	Total current liabilities	1.07	1.11	-3.60%
Debt - Equity ratio (in times) (net)	"Debt consists of borrowings Less Cash and cash equivalents and short term investments"	Total equity	1.23	1.05	17.14%
Debt service coverage ratio (in times)	Net profit before tax + Depreciation + Interest (EBITDA)	Debt service = Interest + Principal repayments	1.59	4.01	-60.35%
Return on equity ratio (in %)	Net profit after tax for the year	Equity share capital	2.76%	17.00%	-83.76%
net capital turnover ratio (in times)	Revenue from operations Average	Average working capital (i.e. Total current assets less Total current liabilities)	17.5	8.39	108.58%
net profit ratio (in %)	Net profit after tax for the year	Revenue from operations	1.42%	10.00%	-85.80%
return on capital employed (in %)	Profit before tax and finance costs	Total equity + Borrowings + Deferred tax liabilities (net)	5.23%	20.00%	-73.85%
Inventory turnover ratio	Average Inventory	Revenue from operations	0.41	0.40	2.50%
Trade receivable turnover ratio	Average Trade receivable	Revenue from operations	0.19	0.20	-5.00%
Trade payables turnover ratio	Average Trade payables	Purchases	0.26	0.22	18.18%

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959
Place: Mumbai
Date: May 29, 2023

For and on behalf of the Board of Directors of **Privi Speciality Chemicals Limited**

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

Narayan S Iyer
Chief Financial Officer
Membership No: 105320
Place: Mumbai
Date: May 29, 2023

D. B. Rao
Executive Director
DIN: 00356218

Ashwini Shah
Company Secretary
Membership No: A-58378

CONSOLIDATED FINANCIAL STATEMENTS





Independent Auditors' Report

To the Members of
Privi Speciality Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the consolidated financial statements of Privi Speciality Chemicals Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor on separate financial statements of such subsidiaries as were audited by the other auditor, the aforesaid consolidated financial statements give the information required

by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditor referred to in paragraph (a) of the "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REVENUE RECOGNITION

See Note 20 and 40 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Group's revenue is derived primarily from sale of products. The principal products of the Group comprise of aroma chemicals.</p> <p>Revenue from sale of goods is recognized on transfer of the products to the customer. The Group uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. The performance obligations in the contracts may be fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on contract terms. There is a risk that revenue could be recognised at a time which is different from transfer of control especially for sales transactions occurring on and around the reporting period. Also, there is a risk of recognizing</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:-</p> <ul style="list-style-type: none"> Assessed the appropriateness of Group's accounting policies relating to revenue recognition as per the applicable accounting standard. Obtained an understanding of the Group's sales process and evaluated the design and implementation of key internal controls in relation to the timing of revenue recognition. We also tested the operating effectiveness of such controls for a sample of transactions with special reference to controls over revenue recognised on and around the year end. For a sample of sale transactions selected using statistical sampling, performed detailed testing and in particular examined whether these are recognised in the period in which control is transferred. This included examination of the terms and conditions as per customer orders , such as shipping terms, transporter documents and customer acceptances.

The key audit matter	How the matter was addressed in our audit
fictitious revenue throughout the year. In view of this and since revenue is a key performance indicator of the Group, we have identified timing of the revenue recognition as a key audit matter.	<ul style="list-style-type: none"> • Tested on a sample basis, specific revenue transactions recorded around the year end date to check whether revenue has been recognised in the correct reporting period by examining the underlying documents. • Tested sample journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions.

OTHER INFORMATION

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matter" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

OTHER MATTER

- a. We did not audit the financial statements of 3 subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 20,467.92 lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 42,714.87 lakhs and net cash flows (before consolidation adjustments) amounting to Rs. 404.71 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditor on separate financial statements of such subsidiaries, as were audited by other auditor, as noted in the "Other Matter" paragraph, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
- c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 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 Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statements of the subsidiaries, as noted in the "Other Matter" paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 35 to the consolidated financial statements.
- b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 18 to the consolidated financial statements in respect of such items as it relates to the Group.
- c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.
- d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements/ financial information have been audited under the Act represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 44 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements/ financial information have been audited under the Act represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 44 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements/



financial information have been audited under the Act, nothing has come to our or other auditor notice that has caused us other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The Holding Company has not declared any dividend during the year.
 - f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditor of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Jayesh T Thakkar
Partner
Membership No.: 113959
ICAI UDIN:23113959BGXKTH4854

Place: Mumbai
Date: 29 May 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Privi Speciality Chemicals Limited for the year ended 31 March 2023

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

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Place: Mumbai
Date: 29 May 2023

Jayesh T Thakkar
Partner
Membership No.: 113959
ICAI UDIN:23113959BGXKTH4854



Annexure B to the Independent Auditor's Report on the consolidated financial statements of Privi Speciality Chemicals Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

OPINION

In conjunction with our audit of the consolidated financial statements of Privi Speciality Chemicals Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditor on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditor, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The respective 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 respective company/Company/Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness

of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTER

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to 2 subsidiary companies, which is a company incorporated in India, is based on the corresponding report of the auditor of such companies incorporated in India.

Our opinion is not modified in respect of above matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Jayesh T Thakkar
Partner
Place: Mumbai
Date: 29 May 2023
Membership No.: 113959
ICAI UDIN:23113959BGXKTH4854



Consolidated Balance Sheet

As at March 31, 2023

	Note	(Currency: Indian Rupees in lakhs) As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	95,228.14	64,523.85
Capital work-in-progress	3	9,463.12	36,356.10
Right of use assets	4 a	5,381.24	5,314.63
Other Intangible assets	4 b	1,067.62	546.51
Intangible assets under development	4 b	547.36	915.83
Financial assets			
Other financial assets	5	1,619.51	1,479.56
Income tax assets (net)		2,386.36	1,394.36
Other non-current assets	6	3,185.63	1,809.30
Total non-current assets		1,18,878.98	1,12,340.14
Current assets			
Inventories	7	79,937.94	61,632.23
Financial assets			
Investments	8	672.76	1,200.00
Trade receivables	9	29,558.68	26,499.11
Cash and cash equivalents	10	2,044.91	3,251.89
Bank balances other than cash and cash equivalents	11	454.14	487.15
Other financial Assets	5	9.84	1,320.51
Other current assets	6	7,553.64	10,872.38
Total current assets		1,20,231.91	1,05,263.27
TOTAL ASSETS		2,39,110.89	2,17,603.41
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12 a	3,906.27	3,906.27
Other equity - Equity attributable to owners of the company	12 b	79,000.70	77,319.92
Equity attributable to shareholders of the Company		82,906.97	81,226.19
Non-controlling interest	12 c	641.33	735.00
Total equity		83,548.30	81,961.19
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	13 a	40,370.49	38,060.00
ii) Lease liabilities	13 b	1,301.28	1,665.91
Provisions	15	1,778.14	1,702.92
Deferred tax liabilities (net)	16	1,984.43	1,325.46
Total non-current liabilities		45,434.34	42,754.29
Current liabilities			
Financial liabilities			
i) Borrowings	14	65,684.29	52,940.65
ii) Lease liabilities	13 b	576.52	634.80
iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	17	927.53	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	17	28,464.77	30,580.28
iv) Other financial liabilities	18	7,429.20	6,955.38
Other current liabilities	19	5,963.76	644.63
Provisions	15	214.63	196.67
Current tax liabilities (net)		867.55	935.52
Total current liabilities		1,10,128.25	92,887.93
Total liabilities		1,55,562.59	1,35,642.22
TOTAL EQUITY AND LIABILITIES		2,39,110.89	2,17,603.41
Notes to the consolidated financial statements	3 to 45		
Significant accounting policies	2		

The accompanying notes forms an integral part of the standalone financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors of **Privi Speciality Chemicals Limited**For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

D. B. Rao
Executive Director
DIN: 00356218

Jayesh T Thakkar

Partner

Membership No: 113959

Place: Mumbai

Date: May 29, 2023

Narayan S Iyer
Chief Financial Officer
Membership No: 105320

Ashwini Shah

Company Secretary

Membership No: A-58378

Place: Mumbai

Date: May 29, 2023

Consolidated Statement of Profit and Loss

For the year ended March 31, 2023

	Note	(Currency: Indian Rupees in lakhs)	
		Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue from operations	20	1,60,781.95	1,40,371.96
Other income	21	2,142.20	3,239.52
TOTAL INCOME (I)		1,62,924.15	1,43,611.48
EXPENSES			
Cost of materials consumed	22	1,14,220.76	1,00,367.84
Purchase of stock-in-trade (traded goods)	23	53.99	206.43
Changes in inventories of finished goods and work-in-progress	24	(18,175.79)	(17,477.39)
Employee benefits expense	25	7,968.77	7,668.51
Finance costs	26	6,781.31	2,411.28
Depreciation and amortisation expenses	27	10,848.67	7,466.15
Power and fuel expense	28	14,719.56	10,026.99
Other expenses	29	23,402.55	20,195.55
TOTAL EXPENSES (II)		1,59,819.82	1,30,865.36
Profit before exceptional items and tax expense (I) - (II)		3,104.33	12,746.12
Exceptional Items			
Exceptional income/(loss) (refer note 40)		-	529.24
Profit before tax expense		3,104.33	13,275.36
Tax expenses:			
Current tax		334.73	3,521.57
Deferred tax		641.79	15.81
Tax expense		976.52	3,537.38
Profit after tax for the year ;		2,127.81	9,737.98
Profit for the year (III)		2,127.81	9,737.98
Other comprehensive income			
Items that will not be reclassified to profit or loss - Remeasurements of the net defined benefit plans		60.82	(64.95)
Income tax related to items that will not be reclassified to profit or loss		(17.19)	16.60
Items that will be reclassified to profit or loss -exchange differences in translating financial statement of foreign operations		196.92	65.87
Income tax related to items that will be reclassified to profit or loss		-	-
Other comprehensive income / (loss) for the year net of taxes (IV)		240.55	17.52
Total comprehensive income for the year (III + IV)		2,368.36	9,755.50
Profit for the year attributable to			
Owners of the Holding Company		2,221.48	9,737.98
Non-controlling interest		(93.67)	-
		2,127.81	9,737.98
Other comprehensive income attributable to			
Owners of the Holding Company		240.55	17.52
Non-controlling interest		-	-
		240.55	17.52
Total comprehensive income attributable to			
Owners of the Holding Company		2,462.03	9,755.50
Non-controlling interest		(93.67)	-
		2,368.36	9,755.50
Earnings per equity share: nominal value of share Rs.10/- each			
Basic and diluted (Rs.)	37	5.45	24.93
Notes to the consolidated financial statements	3 to 45		
Significant accounting policies	2		

The accompanying notes forms an integral part of the consolidated financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors of **Privi Speciality Chemicals Limited**

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Mahesh Babani

Chairman & Managing Director

DIN: 00051162

Narayan S Iyer

Chief Financial Officer

Membership No: 105320

Place: Mumbai

Date: May 29, 2023

D. B. Rao

Executive Director

DIN: 00356218

Ashwini Shah

Company Secretary

Membership No: A-58378

Jayesh T Thakkar

Partner

Membership No: 113959

Place: Mumbai

Date: May 29, 2023



Consolidated Statement of Cash Flows

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
A Cash flow from operating activities		
Profit before tax after exceptional items	3,104.33	13,275.36
Adjustment for:		
Depreciation and amortisation	10,190.18	7,120.49
Amortisation of right of use assets	658.49	345.66
Gain on write-back of financial liabilities measured at amortised cost	(2.57)	(158.67)
Sundry balances written off	-	53.21
Unrealised foreign exchange loss (net)	936.28	104.07
Interest income	(28.24)	(29.88)
Finance costs	6,781.31	2,411.28
Loss / (Profit) on tangible assets sold (net)	59.44	(0.69)
Profit on sales of investment (net) at FVTPL	(61.84)	(0.27)
Allowance for expected credit loss and credit impairment	-	20.92
Operating cash flow before working capital changes	21,637.38	23,141.48
Movements in working capital		
(Increase) in trade receivables	(2,735.41)	(2,242.95)
(Increase) in inventories	(18,305.71)	(27,379.43)
(Increase) in other assets	2,249.09	(3,234.41)
(Decrease) / Increase in trade payables	(1,151.46)	13,860.15
Increase / (decrease) in other current liabilities and provisions	4,576.72	(397.30)
	(15,366.77)	(19,393.94)
Cash generated from operations	6,270.61	3,747.54
Income taxes paid	(1,394.70)	(3,273.93)
Net cash generated from operating activities [A]	4,875.91	473.61
B Cash flow from investing activities		
Purchase of property, plant and equipment	(13,969.20)	(30,862.91)
Proceeds from sale of property, plant and equipment	7.67	13.57
Purchase of current investments in Mutual Fund	-	(1,200.00)
Sale/Redemption of current investments	527.24	-
Investment in fixed deposits	(15.51)	(26.75)
Realisation from fixed deposits	103.88	-
Interest received	27.55	30.95
Net cash (used in) investing activities [B]	(13,318.37)	(32,045.14)
C Cash flow from financing activities		
Proceeds from Non-current borrowings	12,500.00	10,982.17
Repayment of Non-current borrowings	(6,068.15)	(3,373.02)
Current borrowings (net)	8,559.30	30,153.14
Payment of lease liabilities	(309.91)	(251.63)
Dividend paid	(781.25)	(781.21)
Interest paid	(6,669.47)	(3,438.06)
Net cash generated from financing activities [C]	7,230.52	33,291.39
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(1,211.94)	1,719.86
Cash and cash equivalents at the beginning of the year	3,251.89	1,545.32
Exchange differences on translation of foreign currency cash and cash equivalents	4.96	(13.29)
Cash and cash equivalents at end of the year (refer note 10)	2,044.91	3,251.89

Consolidated Statement of Cash Flows

For the year ended March 31, 2023

Note A : The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Note B : Purchase of Property, Plant and Equipment includes movements in capital work-in-progress (including capital advances) during the year.

Note C : Reconciliation of movements of liabilities to cash flows arising from financing activities

Particulars	Lease liabilities	Non current borrowings	Current borrowings
Balance as on April 01, 2022	2,074.71	38,060.00	52,940.65
Loan/lease taken during the current year		12,500.00	8,559.30
Repayment during the current year	-		(6,068.15)
Foreign exchange (gain) or loss	-	103.47	(40.49)
Current maturities of long term debt (refer note 13 a)	-	(10,292.98)	10,292.98
Interest accrued but not due on borrowings	-	-	-
Interest on lease liabilities	113.00	-	-
Payment against lease liabilities	(309.91)	-	-
Closing balance as on March 31, 2023	1,877.80	40,370.49	65,684.29

Particulars	Lease liabilities	Non current borrowings	Current borrowings
Balance as on April 01, 2021	587.70	36,630.67	16,433.30
Loan/lease taken during the current year	1,658.91	10,982.17	30,153.14
Repayment during the current year	-	(3,373.02)	-
Foreign exchange gain or loss	-	(71.18)	(21.51)
Current maturities of long term debt (refer note 13 a)		(6,108.64)	6,108.64
Interest accrued but not due on borrowings	-	-	267.08
Interest on lease liabilities	79.73	-	-
Payment against lease liabilities	(251.63)	-	-
Closing balance as on March 31, 2022	2,074.71	38,060.00	52,940.65

Notes to the consolidated financial statements 3 to 45

Significant accounting policies 2

The accompanying notes forms an integral part of the consolidated financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors of **Privi Speciality Chemicals Limited**

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Mahesh Babani

Chairman & Managing Director

DIN: 00051162

Narayan S Iyer

Chief Financial Officer

Membership No: 105320

Place: Mumbai

Date: May 29, 2023

D. B. Rao

Executive Director

DIN: 00356218

Ashwini Shah

Company Secretary

Membership No: A-58378

Jayesh T Thakkar

Partner

Membership No: 113959

Place: Mumbai

Date: May 29, 2023



Consolidated Statement of Changes in Equity

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

A. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	3,906.27	3,906.27
Changes in equity share capital during the year	-	-
Balance at the end of the year	3,906.27	3,906.27

B. OTHER EQUITY

	Reserves and Surplus			Items of other compre- hensive income	Total attributable to owners of the Company	Non controlling interests	Total
	General reserve	Retained earnings*	Capital Reserve	Exchange difference on translating the financial statement			
Balance as at April 01, 2021	35,573.76	32,631.57	1.00	139.30	68,345.63	735.00	69,080.63
Profit for the year	-	9,737.98	-	-	9,737.98	-	9,737.98
Other comprehensive income (net of tax)	-	(48.35)	-	65.87	17.52	-	17.52
Contribution and distribution to the owners							
Dividend of Rs 2.00 per share for the year ended March 31, 2021 (Including dividend distribution tax)	-	(781.21)	-	-	(781.21)	-	(781.21)
Balance as at March 31, 2022	35,573.76	41,539.99	1.00	205.17	77,319.92	735.00	78,054.92
Profit for the year	-	2,221.48	-	-	2,221.48	(93.67)	2,127.81
Other comprehensive income / (loss) (net of tax)	-	43.63	-	196.92	240.55	-	240.55
Total comprehensive income for the year	-	2,265.11	-	196.92	2,462.03	(93.67)	2,368.36
Contribution and distribution to the owners							
Dividend of Rs 2.00 per share for the year ended March 31, 2022 (Including dividend distribution tax)	-	(781.25)	-	-	(781.25)	-	(781.25)
Balance as at March 31, 2023	35,573.76	43,023.85	1.00	402.09	79,000.70	641.33	79,642.03

* The Balance arising out of remeasurement of defined plans is adjusted against the available retained earnings.

Notes to the consolidated financial statements 3 to 45

Significant accounting policies 2

As per our report of even date attached

For and on behalf of the Board of Directors of **Privi Speciality Chemicals Limited**For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Mahesh BabaniChairman & Managing Director
DIN: 00051162**D. B. Rao**Executive Director
DIN: 00356218**Jayesh T Thakkar**

Partner

Membership No: 113959

Place: Mumbai

Date: May 29, 2023

Narayan S IyerChief Financial Officer
Membership No: 105320

Place: Mumbai

Date: May 29, 2023

Ashwini ShahCompany Secretary
Membership No: A-58378

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

1 CORPORATE INFORMATION

Privi Speciality Chemicals Limited ('The Company or 'Holding Company') and its subsidiaries ('the company and its subsidiaries together referred to as the Group. The Holding company was incorporated on 25 May 1985 under the provisions of the Companies Act, 1956 is a public company domiciled in India. The Company was incorporated as H. K. Agro Oil Ltd. and later changed its name and style to Adi Finechem Limited. The Company is primarily engaged in the manufacture and export of aroma chemicals and in trading of chemicals. The Company's manufacturing units are located at Mahad and Jhagadia. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Ltd.

The group's subsidiaries at March 31, 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Principal activities	Place of business / country of incorporation	Ownership interest held by the Group March 31, 2023
Privi Biotechnologies Private Limited	Chemicals	India	100
Privi Speciality Chemicals USA Corporation	Chemicals	United States of America	100
Prigiv Specialties Private Limited	Chemicals	India	51

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted by the Group in the preparation of these Consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of Compliance

These Consolidated Financial Statements of the Group comprising the Balance Sheet as at March 31, 2023, Statement of Profit and Loss (including other comprehensive

(Currency: Indian Rupees in lakhs)

income), Statement of Changes in Equity, and Cash Flow Statement for the year ended March 31, 2023, and a summary of significant accounting policies and other explanatory information have been prepared by the Group in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 (the 'Act'), The Audit report of statutory auditor on these consolidated financial statements of the group will be addressed to the Shareholders. The consolidated financial statements were authorised for issue by the Company's Board of Directors at their meetings held on May 29, 2023.

i. Basis of preparation and Presentation

Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- Derivative Financial Instruments measured at fair value. (refer note no 18)
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Employee's Defined Benefit Plan as per actuarial valuation.

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 under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional & Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is also the Company's functional. Currency and reporting currency of the Group. All values are rounded to the nearest lakh, unless otherwise stated.



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

ii. Principles of consolidation and equity accounting

The Consolidated Financial statements (CFS) include the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The group combines the financial statements of the parent and its subsidiaries line by line by adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable to the consolidated financial statements.

The consolidated financial statements comprise the financial statements of Privi Speciality Chemicals Limited, the Parent Company, and its subsidiaries. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The Group controls an investee if and only if the Group has: a) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee) b) Exposure, or rights, to variable returns from its involvement with the investee, and c) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: a) The contractual arrangement with the other vote holders of the investee b) Rights arising from other contractual

(Currency: Indian Rupees in lakhs)

arrangements c) The Group's voting rights and potential voting rights The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. The financial statements of the subsidiaries in the Group are added on a line-by-line basis and inter-company balances and transactions including unrealized gain/loss from such transactions, are eliminated upon consolidation. The consolidated financial statements are prepared by applying uniform accounting policies in use by the Group. An associate is an entity over which the Group has significant influence, but not control or joint control over financial and operating policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. The aggregate of the Group's share of profit and loss of an associate is shown on the face of the consolidated statement of profit and loss.

Consolidation of subsidiary in which is not fully owned by the Parent Company is done line by line and profit/loss and each component of other comprehensive income or loss attributed to the owners of the company and to the non-controlling interest. Total comprehensive income or loss of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in non-controlling interests having deficit balance.

iii. Use of estimates, judgements, and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets and liabilities. Actual results may differ from these estimates and assumptions.

Estimate and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

The Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

- a. Lease term, whether the group is reasonably certain to exercise extension options – Note 4

Assumptions and estimation uncertainties

Information about judgements in applying accounting policies, as well as estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Measurement of defined benefit obligations for key actuarial assumptions. - Note 32
- (b) Recognition of deferred tax assets – Note 16.

iv. Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle.
- (b) it is held primarily for the purpose of being traded.
- (c) it is expected to be realised within 12 months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(Currency: Indian Rupees in lakhs)

- (a) it is expected to be settled in, the group's normal operating cycle.
- (b) it is held primarily for the purpose of being traded.
- (c) it is due to be settled within 12 months after the balance sheet date; or
- (d) the group does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Terms of a liability that could, at the option of the counter party, result in its settlement by issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

v. Property, Plant and Equipment ("PPE") and depreciation

I Recognition and Measurement

Items of Property, Plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. The cost of the certain items of the property, plant and equipment at January 01, 2005. The group's date of transition to the standards was determined with the reference to its fair value at the date.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of Property, Plant and equipment

Any Gain or loss on disposal of an item of Property, Plant and equipment is recognized in profit or loss.

II Subsequent Expenditure

Subsequent Expenditure is capitalized only if it is probable that the economic benefits flow to the associated with the Expenditure will flow to the entity.



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

Depreciation and amortization

Depreciation is calculated using the straight-line method to allocate cost of property plant and equipment, net of residual values, over their estimated useful lives as per the useful life prescribed in schedule II of the Companies Act, 2013 except in case of the following class of assets where the useful life is based on technical evaluation of the management:

Asset Class	Years
Plant and Machinery	10
Furniture & Fixtures	16
Office Equipment	10
Vehicle	10
Computer	6

Fixtures in leasehold premises are amortized over the primary period of the lease or useful life of the fixtures, whichever is lower.

Depreciation on additions / deletions during the year is provided from the month in which the asset is ready to use to the month in which the asset is disposed of.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets required under finance leases are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II of Companies Act, 2013) unless it is reasonably certain that group will obtain ownership by the end of lease term, in which case the depreciation rates applicable for similar assets owned by the group are applied.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

vi. Intangible assets and amortisation

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes taxes, duties and

other incidental expenses related to acquisition and other incidental expenses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets.

Asset Class	Years
Computers and Softwares	3 to 6 Years
Rights of Sale of Products	5 Years
Development Rights/ Patents	5 Years

About internally generated intangible assets:

Expenditure on research activities, undertaken with the prospect of development of new products or gaining new technical knowledge and understanding, is recognised in profit or loss as incurred.

Capital expenditure on research and development is capitalized and depreciated as per accounting policy mentioned above. Revenue expenditure is charged off in the year in which it is incurred.

Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in profit or loss as incurred.

Intangible assets are amortised in profit or loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

Gains or losses arising from derecognition 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 or loss when the asset is derecognised.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

vii. Impairment of Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets), investment property, inventories, contract assets and deferred tax asset to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its Recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

viii. Borrowing costs

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange differences arising from foreign currency borrowings (other than long

term foreign currency borrowings) to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

ix. Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the date of the transaction or an average rate if the average rate approximate the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary item measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Foreign currency operation

The assets and liabilities of foreign operations are translated into Rupees, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated using an average exchange rate if the average rate approximates the actual rate at the date of transaction. All resulting exchange differences recognised in other comprehensive income.



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

The cumulative amount of the exchange differences is presented in a separate component of equity until disposal of the foreign operation. When the exchange differences relate to a foreign operation that is consolidated but not wholly owned accumulated exchange differences arising from translation and attributable to non-controlling interests are allocated to, and recognised as part of, non-controlling interests in the consolidated balance sheet.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, shall be reclassified from equity to profit and loss (as a reclassification adjustment) when the gain or loss on disposal is recognised.

x. Financial Instruments

a. Financial assets

Initial Recognition and Measurement

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Revenue Recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

Financial assets at amortised cost

A financial asset is classified as subsequently measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through Other Comprehensive Income ("FVTOCI")

A financial asset is classified as subsequently measured at fair value through Other Comprehensive Income if both the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to P&L. The Group did not have any financial assets at FVTOCI during the current year as well as previous year.

Financial assets at fair value through Profit and loss ("FVTPL")

Financial assets at FVTPL is a residual category for financial assets. Any financial assets which does not meet the criteria of categorizing it at amortised cost or at FVTOCI is classified as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial

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(Currency: Indian Rupees in lakhs)

assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets

In view of its past experience of having insignificant impairment bad debts / write-offs and based on management's estimate considering its portfolio of customers, this trend would continue for the foreseeable future, the Group has determined that significant impairment of financial assets is not required to be recognised based on Expected Credit Loss model.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost and financial liabilities at FVTPL. Derivative liabilities are classified as FVTPL. All financial liabilities are recognised initially at fair value. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss. Except derivative instruments, the Group has not designated any financial liability as at FVTPL.

Financial liabilities at amortised cost

All financial liabilities except for derivatives are classified as measured at amortised cost. This category includes bank and other borrowings, trade payables and other financial liabilities.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



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Offsetting of Financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Business Model Assessment

Financial assets -Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes: the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities, or expected cash outflows or realizing cash flows through the sale of the assets.

- how the performance of the portfolio is evaluated and reported to the Group's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated- e.g., whether compensation is based on the fair value of the assets managed, or the contractual cash flows collected, and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial Assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

c. Derivatives

Initial recognition and subsequent measurement The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and currency SWAPS, to hedge its foreign currency risks, interest rate risks and its long term loans, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The purchase contracts that meet the definition of a derivative under Ind-AS 109 are recognised in the Statement of Profit and Loss.

xi. Segment Reporting

The Chief Operational Decision Maker (CODM) monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segments have been identified on the basis of nature of products / services. The Accounting Policies adopted for segment reporting are in line with the Accounting Policies of the Group. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, trade receivables and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

xii. Cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flow. The cash flows from operating, investing and financing activities of the Group are segregated based on available information.

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(Currency: Indian Rupees in lakhs)

xiii. Cash and Cash equivalents

Cash and cash equivalent in the balance sheet and for the statement cash flow 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.

Investment in subsidiaries and joint ventures

Investment in subsidiary companies and joint venture companies are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies and joint venture companies, the difference between net disposal proceeds and the carrying amount are recognised in the statement of Profit and Loss

xiv. Leases

The Group has adopted Ind AS 116 effective from April 1 2019 using modified retrospective approach. For the purpose of preparation of Consolidated Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31, 2023.

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

As a lessee, the Group recognises 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.

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 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.

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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method.

The Group has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The Group's leases mainly comprise land and buildings and Plant and equipment. The Group leases land and buildings for warehouse facilities. The Group also has leases for equipment.

xv. Inventories

Inventories include raw materials, packing materials, fuel, consumable stores and spares and manufactured inventory. Inventory is valued at the lower of cost and net realisable value.

Cost comprises the purchase price, costs of conversion and other related costs incurred in bringing the inventories to their present location and condition. Cost of raw materials, packing materials, fuel, consumable, stores and spares are determined on the basis of Periodic moving weighted



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average method. Cost of finished goods and work in progress are determined using the absorption costing principle. Cost includes the cost of material consumed, labour and appropriate proportion of costs of conversion which include variable and fixed overheads.

Obsolete, defective, and unserviceable inventories are duly provided for. The comparison of cost and net realisable value is made on an item-to-item basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The net realisable value of work in progress is determined by reference to the selling prices of related finished products.

xvi. Revenue Recognition

Revenue recognition Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer i.e. when the customer is able to direct the use of the transferred goods or rendering of services and obtains substantially

all of the remaining benefits at an amount that reflects the consideration entitled in exchange for those goods or services. The policy of recognizing the revenue is determined according to Ind AS 115 "Revenue from contracts with customers".

Sale of Goods: Revenue is recognised upon transfer of control of promised goods to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/delivery of goods, based on contracts with the customers. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Insurance

Income in respect of Insurance and other claim is recognized only on reasonable certainty of ultimate collection. as per the requirement of the accounting standards.

Interest

Interest revenue is calculated by using the effective interest method for financial assets measured at amortised cost.

Dividend Income

Dividend income is recognised when the right to receive payment is established.

Export incentive

An export incentive is recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of export made, and there is no uncertainty as to its receipt.

xvii. Employee Benefits

(a) Short Term Employee Benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, ex-gratia etc. These are recognised as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

(b) Post-employment Benefits

(i) Provident Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Group's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

(ii) Gratuity

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The calculation of the Group's obligation under the plan is performed annually by a qualified actuary using the projected

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unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the assets ceiling (if any, excluding interest), are recognised in OCI. All expenses related to defined benefit plan are recognised in employee benefits expense in the Statement of Profit and Loss.

(iii) Compensated Absences

The Group provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The Group makes provision for compensated absences based on an independent external actuarial valuation carried out at the end of the year.

xviii. Taxation

Income tax expense comprises current tax and deferred tax charge or credit.

Current Income Tax

Provision for current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the enacted or substantively enacted tax rates and tax laws.

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.

xviii. Taxation (continued)

Current Income Tax (continued)

On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Group's assessment, there are no material income tax uncertainties over income tax treatments.

Current tax assets and current tax liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

Current Tax is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Deferred Tax

Deferred tax is recognized in respect of 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.

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 utilized.

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 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.



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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.

Minimum Alternative tax ('MAT') under the provisions of the Income tax Act, 1961 is recognized as current tax in the Statement of Profit and loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent it is probable that the Group will pay normal income tax during the year for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

xix. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share are the net profit for the year attributable to equity shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares, except where the results would be anti-dilutive.

xx. Provisions and contingent liabilities

Provisions are recognised when the Group 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. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision in respect of loss contingencies relating to claims litigation, assessment, fines, penalties etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

(Currency: Indian Rupees in lakhs)

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, probably will not, require an outflow of resources embodying economic benefits, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic resources embodying economic benefits will arise, related income are recognized in the year in which the change occurs.

xxi. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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 Group.

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.

xxii. Estimation of uncertainties relating to the global health pandemic from COVID-19: -

The Global pandemic Covid-19 continues. The business of the group was not affected for the year ended March 31, 2023 and impact is insignificant.

Having reviewed the underlying data and based on current estimates the Group expects the carrying amount of assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Group's consolidated financial statements may differ from that

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estimated as at the date of approval of these consolidated financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

xxiv. Recent accounting pronouncements: -

Ministry of Corporate Affairs (MCA), on 31 March 2023, through the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2023 amended certain existing Ind ASs on miscellaneous issues with effect from 1 April 2023. Following are few key amendments relevant to the Group:

i.) Ind AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting – Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.

(Currency: Indian Rupees in lakhs)

- ii.) Ind AS 107 – Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.
- iii.) Ind AS 8 – Accounting policies, changes in accounting estimate and errors-Clarification on what constitutes an accounting estimate provided.
- iv.) Ind AS 12 – Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Group does not expect the effect of this on the financial statements to be material, based on the preliminary evaluation.



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3 PROPERTY, PLANT AND EQUIPMENT

Description	Gross carrying amount			Accumulated Depreciation				Net carrying amount	
	As at April 01, 2022	Addition during the year	Disposal during the year	As at March 31, 2023	As at April 01, 2022	Depreciation for the year	Disposal during the year	As at March 31, 2023	As at March 31, 2023
At cost :									
Building	18,590.91	7,361.00		25,951.91	2,356.80	732.76		3,089.56	22,862.35
Leasehold Improvement	547.20	18.00		565.20	514.91	0.36		515.27	49.93
Plant and equipment	77,866.55	29,409.92		1,07,276.47	34,253.86	8,195.67		42,449.53	64,826.94
Electrical installation	4,266.07	3,487.06		7,753.13	2,082.58	544.52		2,627.10	5,126.03
Furniture and fittings	200.41	144.84		345.25	87.68	16.87		104.55	240.70
Office equipment	421.01	66.58		487.59	192.87	32.58		225.45	262.14
Computers	1,163.15	35.70		1,198.85	531.49	146.47		677.96	520.89
Lab equipment	1,778.72	91.88		1,870.60	688.96	141.58		830.54	1,040.06
Vehicles	596.38	20.10	119.53	496.95	197.40	52.87	52.42	197.85	299.10
	1,05,430.40	40,635.08	119.53	1,45,945.95	40,906.55	9,863.68	52.42	50,717.81	95,228.14
Capital work -in- progress	36,356.10	13,742.10	40,635.08	9,463.12	-	-	-	-	9,463.12
	1,41,786.50	54,377.18	40,754.61	1,55,409.07	40,906.55	9,863.68	52.42	50,717.81	1,04,691.26

- The net carrying amount of property, plant and equipment, amounting to Rs. 95,228.14 lakhs (March 31, 2022 Rs. 64,523.85 lakhs) are pledged as first charge security to term lending banks and second charge to working capital banks.
- The Plant and machinery, Building and electrical installation includes an amount of Rs.1,004.41 lakhs, Rs. 269.29 lakhs and Rs. 99.75 lakhs respectively (March 31, 2022 : Rs.381.30 lakhs, Rs. 87.84 lakhs and Rs. 20.81 lakhs) that represent borrowing cost capitalized @ 6.75% tp 9.50% during the year.(March 31, 2022 : 6.75%)
- The Group has not recognised any impairment loss during the current year (March 31, 2022 - Nil).
- The title deeds of property plant and equipments are held in name of the Group.

Ageing for capital work-in-progress as at March 31, 2023 is as follows :

Description	Amount in Capital work-in-progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9,003.89	563.80	-	-	9,567.69
Projects temporarily suspended	-	-	-	-	-
	9,003.89	563.80	-	-	9,567.69

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

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(Currency: Indian Rupees in lakhs)

Ageing for capital-work-in progress, whose completion is overdue as at March 31, 2023 is as follow:

Description	Amount in Capital Work in progress to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Hydrogenation	1,636.30	-	-	-	1,636.30
	1,636.30	-	-	-	1,636.30

Description	Gross carrying amount			Accumulated Depreciation				Net carrying amount	
	As at April 01, 2021	Addition during the year	Disposal during the year	As at March 31, 2022	As at April 01, 2021	Depreciation for the year	Disposal during the year	As at March 31, 2022	As at March 31, 2022
Building	15,924.41	2,666.50	-	18,590.91	1,808.21	548.59	-	2,356.80	16,234.11
Leasehold Improvement	547.20	-	-	547.20	501.74	13.17	-	514.91	32.29
Plant and equipment	66,554.49	11,328.28	16.22	77,866.55	28,723.58	5,533.62	3.34	34,253.86	43,612.69
Electrical installation	3,683.82	582.25	-	4,266.07	1,640.28	442.30	-	2,082.58	2,183.49
Furniture and fittings	188.84	11.57	-	200.41	62.47	25.21	-	87.68	112.73
Office equipment	406.29	14.72	-	421.01	156.70	36.17	-	192.87	228.14
Computers	966.80	251.04	54.69	1,163.15	406.16	134.20	8.87	531.49	631.66
Lab equipment	1,188.56	590.16	-	1,778.72	599.58	89.38	-	688.96	1,089.76
Vehicles	596.38	-	-	596.38	143.74	53.66	-	197.40	398.98
	90,056.79	15,444.52	70.91	1,05,430.40	34,042.46	6,876.30	12.21	40,906.55	64,523.85
Capital work-in-progress	17,444.95	34,355.67	15,444.52	36,356.10	-	-	-	-	36,356.10
	1,07,501.74	49,800.19	15,515.43	1,41,786.50	34,042.46	6,876.30	12.21	40,906.55	1,00,879.95

- The net carrying amount of property, plant and equipment, amounting to Rs. 64,523.85 lakhs (March 31, 2021 Rs. 56,014.33 lakhs) are pledged as first charge security to term lending banks and second charge to working capital banks.
- The Plant and machinery, Building and electrical installation includes an amount of Rs.381.30 lakhs, Rs. 87.84 lakhs and Rs. 20.81 lakhs respectively (March 31, 2021 : Rs.53.21 lakhs, Rs. 21.58 lakhs and Rs.2.54 lakhs) that represent borrowing cost capitalized @ 6.75% during the year.(March 31, 2021 : 6.75%)
- The Group has not recognised any impairment loss during the current year (March 31, 2021 - Nil).
- The title deeds of property plant and equipments are held in name of the Group

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

Description	Amount in Capital work-in-progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	34,736.01	1,620.09	-	-	36,356.10
Projects temporarily suspended	-	-	-	-	-
	34,736.01	1,620.09	-	-	36,356.10

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

Ageing for capital-work-in progress, whose completion is overdue as at March 31, 2022 is as follow:

Description	Amount in Capital work-in-progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Centralised warehousing	1,262.03	-	-	-	1,262.03
GalaxMusk	14,715.09	-	-	-	14,715.09
Camphor	11,203.08	-	-	-	11,203.08
	27,180.20	-	-	-	27,180.20

4 A RIGHT OF USE ASSETS

Description	Gross carrying amount			Accumulated Amortisation				Net carrying amount	
	As at April 01, 2022	Addition during the year	Disposal during the year	As at March 31, 2023	As at April 01, 2022	Amortisation for the year	Disposal during the year	As at March 31, 2023	As at March 31, 2023
Land	5,549.33	802.62	85.18	6,266.77	797.10	438.04	7.66	1,227.48	5,039.29
Building	634.29			634.29	75.25	220.45		295.70	338.59
Plant and Machinery	67.00			67.00	63.64			63.64	3.36
Total right of use assets	6,250.62	802.62	85.18	6,968.06	935.99	658.49	7.66	1,586.82	5,381.24

The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The Group has not recognised any impairment loss during the current year (March 31, 2022 - Nil).

Description	Gross carrying amount			Accumulated Amortisation				Net carrying amount	
	As at April 01, 2021	Addition during the year	Disposal during the year	As at March 31, 2022	As at April 01, 2021	Amortisation for the year	Disposal during the year	As at March 31, 2022	As at March 31, 2022
Land	3,537.75	2,056.44	44.86	5,549.33	517.34	324.62	44.86	797.10	4,752.23
Building	180.38	634.29	180.38	634.29	149.28	106.35	180.38	75.25	559.04
Plant and Machinery	67.00	-	-	67.00	60.04	3.60	-	63.64	3.36
Total right of use assets	3,785.13	2,690.73	225.24	6,250.62	726.66	434.57	225.24	935.99	5,314.63

The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The Group has not recognised any impairment loss during the current year (March 31, 2021 - Nil).

- i) The Group has taken land on lease for a non-cancellable period ranging from 3 to 99 years, Building on lease for a tenure ranging from 3 to 99 years and plant and machinery for 10 years.

The Group leases with contract term of less than 1 year. These leases are short term and/or leases of low value items. The Group has elected not to recognise right of use assets and lease liabilities of these assets .

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

ii) Lease expenses recognized in Profit and Loss statement not included in the measurement of lease liabilities:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Variable lease payments	-	-
Expenses relating to short-term leases	-	-
Interest cost lease liability	113.00	79.73
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-

iii) Maturity analysis of lease liabilities– contractual undiscounted cash flows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Less than one year	578.20	702.90
One to five years	1341.04	2,528.83
More than five years	-	-
Total undiscounted lease liabilities	1,919.24	3,231.73
Discounted lease liabilities included in the statement of financial position	1,877.80	2,300.71
Current lease liabilities	576.52	634.80
Non-current lease liabilities	1,301.28	1,665.91

iv) The weighted average incremental borrowing rate of 6.25% (March 31, 2022 6.25% p.a.) has been applied for measuring the lease liability at the date of initial application.

v) The total cash outflow for leases for year ended March 31,2023 is Rs. 309.91 lakhs (March 31, 2022 Rs. 251.62 lakhs)

vi) Income from sub leasing of Right to use assets is Rs. NIL. (March 31, 2022 Rs. NIL)

4 B OTHER INTANGIBLE ASSETS

Description	Gross carrying amount				Accumulated Amortisation			Net carrying amount	
	As at April 01, 2022	Addition during the year	Disposal during the year	As at March 31, 2023	As at April 01, 2022	Amortisation for the year	Disposal during the year	As at March 31, 2023	As at March 31, 2023
Computer software	481.67	778.51	-	1,260.18	455.84	131.30	-	587.14	673.04
Rights of sale of products	1,318.14	69.10	-	1,387.24	889.80	168.84	-	1,058.64	328.60
Development rights/ Patents	366.88	-	-	366.88	274.54	26.36	-	300.90	65.98
Total intangible assets	2,166.69	847.61	-	3,014.30	1,620.18	326.50	-	1,946.68	1,067.62
Intangible assets under development	915.83	479.14	847.61	547.36	-	-	-	-	547.36
	3,082.52	1,326.75	847.61	3,561.66	1,620.18	326.50	-	1,946.68	1,614.98



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

Ageing for intangible assets under development as at March 31, 2023 is as follows :

Description	Amount in intangible assets under development for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	479.14	68.22	-	-	547.36
Projects temporarily suspended	-	-	-	-	-
	479.14	68.22	-	-	547.36

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

Description	Gross carrying amount			Accumulated Amortisation			Net carrying amount		
	As at April 01, 2021	Addition during the year	Disposal during the year	As at March 31, 2022	As at April 01, 2021	Amortisation for the year	Disposal during the year	As at March 31, 2022	As at March 31, 2022
Computer software	481.67	-	-	481.67	448.10	7.74	-	455.84	25.83
Rights of sale of products	1,240.42	77.72	-	1,318.14	679.71	210.09	-	889.80	428.34
Development rights/ Patents	366.88	-	-	366.88	248.18	26.36	-	274.54	92.34
Total intangible assets	2,088.97	77.72	-	2,166.69	1,375.99	244.19	-	1,620.18	546.51
Intangible assets under development	77.80	979.64	141.61	915.83	63.89	-	63.89	-	915.83
	2,166.77	1,057.36	141.61	3,082.52	1,439.88	244.19	63.89	1,620.18	1,462.34

Ageing for intangible assets under development as at March 31, 2022 is as follows :

Description	Amount in intangible assets under development for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	901.92	13.91	-	-	915.83
Projects temporarily suspended	-	-	-	-	-
	901.92	13.91	-	-	915.83

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

5 OTHER FINANCIAL ASSETS

Particulars	Non-current portion		Current portion	
	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022
Investments in term deposits (with remaining maturity of more than twelve months) **	10.68	66.04	-	-
Security deposits*	1,608.83	1,413.52	-	-
Insurance claim receivable	-	-	9.84	1,320.51
	1,619.51	1,479.56	9.84	1,320.51

** Note : Term deposits with no lien amounting to Rs.10.68 lakhs (March 31, 2022: Rs 66.04 lakhs). against which bank guarantee given to statutory authorities and vendors.

*An amount of Rs. 403 lakhs (March 31, 2022 Rs. 351 lakhs) due from director, other officer of the Holding Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period . (refer note 31 and below table)

Particulars	As at March 31, 2023	As at March 31, 2022
Money Mart Securities Pvt Ltd.	300.000	300.00
MM Infra & Leasing Private Limited	103.00	51.00
Total	403.00	351.00

6 OTHER NON-CURRENT ASSETS

Particulars	Non-current portion		Current portion	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Capital advances*				
Considered good	652.91	1,516.95	-	-
Considered doubtful	36.15	36.15	-	-
Less: Allowance for doubtful advances	(36.15)	(36.15)	-	-
	652.91	1,516.95	-	-
Advances other than capital advances				
Deposits with custom authorities	6.00	6.00	-	-
Prepaid expenses	48.85	73.83	1,233.05	1,418.35
Receivable from government authorities	2,477.87	158.91	5,268.29	7,337.38
Vat/Sales Tax receivable	-	-	-	-
Advances to employees	-	-	26.69	19.94
Advance for supply of goods and services	-	-	1,185.61	2,256.71
Preliminary Expenses	-	53.61	-	-
Less: Allowance for doubtful advances	-	-	(160.00)	(160.00)
	3,185.63	1,809.30	7,553.64	10,872.38

*An amount of Rs.Nil (March 31, 2022 Rs. 731.00 lakhs) due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period . (refer note 31 and below table)



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

Particulars	Nature of transaction	As at March 31, 2023	As at March 31, 2022
MM Infra & Leasing Private Limited *	Capital advances	-	731.00
Total		-	731.00

* Consequent to the scheme of merger passed by NCLT vide their order dated October 13, 2021, Minar Organics Private Limited and Vivira Chemicals Private Limited are merged with MM Infra & Leasing Private Limited. Accordingly, the related capital advances of Rs. 225 lakhs and Rs. 175 lakhs respectively has been transferred to MM Infra & Leasing Private Limited.

7 INVENTORIES

(valued at lower of cost and net realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials including goods in transit Rs. 7,764.63 lakhs (March 31,2022 : Rs. 9,741.49 lakhs)	19,655.08	19,639.62
Finished goods including goods in transit Rs. 9,997.30 lakhs (March 31, 2022 : Rs. 10,206.11 lakhs)	31,350.55	22,753.81
Work-in-progress	27,752.09	18,173.04
Stores and spares	720.17	638.34
Packing material	119.71	105.26
Fuel	340.34	322.16
	79,937.94	61,632.23

- i) During the year ended March 31, 2023 : Rs. 270.89 lakhs (March 31, 2022: Rs. 33.19 lakhs) was recognised as an expense for inventories carried at net realisable value.
- ii) The mode of valuation of inventories has been stated in note 2 xv.
- iii) Bank overdrafts, cash credit and short-term loan from bank facility are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 9 and 14).

8 CURRENT INVESTMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Investments mandatorily measured at Fair value through Profit and Loss:		
Traded (unquoted)		
Investments in mutual funds *		
SBI Arbitrage Oppor Fund	304.77	-
1059635.752 units having net assets value of Rs. 28.7618/- (March 31,2022 Nil)		
SBI Saving Fund - Regular Growth	367.99	-
1039238.096 units having net assets value of Rs. 35.4097/- (March 31,2022 Nil)		
SBI Liquid Fund Regular Growth	-	1,200.00
(March 31,2022 36,330.026 units having net assets value of Rs. 3302.89/-)		
Aggregate amount of unquoted investments	672.76	1,200.00

* Investments mandatorily measured at Fair value through Profit and Loss

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

9 TRADE RECEIVABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good- Secured		
Dues from Related party (refer note 31)	942.63	264.15
Dues from others (Other than related party)	28,616.05	26,234.96
Trade receivables credit impaired (Other than related party)	43.42	43.42
Less: Allowance for expected credit loss and credit impairment	(43.42)	(43.42)
	29,558.68	26,499.11

(Refer note 34 for information about credit risk and market risk of trade receivables).

The movement in allowance for expected credit loss and credit impairment of receivable is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	43.42	26.44
Allowance for expected credit loss and credit impairment	-	20.92
Allowance for expected credit loss written off during the year	-	(3.94)
Balance as at the end of the year	43.42	43.42

Trade receivables ageing as at March 31, 2023 based on due date

Particulars	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables-considered good	29,284.92	250.93	22.83	-	-	29,558.68
(ii) Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired	-	-	-	36.50	-	36.50
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-
(v) Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables-credit impaired	-	-	-	-	6.92	6.92
	29,284.92	250.93	22.83	36.50	6.92	29,602.10
Less:						
Allowance for doubtful trade receivables				36.50	6.92	43.42
	29,284.92	250.93	22.83	-	-	29,558.68



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

9 TRADE RECEIVABLES (Contd.)

Trade receivables ageing as at March 31, 2022 based on due date

Particulars	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables considered good	26,113.63	333.33	52.15	-	-	26,499.11
(ii) Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables-credit impaired	-	-	-	36.50	-	36.50
(iv) Disputed Trade receivables-considered good	-	-	-	-	-	-
(v) Disputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables-credit impaired	-	-	-	-	6.92	6.92
	26,113.63	333.33	52.15	36.50	6.92	26,542.53
Less:-						
Allowance for doubtful trade receivables				36.50	6.92	43.42
	26,113.63	333.33	52.15	-	-	26,499.11

10 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks:-		
In current accounts	1,977.29	2,186.64
In Earner exchange foreign currency account	45.30	1,044.77
Term deposits (with original maturity of less than three months)	7.80	7.45
Cash on hand	14.52	13.03
	2,044.91	3,251.89

Current accounts include dividend accounts balance Rs.12.25 lakhs (March 31, 2022: Rs 1.76 lakhs)

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Margin money deposits (with original maturity of more than three months but less than twelve months)	454.14	487.15
	454.14	487.15

Note : Margin money deposit amounting to Rs.248.43 lakhs (March 31, 2022: Rs 85.82 lakhs) are pledged with banks for non cash limits and term deposit Rs.87.71 lakhs (March 31, 2022: Rs.239.81 lakhs) are pledged as cash security with banks for the loans taken by the Group and Rs. 118.00 lakhs (March 31, 2022 Rs.161.52 lakhs) other deposits with no lien.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

12a SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Share capital:		
50,010,000 equity shares of Rs. 10 each (March 31,2022: 50,010,000 equity shares of Rs.10 each)	5,001.00	5,001.00
5,000,000 Preference shares of Rs. 10 each (March 31,2022: 5,000,000 Preference shares of Rs. 10 each)	500.00	500.00
Issued, subscribed and fully paid up:		
39,062,706 equity shares of Rs. 10 each (March 31,2022: 39,062,706 equity shares of Rs.10 each)	3,906.27	3,906.27
	3,906.27	3,906.27

A Reconciliation of the number of equity shares

Description	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	3,90,62,700	3,906.27	3,90,62,700	3,906.27
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	3,90,62,700	3,906.27	3,90,62,700	3,906.27

B Rights, preferences and restrictions attached to equity shares

The Holding company has a single class of equity shares. Accordingly, all equity shares rank equally with regards to dividends and share in the Holding company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Holding company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Holding company, the holders of equity shares will be entitled to receive the residual assets of the Holding company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

C Details of shareholders holding more than 5% of shares

Name of the Share holders	As at March 31, 2023		As at March 31, 2022	
	Number	%	Number	%
Vivira Investment and Trading Pvt Ltd	1,54,95,188	39.67%	1,54,95,188	39.67%
Moneymart Securities Pvt Ltd	34,12,502	8.74%	34,12,502	8.74%
Mr. Mahesh P Babani	25,86,348	6.62%	25,86,348	6.62%
Banbridge Limited	23,83,958	6.10%	24,61,914	6.30%

The Group was informed by promoters about the inter-se transaction between the Promoter/ Promoter Group on April 29, 2021, April 30, 2021, May 04, 2021, whereby entire holding of FIH Mauritius Investments Ltd, Mr. Utkarsh Shah, M/s. Jariwala Trade Link LLP and M/s.Nahoosh Trade Link LLP (collectively called as "Sellers") were acquired by Mr. Mahesh Babani, Mr.D.B. Rao and Promoter group (collectively called as "Acquirers"). FIH Private Investments Ltd Promoter Group Company sold its entire holding of 3,250 equity shares in the market on February 16, 2022. The necessary compliances as required under SEBI (Prohibition of insider Trading) Regulations, 2015 and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations,2011 has been complied with by the Acquirers, Sellers and Company.



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

12a SHARE CAPITAL (Contd.)

D Aggerate number of shares allotted as fully paid up by way of bonus shares (during 5 years immediately preceding March 31, 2023) :

Equity shares allotted as fully paid up Bonus shares - Nil (March 31, 2022 - Nil)

E Shares allotted as fully paid up pursuant to scheme of arrangement without payment being received in cash (during 5 years immediately preceding March 31, 2023) :

During Financial year ended March 31, 2017 -Equity shares of Rs. 10 each - 12,634,353 shares.

F Statement of changes in equity as at March 31, 2023

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3,906.27	-	-	-	3,906.27

Statement changes in equity as at March 31, 2022

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3,906.27	-	-	-	3,906.27

G Shares held by promoters at March 31, 2023

Sr.	Promoter name	As at March 31, 2023		As at March 31, 2022		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Vivira Investment and Trading Pvt Ltd	1,54,95,188	39.67%	1,54,95,188	39.67%	-
2	Moneymart Securities Pvt Ltd	34,12,502	8.74%	34,12,502	8.74%	-
3	Mahesh P Babani	25,86,348	6.62%	25,86,348	6.62%	-
4	Mahesh Purshottam Babani HUF	17,91,720	4.59%	17,91,720	4.59%	-
5	Doppalapudi Bhaktavatsala Rao	15,48,202	3.96%	11,20,346	2.87%	1.09%
6	Vinaykumar Doppalapudi Rao	8,91,068	2.28%	7,41,068	1.90%	0.38%
7	Vijaykumar Doppalapudi Rao	8,55,006	2.19%	7,05,006	1.80%	0.39%
8	Rajkumar Doppalapudi Rao	-	-	6,90,782	1.77%	-1.77%
9	Jyoti Mahesh Babani	3,90,000	1.00%	3,90,000	1.00%	-
10	Seema Mahesh Babani	3,90,000	1.00%	3,90,000	1.00%	-
11	Snehal Mahesh Babani	3,90,000	1.00%	3,90,000	1.00%	-
12	Prasanna Doppalapudi Rao	-	-	2,87,074	0.73%	-0.73%
13	Premaleela Doppalapudi Rao	5,24,522	1.34%	2,74,522	0.70%	0.64%
14	Sharon Doppalapudi Rao	2,45,656	0.63%	2,45,656	0.63%	-
15	Grace Vinay Kumar Doppalapudi Rao	2,32,185	0.59%	2,32,185	0.59%	-
16	Rameshbabu Gokarneswararao Guduru	93,446	0.24%	93,446	0.24%	-
17	MM Infra & Leasing Private Limited	79,758	0.20%	79,758	0.20%	-

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

12a SHARE CAPITAL (Contd.)

Shares held by promoters as at March 31, 2022

Sr.	Promoter name	As at March 31, 2022		As at March 31, 2021		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Vivira Investment and Trading Pvt Ltd	1,54,95,188	39.67%	1,89,918	0.49%	39.18%
2	Moneymart Securities Pvt Ltd	34,12,502	8.74%	2,06,712	0.53%	8.21%
3	Mahesh P Babani	25,86,348	6.62%	25,86,348	6.62%	-
4	Mahesh Purshottam Babani HUF	17,91,720	4.59%	17,91,720	4.59%	-
5	Doppalapudi Bhaktavatsala Rao	11,20,346	2.87%	7,23,060	1.85%	1.02%
6	Vinaykumar Doppalapudi Rao	7,41,068	1.90%	4,78,278	1.22%	0.68%
7	Vijaykumar Doppalapudi Rao	7,05,006	1.80%	4,55,004	1.16%	0.64%
8	Rajkumar Doppalapudi Rao	6,90,782	1.77%	4,45,824	1.14%	0.63%
9	Jyoti Mahesh Babani	3,90,000	1.00%	3,90,000	1.00%	-
10	Seema Mahesh Babani	3,90,000	1.00%	3,90,000	1.00%	-
11	Snehal Mahesh Babani	3,90,000	1.00%	3,90,000	1.00%	-
12	Prasanna Doppalapudi Rao	2,87,074	0.73%	1,85,274	0.47%	0.26%
13	Premaleela Doppalapudi Rao	2,74,522	0.70%	1,77,174	0.45%	0.25%
14	Sharon Doppalapudi Rao	2,45,656	0.63%	1,58,544	0.41%	0.22%
15	Grace Vinay Kumar Doppalapudi Rao	2,32,185	0.59%	1,49,850	0.38%	0.21%
16	Rameshbabu Gokarneswararao Guduru	93,446	0.24%	60,309	0.15%	0.09%
17	Vivira Chemicals Private Limited *	79,758	0.20%	79,758	0.20%	-
18	Utkarsh Bhikhoobhai Shah	-	-	25,000	0.06%	-0.06%
19	Nahoosh Tradelink Llp	-	-	6,63,019	1.70%	-1.70%
20	Jariwala Tradelink Llp	-	-	3,36,981	0.86%	-0.86%
21	FIH Mauritius Investments Ltd	-	-	1,90,42,828	48.75%	-48.75%
22	FIH Private Investments Ltd	-	-	3,250	0.01%	-0.01%

12b OTHER EQUITY

Particulars	As at March 31, 2023	As at March 31, 2022
General reserve	35,573.76	35,573.76
Capital reserve	1.00	1.00
Retained earnings	43,023.85	41,539.99
Exchange difference on translating the financial statements	402.09	205.17
Total other equity	79,000.70	77,319.92

The description of the nature and purpose of each reserve within equity is as follows:

A General reserve

As per the approved scheme of arrangement (Demerger) between the Privi Organics India Limited, Fairchem Specialty Limited and Privi Organics Limited during the period ended March 31, 2017 the excess of book value of assets over liabilities is treated as general reserve.



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

B Retained earnings

Retained earnings represent the amount of accumulated earnings/ (losses) at each Balance Sheet date of the Group, prepared in accordance with the basis of preparation section.

C Capital reserve

As per the approved Scheme of Arrangement and Amalgamation amongst Fairchem Speciality Limited (Demerged / Transferee Company) and Privi Organics India Limited (Transferor Company). vide NCLT Mumbai order dated June 30, 2020 all the assets, liabilities and reserve pursuant to the scheme, have been recognised at carrying amount and the difference being the excess is treated as capital reserve.

D Exchange difference on translating the financial statements

These comprises of all exchange differences arising from translation of financial statements of foreign subsidiaries.

E The Capital management objective of the Group is to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Group's capital management, capital includes issued equity share capital, share premium and all other equity.

The Group monitors capital using debt-equity ratio, which is total debt less liquid investments and bank deposits divided by total equity.

The Group's debt equity ratio as at March 31, 2023 was as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Total Debt	1,06,054.78	91,000.65
Less: Cash and cash equivalents and short term investments	2,499.05	3,739.04
Net Liabilities (A)	1,03,555.73	87,261.61
Total Equity (B)	83,548.30	81,961.19
Debt - Equity Ratio	1.24	1.06

In addition, the Group has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc.

12 c The balance of non-controlling interests as at the end of the year is as below

Particulars	As at March 31, 2023	As at March 31, 2022
Non-controlling interests	641.33	735.00
	641.33	735.00

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

13a NON-CURRENT BORROWINGS

	Non-current portion		Current portion (*)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Secured:				
Term Loans from banks				
Term loan in Indian currency (refer note (iii) below)	39,021.18	36,145.76	9,616.67	5,466.67
Term loans in foreign currency (refer note (ii) below)	1,344.17	1,904.85	672.06	634.95
Term Loans from financial institutions				
Vehicle loan (hypothecated with the lender) (refer note (iii) below)	5.14	9.39	4.25	4.02
Unsecured:				
Term Loan from Others				
Loan from Department of biotechnology (refer note (iv) below)	-	-	-	3.00
	40,370.49	38,060.00	10,292.98	6,108.64

(*) Amount disclosed under the head ' Other financial liabilities ' refer note 18

- i) Term loan are secured by a first mortgage on the Holding company's immovable properties both present and future ranking paripassu interest and a first charge by way of hypothecation of all the Holding company's assets (save and except book debts and inventories) including movable machinery (save and except spares tools and accessories) both present and future subject to charges created in favour of the Holding company's bankers for inventories, book debts and other specified movable assets for securing the borrowings of working capital.
- ii) Currency swap on IDFC Rupee loan of Rs.4,000 lakhs and ICICI bank Rupee loan of Rs.4,000 lakhs are taken @64.42 per USD and @68.13 per USD respectively and other currency swap on HDFC Bank Rupee loan of Rs 5,600 lakhs and Rs 7,400 lakhs are taken @ 76.78 per USD and @ 75.83 per USD respectively, The Currency swap represents derivative instruments which has been mark to market at the year end.
- iii) **Terms and repayment schedule**

Terms and conditions of outstanding borrowings are as follows:

Name of the Bank / Financial Institutions	Currency	Interest Rate	Year of Maturity	Installment	Carrying amount as at March 31, 2023	Carrying amount as at March 31, 2022
Foreign Currency						
Ratnakar Bank - ECB	EUR	2.75%	2026	The term loan is repayable in 24 quarterly installments of EURO 187,500.00 each starting from Apr 2020.	2,016.23	2,539.80
Foreign Currency-Total (A)					2,016.23	2,539.80



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

13a NON-CURRENT BORROWINGS (Contd.)

Name of the Bank / Financial Institutions	Currency	Interest Rate	Year of Maturity	Installment	Carrying amount as at March 31, 2023	Carrying amount as at March 31, 2022
Indian Currency						
ICICI Bank	INR	7.90% - 8.60%	2025	The term loan is repayable in 20 quarterly installments of Rs.200 lakhs starting from Sep 2020	1,798.60	2,597.24
IDFC Bank	INR	8.60%	2024	The term loan is repayable in 20 quarterly installments of Rs.200 lakhs starting from Mar 2020	1,400.00	2,200.00
IDFC Bank	INR	9.05%-9.30%	2029	The term loan is repayable in 20 quarterly installments of Rs.250 lakhs starting from Oct 2024.	4,989.14	-
HDFC Bank	INR	7.90% -8.80%	2026	The term loan is repayable in 20 quarterly installments of Rs.280 lakhs starting from Apr 2021	3,350.91	4,464.23
HDFC Bank	INR	7.43% - 8.38%	2027	The term loan is repayable in 20 quarterly installments of Rs.370 lakhs starting from Jun 2022	5,920.00	7,400.00
HDFC Bank	INR	6.35%	2028	The term loan is repayable in 20 quarterly installments of Rs.350 lakhs starting from Jan 2024 .	7,000.00	7,000.00
HDFC Bank	INR	7.50%	2029	The term loan is repayable in 20 quarterly installments of Rs.375 lakhs starting from Sep 2024 .	7,478.47	-
Kotak Mahindra Bank	INR	6.25%	2027	The term loan is repayable in 20 quarterly installments of Rs.250 lakhs starting from Mar 2023	6,629.42	6,971.27
CITI Bank	INR	5.70% - 6.26%	2025	The term loan is repayable in 12 quarterly installments of Rs.750 lakhs starting from Mar 2023	10,071.31	10,979.69
Yes Bank (Vehicle loan)	INR	8.97%	2024	The term loan is repayable in 65 monthly installments of Rs.0.41 lakh starting from Jan-2020	9.39	13.41
Indian Currency total -B					48,647.24	41,625.84
Total Term Loan (A+B)					50,663.47	44,165.64

- iv) Term loans availed have been utilized for the purpose for which the funds have been borrowed.
- v) During the year, the Company has not complied on certain financial covenants with respect to term loans availed from banks. However, based on the review of periodic filings made by the Company to the Banks, the Banks have continued with the facilities and have not placed any demand on the loans and the facility. Accordingly, the Company continues to classify these loans as current and non-current based on the original maturity.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

13b LEASE LIABILITIES

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Lease liabilities	1,301.28	1,665.91	576.52	634.80
	1,301.28	1,665.91	576.52	634.80

14 CURRENT BORROWINGS (SECURED)

Particulars	As at March 31, 2023	As at March 31, 2022
From Banks:		
Cash credit	76.77	-
Working capital demand loan	38,074.24	32,532.28
Packing credit from bank	14,391.95	12,790.35
Interest accrued but not due on borrowings	443.52	267.08
Current maturities of long term debt (refer note 13 a)	10,292.98	6,108.64
Buyers credit	2,404.83	1,242.30
Total	65,684.29	52,940.65

- All the above loans are secured by first pari passu charge on all current assets of the Holding company both present and future.
- Working capital demand loans from banks are secured by way of hypothecation of inventories both on hand and in transit and book debts and other receivables both present and future and also secured by way of second charge on fixed assets. Working capital loans carry interest rate @ 7.63% to 9.00%.
- Standalone Quarterly statements of current assets filed by the company with the banks and financial institution are in agreement with the books of accounts. Subsidiary companies are not required to file the quarterly statements with their bankers.

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-22	refer note-i	Trade receivables and Inventories	1,01,280.58	96,290.40	4,990.18	refer note-ii
Sep-22	refer note-i	Trade receivables and Inventories	1,11,592.04	1,11,688.59	-96.55	refer note-ii
Dec-22	refer note-i	Trade receivables and Inventories	1,10,032.65	1,09,117.06	915.59	refer note-ii
Mar-23	refer note-i	Trade receivables and Inventories	1,05,945.04	1,05,812.86	132.18	refer note-ii

- The banks include Kotak Mahindra Bank, HDFC Bank Ltd, CITI bank., RBL Ltd., IDFC bank, ICICI Bank Ltd., Standard Chartered Bank
- The returns are based on unaudited financial information in the interim period and are extracted from the books and records of the Company, as adjusted for certain quarterly closing entries, like adjustments in relation to unrealised gain/ (loss) on trade receivables and further adjusted by advances received from customers, exclusion of stores and spares and goods in transit from inventory, the related amounts are mentioned below :



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

14 CURRENT BORROWINGS (SECURED) (Contd.)

Jun-22 unrealised gain of Rs. 945.27 lakhs, advance from customers of Rs. 284.32 lakhs, stores and spares inventory of Rs. 714.87 lakhs and Goods in transit of Rs. 3045.72 lakhs not included in quarterly statement submitted to bank.

Sep-22 unrealised gain Rs. 1060.08 lakhs, advance from customers Rs.560.32 lakhs, stores and spares inventory Rs. 712.39 lakhs and GIT Rs. (2429.34) lakhs not included in quarterly statement submitted to bank.

Dec-22 unrealised gain Rs. 788.13 lakhs, advance from customers Rs. 587.13 lakhs stores and spares inventory Rs. 713.94 lakhs and GIT Rs. (1173.61) lakhs not included in quarterly statement submitted to bank.

Mar-23 unrealised gain Rs. 149.22 lakhs, Stores and spares inventory Rs. (680.55) lakhs and GIT Rs. 663.51 lakhs not included in quarterly statement submitted to bank.

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-21	refer note-i	Trade receivables and Inventories	59,480.62	57,625.27	1,855.35	refer note-ii
Sep-21	refer note-i	Trade receivables and Inventories	60,709.21	59,551.09	1,158.12	refer note-ii
Dec-21	refer note-i	Trade receivables and Inventories	70,221.18	69,368.49	852.69	refer note-ii
Mar-22	refer note-i	Trade receivables and Inventories	84,542.50	83,680.57	861.93	refer note-ii

- i) The banks include Kotak Mahindra Bank, HDFC Bank Ltd, CITI bank., RBL Ltd., IDFC bank, ICICI Bank Ltd., Standard Chartered Bank
- ii) The returns are based on unaudited financial information in the interim period and are extracted from the books and records of the Company, as adjusted for certain quarterly closing entries, like adjustments in relation to unrealised gain/ (loss) on trade receivables and further adjusted by advances received from customers, exclusion of stores and spares and goods in transit from inventory, the related amounts are mentioned below :

Jun-21 unrealised gain of Rs. (238.35) lakhs, advance from customers of Rs. (338.00) lakhs, stores and spares inventory of Rs. 612.00 lakhs and Goods in transit of Rs. 1819.70 lakhs not included in quarterly statement submitted to bank.

Sep-21 unrealised gain Rs. (146.03) lakhs, advance from customers Rs.(1,016.18) lakhs, stores and spares inventory Rs. 681.70 lakhs and GIT Rs. 1,638.63 lakhs not included in quarterly statement submitted to bank.

Dec-21 unrealised gain Rs. (108.98) lakhs, advance from customers Rs. (320.45) lakhs stores and spares inventory Rs. 783.40 lakhs and GIT Rs. 498.72 lakhs not included in quarterly statement submitted to bank.

Mar-22 unrealised gain Rs. (373.23) lakhs, advance from customers Rs. (264.56) lakhs, stores and spares inventory Rs. 597.15 lakhs and GIT Rs. 902.57 lakhs not included in quarterly statement submitted to bank.

- d) Packing credit in rupees carry interest rate @ 8.00% to 9.00% p.a.
- e) Cash credit loan from bank carry interest rate @ 8.10% to 9.50%.
- f) Buyers credit carry interest rate @ SOFR +1.41% to SOFR + 2.79% and due for payment within 180 days.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

15 PROVISIONS

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provisions for employee benefits				
Compensated absences (refer note 32)	441.12	438.85	76.71	73.33
Gratuity (refer note 32)	1,337.02	1,264.07	137.92	123.34
	1,778.14	1,702.92	214.63	196.67

16 INCOME TAX

Particulars	As at March 31, 2023	As at March 31, 2022
Amounts recognised in profit or loss		
The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:		
Current income tax:		
Current income tax expenses	334.73	3,521.57
Tax Adjustment of earlier years	-	-
Deferred income tax:		
Relating to origination and reversal of temporary differences	641.79	15.81
Income tax expense reported in the statement of profit or loss for the year	976.52	3,537.38
Income tax recognised in other comprehensive income for the year		
Tax expense related to items recognised in OCI during the year:		
Remeasurements of defined benefit (asset)	17.19	(16.60)
Income tax charged to OCI for the year	17.19	(16.60)
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:		
Accounting profit before income tax	3,104.33	13,275.36
At India's statutory income tax rate of 25.17% (March 31, 2022 : 25.17%)	781.36	3,341.41
Non-deductible expenses for tax purposes	83.82	57.99
Foreign tax impact	106.25	135.03
Others (Due to loss in subsidiary)	5.09	2.95
	976.52	3,537.38
Income tax expense reported in the statement of profit and loss	976.52	3,537.38

The group has chosen to exercise the option of lower tax rate of 25.17% (inclusive of surcharge and cess) under section 115BAA of the Income tax act, 1961 as introduced by the Taxation laws (Amendment) Ordinance 2019. The impact of this change has been recognised in tax expenses for the year ended March 31, 2023 and March 31, 2022 respectively at the effective tax rate.



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

16 INCOME TAX (Contd.)

Deferred Tax movement

	As at 1 April 2022	(Credit)/Charge in the statement of profit and Loss	(Credit)/Charge in other comprehensive income	As at March 31, 2023
Deferred tax (assets)/liabilities				
Difference between WDV as per books and income tax	2,435.87	130.21		2,566.08
Deferred asset on ROU impact	(27.96)	(3.66)	-	(31.62)
Provision for doubtful debts and advances	(42.08)	-	-	(42.08)
Expenses allowable for tax purposes when paid	(469.35)	598.92	17.19	146.76
Forex loss unrealised Impact (Derivative instrument)	(459.61)	(28.78)	-	(488.39)
Unrealised profit on stock	(101.64)	(54.91)	-	(156.55)
Others	(9.77)	-	-	(9.77)
	1,325.46	641.78	17.19	1,984.43

	As at 1 April 2021	(Credit)/Charge in the statement of profit and Loss	(Credit)/Charge in other comprehensive income	As at March 31, 2022
Deferred tax (assets)/liabilities				
Difference between WDV as per books and income tax	2,305.66	130.21	-	2,435.87
Deferred asset on ROU impact	(24.30)	(3.66)		(27.96)
Provision for doubtful debts and advances	(42.08)	-	-	(42.08)
Expenses allowable for tax purposes when paid	(425.71)	(27.04)	(16.60)	(469.35)
Forex loss unrealised Impact (Derivative instrument)	(430.83)	(28.78)	-	(459.61)
Unrealised profit on stock	(46.73)	(54.92)	-	(101.64)
Others	(9.77)	-	-	(9.77)
	1,326.24	15.81	(16.60)	1,325.46

- a) In respect of deferred taxes, all items are attributable to origination and reversal of temporary differences.
- b) Deferred tax benefits are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which, those deductible temporary differences can be realized.

17 TRADE PAYABLES

Particulars	As at March 31, 2023	As at March 31, 2022
a) Total outstanding dues of micro and small enterprises	927.53	-
b) Total outstanding dues of creditors other than micro and small enterprises		
i) Payable to related parties : (refer note no: 30)	576.46	286.43
ii) Payable to others	27,888.31	30,293.85
	29,392.30	30,580.28

The Group's exposure to credit and currency and liquidity risk related to trade payables are disclosed in note 34

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

17 TRADE PAYABLES (Contd.)

Information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2023	As at March 31, 2022
a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	927.53	-
(ii) The interest due on above	-	-
The total of (i) & (ii)	927.53	-
b) The amount of interest paid by the buyer in terms of section 16 of the Act	-	-
c) The amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
d) The amounts of interest accrued and remaining unpaid at the end of financial year	-	-
e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act.	-	-
f) the 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.	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the Group and the same has been relied upon by the auditors.

Trade payables ageing as on 31-Mar-2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	927.53	-	-	-	927.53
ii) Others	28,441.50	21.23	-	2.04	28,464.77
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-
	29,369.03	21.23	-	2.04	29,392.30

Trade payables ageing as on 31-Mar-2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	-	-	-	-	-
ii) Others	30,506.44	60.75	0.98	12.11	30,580.28
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-
	30,506.44	60.75	0.98	12.11	30,580.28



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

18 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Payable for capital expenditure	5,231.08	5,657.31
Deposits	1.00	0.75
Salaries, wages and bonus payable	1,022.27	830.47
Derivative Instruments (forward exchange contracts and Interest rate swaps (Refer note 13 a))	1,174.85	466.70
Book overdraft	-	0.15
	7,429.20	6,955.38

The Groups' exposure to credit and currency and liquidity risk related to the above financial liabilities are disclosed in note 34

19 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory liabilities	324.34	380.62
Advance from customers (refer note 40)	5,639.42	264.01
	5,963.76	644.63

20 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers disaggregated based on nature of product or services		
Sale of products (refer note 30 and 40)		
a) Manufactured Goods	1,60,539.45	1,40,026.87
b) Traded Goods	-	211.05
	1,60,539.45	1,40,237.92
Other operating revenues		
a) Scrap Sales	242.50	127.70
b) Job work	-	6.34
	242.50	134.04
	1,60,781.95	1,40,371.96

21 OTHER INCOME

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income from fixed deposits carried at amortised cost	28.24	29.88
Gain on write-back of Financial liabilities measured at amortised cost	2.57	158.67
Profit on disposal of property, plant and equipment (net)	5.04	0.69
Profit on sale of investments (net) at FVTPL	61.84	0.27
Net Gain on Foreign currency transactions and translation	1,820.78	2,949.98
Miscellaneous income	223.73	100.03
	2,142.20	3,239.52

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

22 COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Raw material consumed		
Opening Stock	19,639.62	9,591.30
Add: Purchases	1,12,054.21	1,08,176.22
Less: Inventory lost by flood	-	171.93
Less: Closing Stock	19,655.08	19,639.62
Consumption	1,12,038.75	97,955.97
Packing material consumed		
Opening Stock	105.26	86.91
Add: Purchases	2,196.46	2,442.07
Less: Inventory lost by flood	-	11.85
Less: Closing Stock	119.71	105.26
Consumption	2,182.01	2,411.87
	1,14,220.76	1,00,367.84

23 PURCHASE OF STOCK IN TRADE

Particulars	As at March 31, 2023	As at March 31, 2022
Purchase of stock in trade (traded goods)	53.99	206.43
	53.99	206.43

24 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Closing stock:		
Finished goods	31,350.55	22,753.81
Work-in-progress	27,752.09	18,173.04
Stock lost by flood	-	222.07
	59,102.64	41,148.92
Opening stock:		
Finished goods	22,753.81	14,364.54
Work in progress	18,173.04	9,306.99
	40,926.85	23,671.53
Increase/(decrease) in inventories	(18,175.79)	(17,477.39)

25 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	6,983.23	6,706.98
Contribution to provident and other funds	387.81	361.67
Staff welfare expenses	597.73	599.86
	7,968.77	7,668.51



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

26 FINANCE COST

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on term loans using effective interest rate measured at amortised cost	3,387.35	2,010.60
Less: Interest capitalized	(1,049.11)	(1,428.03)
Net interest on term loans	2,338.24	582.57
Interest on working capital loans using effective interest rate measured at amortised cost	4,298.83	1,718.71
Interest on vehicle loans using effective interest rate measured at amortised cost	1.66	4.83
Loan arrangement fees amortised using effective rate of interest basis	29.58	25.44
Interest cost lease liability using effective interest rate measured at amortised cost	113.00	79.73
	6,781.31	2,411.28

27 DEPRECIATION AND AMORTISATION

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment	9,863.68	6,876.30
Amortisation of intangible assets	326.50	244.19
Amortisation of right of use assets	658.49	345.66
	10,848.67	7,466.15

28 POWER AND FUEL CONSUMED

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Fuel	9,244.29	6,463.33
Power	5,235.10	3,372.41
Water Charges	240.17	191.25
	14,719.56	10,026.99

29 OTHER EXPENSES

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spares	1,719.46	1,002.47
Job work charges	1,919.77	2,281.43
Repairs and maintenance of:		
Buildings	454.74	330.57
Plant and machinery	1,370.58	1,066.17
Others	166.63	138.46
Contract labour charges	885.38	973.12
Research and development	537.11	651.70
Pollution control expenses	1,018.12	439.29
Other factory expenses	961.84	665.23
Insurance	1,358.73	1,106.68
Postage and telephone expense	100.04	66.85
Rates and taxes	95.49	96.16
Training expenses	5.59	5.32
Auditors remuneration:		
For audit (including paid to other auditors Rs.1.10 lakhs (March 31, 2022 - Rs.1.10 lakhs)	44.01	39.10
For limited review	27.24	27.00

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

29 OTHER EXPENSES (Contd.)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Other services	0.25	4.69
Out of pocket expenses	2.08	1.98
Brokerage and Commission	145.06	124.47
Printing and stationery	57.04	80.62
Freight outward	7,771.36	7,126.78
Selling and distribution	1,139.28	854.82
Legal and professional fees	1,433.55	1,229.33
Travelling and conveyance	971.40	675.68
Bank charges	174.22	118.91
CSR expenses (refer note 44)	333.00	255.53
Sundry balances w/off	-	53.21
Allowance for expected credit loss and credit impairment	-	20.92
Loss on property, plant and equipment written off	64.48	-
Miscellaneous expenses (net)	646.10	759.06
	23,402.55	20,195.55

30 SEGMENT INFORMATION

A. Factors used to identify the entity's reportable segments, including the basis of organisation

For management purpose, the Company has determined its reportable segment as "Aromatic chemicals" since the chief operating decision maker (CODM) evaluates the Company's performance as a single segment.

B. Information about reportable segments

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue sale of products	1,60,539.45	1,40,237.92
	1,60,539.45	1,40,237.92

C. Geographic information

The geographic information analyses the Group's revenue and non-current assets by the Groups' country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segments assets were based on the geographic location of the respective non-current assets.

The product offerings which are part of the speciality chemicals portfolio of the Group's are managed on a worldwide basis from India. (refer note 40).

The amount of the Group's revenue is shown in the table below :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	35,765.81	35,220.65
Outside India #	1,24,773.64	1,05,017.27
Total	1,60,539.45	1,40,237.92

Includes deemed exports of Rs.3,856.43 lakhs for the year (March 31, 2022 : Rs.4,233.03 lakhs)

All the non-current assets of Group are located within India.

D. Information about Major Customers

No single customer contributed more than 10% to the Group's revenue in 2022-23 and 2021-22.



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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31 RELATED PARTY DISCLOSURES

Details of transactions between the Group and other related party are disclosed below.

a) List of Related Parties

Promoter Group

Vivira Investment and Trading Private Limited (with effect from April 29, 2021)
FIH Mauritius Investments Limited, Republic of Mauritius (FMIL) upto April 29, 2021
FIH Private Investments Limited, Mauritius upto April 29, 2021
(FMIL is wholly owned and controlled by Fairfax India Holdings Corporation, Canada)

Subsidiary Companies

Privi Biotechnologies Private Limited
Privi Speciality Chemicals USA Corporation
Prigiv Specialties Private Limited

Enterprises owned by key management personnel or their relatives

Vivira Chemical Industries
Minar Organics Private Limited, merged with MM Infra & Leasing Private Limited dated October 13, 2021
Vivira Chemicals Private Limited, merged with MM Infra & Leasing Private Limited dated October 13, 2021
Privi Fine Sciences Private Limited
Privi Life Science Private Limited
Money Mart Securities Private Limited
Babani Investment and Trading Private Limited
Satellite Technologies Private Limited
Vivira Investment and Trading Private Limited
Prasad Organics Private Limited
MM Infra & Leasing Private Limited
Babani Bros. LLP
Fairchem Organics Limited
Privi Organics Limited
Jariwala Tradelink LLP
Nahoosh Tradelink LLP

Key Management Personnel (KMP)

Mr. Mahesh P. Babani	Chairman & Managing Director
Mr. D. B. Rao	Executive Director
Mr. Sumit Maheshwari	Nominee Director upto April 29, 2021
Mr Rajesh Budhrani	Independent Director
Mr P.R. Barpande	Independent Director
Mr Anurag Surana	Independent Director
Mrs Anuradha Thakur	Independent Director
Mr Dwarko Topandas Khilnani	Independent Director

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31 RELATED PARTY DISCLOSURES (Contd.)

Relatives of Key Management Personnel

Mahesh Purshottam Babani HUF
 Mrs. Seema Mahesh Babani
 Ms. Snehal Mahesh Babani
 Ms. Jyoti Mahesh Babani
 Mr. Vijaykumar Doppalapudi Rao
 Mr. Vinaykumar Doppalapudi Rao
 Mrs. Grace Vinaykumar Doppalapudi Rao
 Mrs. Sharon Doppalapudi Rao
 Mrs. Premaleela Doppalapudi Rao
 Mr. Rajkumar Doppalapudi Rao
 Mrs. Prasanna Raj Doppalapudi Rao
 Mr. Rameshbabu Gokameswararao Guduru

b) During the year, following transactions were carried out with the related parties :

	Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Purchase of raw materials				
Privi Life Science Private Limited	33.60	18.00	-	-
Prasad Organics Private Limited	1,068.79	2,052.42	-	-
Privi Organics Limited	111.05	100.19	-	-
Vivira Investment and Trading Private Limited		0.27	-	-
Purchase of machinery				
Privi Life Science Private Limited	-	26.11	-	-
Sale of finished goods				
Privi Life Science Private Limited	-	6.34	-	-
Prasad Organics Private Limited	987.32	919.81	-	-
Privi Organics Limited	-	13.98	-	-
Sale of Property plant & equipment				
Privi Organics Limited	-	13.57	-	-
Lease expense				
Money Mart Securities Private Limited	195.92	48.38	-	-
MM Infra & Leasing Private Limited	291.25	171.00	-	-
Lease income				
Minar Organics Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	0.18	-	-
Privi Life Science Private Limited	37.26	24.00	-	-
Money Mart Securities Private Limited	1.22	0.70	-	-



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

31 RELATED PARTY DISCLOSURES (Contd.)

	Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Privi Organics Limited	0.32	-		
Vivira Chemicals Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021		0.18	-	-
Security deposit				
Money Mart Securities Private Limited	-	300.00	-	-
MM Infra & Leasing Private Limited	-	51.00	-	-
Reimbursement of expense received				
MM Infra & Leasing Private Limited	1.45	-		
Commission and reimbursement of other expenses paid				
Privi Organics USA Corporation	-	-	-	-
Loans and advances				
MM Infra & Leasing Private Limited	-	331.00	-	-
Managerial remuneration				
Mr. D.B.Rao (*)	-	-	56.00	56.00
Mr. Mahesh P Babani (*)	-	-	600.00	600.00
Salary paid				
Mr.Vinaykumar Doppalapudi Rao	-	-	26.22	23.47
Dividend paid				
Mr. Mahesh P Babani	-	-	51.73	51.73
Mahesh Purshottam Babani Huf	-	-	35.83	35.83
Mr. D.B.Rao	-	-	22.41	22.41
Money Mart Securities Private Limited	68.25	68.25	-	-
Vivira Investment and Trading Private Limited	309.90	309.90	-	-
Mm Infra & Leasing Private Limited	1.60	1.60	-	-
Mrs. Seema Mahesh Babani	-	-	7.80	7.80
Ms. Jyoti Mahesh Babani	-	-	7.80	7.80
Ms. Snehal Mahesh Babani	-	-	7.80	7.80
Mrs. Premaleela Doppalapudi Rao	-	-	5.49	5.49
Mr. Vinaykumar Doppalapudi Rao	-	-	14.82	14.82
Mrs. Grace Vinaykumar Doppalapudi Rao	-	-	4.64	4.64
Mr.Vijaykumar Doppalapudi Rao	-	-	14.10	12.49
Mrs. Sharon Doppalapudi Rao	-	-	4.91	4.91
Mr. Rajkumar Doppalapudi Rao	-	-	13.82	14.00
Mrs. Prasanna Raj Doppalapudi Rao	-	-	5.74	5.74
Mr. Rameshbabu Gokarneswararao Guduru	-	-	1.87	1.87

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For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

31 RELATED PARTY DISCLOSURES (Contd.)

	Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Sitting fees				
Mr. Anurag Surana	-	-	3.00	5.00
Mrs. Anuradha Thakur	-	-	4.00	5.00
Mr. Rajesh Budhrani	-	-	4.00	4.00
Mr. P.R. Barpande	-	-	4.00	5.00
Mr. Dwarko Topandas Khilnani	-	-	4.28	5.00
Mr. Narendra Kumar Anand Ambwani	-	-	0.28	-

*Remuneration does not include charge for gratuity and leave encashment as employee-wise break up is not available.

c) Outstanding balances

	Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Receivables /Other assets				
Vivira chemicals Industries	-	-	-	-
MM Infra & Leasing Private Limited	103.00	782.00	-	-
Money Mart Securities Private Limited	300.00	300.00	-	-
Privi Life Science Private Limited	38.63	62.24	-	-
Vivira Chemicals Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	-	-	-
Minar Organics Private Limited merged with MM Infra & Leasing Private Limited dated October, 13 2021	-	-	-	-
Prasad Organics Private Limited	904.00	201.91	-	-
Privi Organics Limited	-	0.89	-	-
Trade Payables				
Privi Life Science Private Limited	39.86	18.25	-	-
Prasad Organics Private Limited	464.74	265.36	-	-
Privi Organics Limited	71.86	2.82	-	-
MM Infra & Leasing Private Limited	38.17	-	-	-
Money Mart Securities Private Limited	90.19	0.75	-	-
Payable to Key Management Personal				
Mr. Mahesh P Babani (*)	-	-	9.70	28.41
Mr. D.B.Rao (*)	-	-	2.94	2.57
Relatives of Key Management Personnel				
Mr.Vinaykumar Doppalapudi Rao (**)	-	-	1.33	1.42

** Remuneration Net of Tax Deducted at Source and it includes short term benefits and post employee benefits.



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

31 RELATED PARTY DISCLOSURES (Contd.)

d) Disclosure required under Sec 186(4) of the Companies Act, 2013

Provided the guarantee on behalf of wholly owned subsidiary Privi Speciality Chemicals USA Corporation to Citi Bank USA which are disclosed below as required by Sec 186(4) of the Companies Act, 2013

Name of the loanee	Rate of Interest	Due date	Secured/ unsecured	31 March 2023	31 March 2022
Privi Speciality Chemicals USA Corporation	Not applicable	Not applicable	working capital Loan	3288.80	3032.28
				3,288.80	3,032.28

32 EMPLOYEE BENEFITS - POST-EMPLOYMENT BENEFIT PLANS

a) Defined contribution plans

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, and ESI which are defined contribution plans. The Group's has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue.

The Group has recognised the following amount as an expense and included in the Note 25 under "Contribution to provident & other funds":

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to employees provident fund	386.00	359.30
Contribution to ESI	1.49	1.97

b) Defined benefit plans

The Group operates one post-employment defined benefit plan that provides gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement. In case of employees completing longer service periods, the Group's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

Particulars	As at March 31, 2023	As at March 31, 2022
Amount recognised in the balance sheet in respect of Gratuity		
Present value of the defined benefit obligation at the end of the year	1,474.94	1,387.43
Fair value of the plan assets	-	-
	1,474.94	1,387.43

Particulars	As at March 31, 2023	As at March 31, 2022
Movement in present value of defined benefit obligation		
Opening Liability	119.51	110.37
Current service cost	99.20	80.81
Interest cost	(66.11)	58.76
Actuarial /loss	(65.09)	(41.12)
Benefits paid		
Closing defined benefit obligation	1,474.94	1,387.43
Expense recognised in statement of profit and loss		
Current service cost	119.51	110.37
Interest on defined benefit obligations	99.20	80.81
Total	218.71	191.18

Notes to the Consolidated Financial Statements

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(Currency: Indian Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Remeasurements recognised in Other comprehensive income		
Change in financial assumptions	(32.24)	(32.30)
Change in demographic assumptions	(0.70)	0.40
Experience adjustments	(33.16)	92.13
Total	(66.10)	60.23
Total expense recognised	152.61	251.41

Particulars	As at March 31, 2023	As at March 31, 2022
Principal actuarial assumptions at the balance sheet date For Holding Company (Privi Speciality Chemicals Limited)		
Discount rate (p.a.)	7.44%	7.15%
Expected rate of salary increase (p.a.)	8.25%	8.25%
Attrition rate	For service 2 years and below 20.00% p.a. For service 3 years to 4 years 10.00% p.a. For service 5 years and above 5.00% p.a.	For service 2 years and below 20.00% p.a. For service 3 years to 4 years 10.00% p.a. For service 5 years and above 5.00% p.a.
Mortality tables	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

At March 31, 2023 the weighted average duration of the defined benefit obligation was 9 years (March 31, 2022 - 10 years)

Particulars	As at March 31, 2023	As at March 31, 2022
For Wholly owned subsidiary company (Privi Biotechnologies Private Limited)		
Discount rate (p.a.)	7.44%	7.15%
Expected rate of salary increase (p.a.)	8.25%	8.25%
Attrition rate	For service 2 years and below : 20% For service 3 to 4 Years : 10% For service 5 Years and above: 5%	For service 2 years and below : 20% For service 3 to 4 Years : 10% For service 5 Years and above: 5%
Mortality tables	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08)

At March 31, 2023 the weighted average duration of the defined benefit obligation was 14 years (March 31, 2022 - 14 years)



Notes to the Consolidated Financial Statements

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32 EMPLOYEE BENEFITS - POST-EMPLOYMENT BENEFIT PLANS (Contd.)

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumption is as shown below:

	Discount rate		Future salary increase	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Impact on defined benefit obligation due to:				
a. 1% increase	(99.65)	(100.37)	117.00	116.97
b. 1% decrease	114.80	115.99	(104.13)	(103.58)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period, as calculated by Actuary.

Experience adjustment for last five years

	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Defined benefit obligation	1,474.94	1,387.43	1,178.61	1,016.53	789.99
Surplus/(deficit)	(1,474.94)	(1,387.43)	(1,178.61)	(1,016.53)	(789.99)
Experience adjustment on plan liabilities	(33.16)	92.13	17.66	43.72	54.61

Compensatory absences

The Group provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Amount of Rs 80.55 lakhs (31 March, 2021 Rs 151.95 lakhs) has been recognised in the Consolidated Statement of profit and loss on account of provision for long-term employment benefit.

33 FINANCIAL INSTRUMENTS

a. Accounting classification and fair values

The Group is exposed to the risks of changes in fair value of its financial assets and liabilities. The following table summarises the fair values and carrying amounts of financial instruments.

As on 31 March 2023	Note	Carrying value			Fair value measurement using		
		Amortised cost	Financial assets/liabilities at FVTPL*	Financial assets/liabilities at FVOCI	Total carrying amount	Level 1	Level 2
Financial assets:							
Investment in mutual funds	8	672.76	672.76	-	672.76	672.76	-
Trade receivables	9	29,558.68	-	-	29,558.68	-	-
Cash and cash equivalents	10	2,044.91	-	-	2,044.91	-	-
Bank balances other than cash and cash equivalents	11	454.14	-	-	454.14	-	-
Other financial assets	5	1,629.35	-	-	1,629.35	-	-

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

33 FINANCIAL INSTRUMENTS (Contd.)

As on 31 March 2023	Note	Carrying value			Fair value measurement using			
		Amortised cost	Financial assets/liabilities at FVTPL*	Financial assets/liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial liabilities:								
Non Current borrowings	13 a	40,370.49	-	-	40,370.49	-	-	40,370.49
Current borrowings	14	65,684.29	-	-	65,684.29	-	-	-
Trade payables	17	29,392.30	-	-	29,392.30	-	-	-
Derivatives	18	-	1,174.85	-	1,174.85	-	1,174.85	-
Lease liabilities	13 b	1,877.80	-	-	1,877.80	-	-	1,877.80
Other financial liabilities (other than lease liabilities)	18	6,254.35	-	-	6,254.35	-	-	-

* Investment in mutual funds and derivatives are mandatorily measured at FVTPL

As on 31 March 2022	Note	Carrying value			Fair value measurement using			
		Amortised cost	Financial assets/liabilities at FVTPL*	Financial assets/liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial assets:								
Trade receivables	9	26,499.11	-	-	26,499.11	-	-	-
Cash and cash equivalents	10	3,251.89	-	-	3,251.89	-	-	-
Bank balances other than cash and cash equivalents	11	487.15	-	-	487.15	-	-	-
Other financial assets	5	2,800.07	-	-	2,800.07	-	-	-
Financial liabilities:								
Non Current borrowings	13 a	38,060.00	-	-	38,060.00	-	-	38,060.00
Current borrowings	14	52,940.65	-	-	52,940.65	-	-	-
Trade payables	17	30,580.28	-	-	30,580.28	-	-	-
Derivatives	18	-	466.70	-	466.70	-	466.70	-
Lease liabilities	13 b	2,300.71	-	-	2,300.71	-	-	2,300.71
Other financial liabilities (other than lease liabilities)	18	6,488.68	-	-	6,488.68	-	-	-

* Investment in mutual funds and derivatives are mandatorily measured at FVTPL



Notes to the Consolidated Financial Statements

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33 FINANCIAL INSTRUMENTS (Contd.)

- b. The fair value of financial instruments as referred to in note (a) above have been classified into a three categories depending on the inputs used in the valuation technique.**

The categories used are as follows:

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There were no significant changes in classification of fair value of financial assets and financial liabilities. There were also no significant movements between the fair value hierarchy classifications.

c. Calculation of fair values

The fair values of the financial assets and liabilities are defined as 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. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2023.

- (i) The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates. In case the forwards are taken from banks and financial institutions, the fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies by the bankers.
- (ii) The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
- (iii) Loans, lease liabilities and borrowings have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- (iv) Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.

34 FINANCIAL RISK MANAGEMENT

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of Directors on its activities.

The Group's risk management are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities.

The Audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit committee is assisted in its oversight role by internal audit by external party.

The Group has exposure to the following risks arising from the financial instruments:

Notes to the Consolidated Financial Statements

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34 FINANCIAL RISK MANAGEMENT (Contd.)

a. Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations and arises principally from the Group's receivables from customers. The carrying amount of financial assets represent the maximum credit exposure.

The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer. However, management also consider the factors that may influence the credit risk of its customer base. including the default risk associated with the industry and country in which Group operates.

The Group analyses credit worthiness of each new customer individually before standard payment and delivery terms are offered. The Group is monitoring economic environment in countries where it operates and is taking actions to limit its exposure to customers in those countries experiencing particular economic volatility.

Impairment of Trade receivables

At March 31, 2023 the ageing of trade and other receivables that were not impaired was as follows.

	Carrying amount	
	March 31, 2023	March 31, 2022
Neither past due nor impaired	22,147.93	20,879.26
Past due 0-90 days	6,405.38	4,919.50
Past due 90-180 days	731.61	314.87
Past due 180-270 days	162.82	154.63
Past due 270-365 days	88.11	178.70
More than 365 days	22.83	52.15
	29,558.68	26,499.11

Movement in Loss allowance measured at amount equal to life time expected credit losses for trade receivables.

	Amount
Opening balance as at April 01, 2021	26.44
Impairment loss recognised	20.92
Amounts written off	(3.94)
Balance as at March 31, 2022	43.42
Impairment loss recognised	-
Amounts written off	-
Balance as at March 31, 2023	43.42

The Group uses an allowance matrix to measure the expected credit loss of trade receivables. Based on the industry practices and the business environment in which the entity operates, Management considers that the trade receivables are in default (credit impaired) if the payments are more than 365 days past due.

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk and the current provision for the bad debts represents the impacted credit loss it foresees in its receivables.

Financial assets other than trade receivables are not impaired and further, there are no amounts that are past due. Management believes that the amounts are collectible in full, based on historical payment behaviour.



Notes to the Consolidated Financial Statements

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(Currency: Indian Rupees in lakhs)

34 FINANCIAL RISK MANAGEMENT (Contd.)

b. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains the level of its cash and cash equivalents at an amount in excess of expected cash outflow on financial liabilities. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash inflows on trade and other payables.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

March 31, 2023	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	50,663.47	50,663.47	10,292.98	21,353.23	16,706.91	2,310.35
Other borrowings	55,391.31	55,391.31	55,391.31	-	-	-
Trade payables	29,392.30	29,392.30	29,392.30	-	-	-
Other financial liabilities	6,254.35	6,254.35	6,254.35	-	-	-
Lease liabilities	1,301.28	1,301.28	576.52	153.98	570.78	-
Derivative financial liabilities						
Interest rate swaps	1,174.85	1,174.85	1,174.85	-	-	-
	1,44,177.56	1,44,177.56	1,03,082.31	21,507.21	17,277.69	2,310.35

March 31, 2022	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	44,168.64	44,168.64	6,108.64	21,353.23	16,706.91	(0.14)
Other borrowings	46,832.01	46,832.01	46,832.01	-	-	-
Trade payables	30,580.28	30,580.28	30,580.28	-	-	-
Other financial liabilities	6,488.68	6,488.68	6,488.68	-	-	-
Lease liabilities	1,665.91	1,665.91	634.80	153.98	877.13	-
Derivative financial liabilities						
Interest rate swaps	466.70	466.70	466.70	-	-	-
	1,30,202.22	1,30,202.22	91,111.11	21,507.21	17,584.04	(0.14)

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

34 FINANCIAL RISK MANAGEMENT (Contd.)

c. Currency Risk

The Group is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2023 and March 31, 2022 are as below:

	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
	USD	EURO	USD	EURO
Financial assets				
Cash and cash equivalents	13.27	0.02	16.24	0.10
Trade Receivables	236.84	17.74	255.66	8.87
	250.11	17.76	271.90	8.97
Financial liabilities				
Borrowings	-	22.50	-	30.00
Buyers Credit	29.99	-	16.47	-
PCFC	-	-	50.00	-
Working capital demand Loan	18.36	-	-	-
Trade payables and other financial liabilities	129.44	2.42	180.15	0.56
Other Current financial liabilities - Derivative Instruments Interest rate swap*	15.29	0.92	6.11	0.04
	193.08	25.84	252.73	30.60
Net exposure	57.03	(8.08)	19.17	(21.63)

* The exposure disclosed here is net of currency swap taken by the Group

Currency exposure for borrowings is exclusive of Currency swap on IDFC Rupee loan of Rs.4,000 lakhs and ICICI bank Rupee loan of Rs.4,000 lakhs are taken @64.42 per USD and @68.13 per USD respectively and other currency swap on HDFC Bank Rupee loan of Rs 5,600 lakhs and Rs 7,400 lakhs are taken @ 76.78 per USD and @ 75.83 per USD respectively which are classified as Indian currency loan.

The Group's corporate treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the

The Group's treasury function reports quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

34 FINANCIAL RISK MANAGEMENT (Contd.)

d. Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currencies against INR at March 31, 2023 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR	Profit before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2023				
USD (3 % movement)	140.67	(140.67)	105.26	(105.26)
EUR (3 % movement)	(21.72)	21.72	(16.25)	16.25
	118.95	(118.95)	89.01	(89.01)

Effect in INR	Profit before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2022				
USD (3 % movement)	43.60	(43.60)	32.63	(32.63)
EUR (3 % movement)	(54.94)	54.94	(41.11)	41.11
	(11.34)	11.34	(8.48)	8.48

e. Interest risk

The group is exposed primarily to fluctuation in USD LIBOR rates. Interest rate risk on financial debt is managed through interest rate swaps.

The interest rate profile of the Group's interest-bearing financial instruments is as follows :

	March 31, 2023	March 31, 2022
Fixed-rate instruments *	1,06,054.78	91,000.65
Variable-rate instruments	-	-
Total borrowings	1,06,054.78	91,000.65

*Effect of interest rate swaps is disclosed in Note 13 a .

Financial assets classified at amortized cost have fixed interest rate. Hence, the group is not subject to interest rate risk on such financial assets.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
March 31, 2023				
Variable-rate instruments	-	-	-	-
March 31, 2022				
Variable-rate instruments	-	-	-	-

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

35 CONTINGENT LIABILITIES:

Claims against the group not acknowledged as debts are as below :

Particulars	As at March 31, 2023	As at March 31, 2022
Nature of tax		
Income Tax	932.16	1,787.34
Custom duty *	106.06	106.06

*Demand of Rs. 15.52 lakhs (out of which Rs. 6.00 lakhs paid) raised by Customs, Excise and Service Tax Appellate Tribunal West Zonal Bench, Mumbai for clearance of imported goods under DEPB scheme. (Contravention of the provisions of Section 111 (o) of the Customs Act, 1962). Further the demand of Rs. 101.53 lakh was raised by Customs authority out of which Rs. 10.98 lakh is paid under protest, balance Rs. 90.54 lakhs are unpaid as on March 31, 2023.

The claims against the Group comprise of pending litigations / proceedings pertaining to demands raised by Excise, Custom, Sales / VAT tax and other authorities / bodies. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The Group does not expect any reimbursements in respect of the above contingent liabilities.

36 COMMITMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of Rs.652.91 lakhs, March 31, 2022 : Rs. 1516.95 lakhs)	2,104.47	3,703.87
LC's issued in favour of suppliers, but the material not dispatched	754.57	1,319.00

37 EARNINGS PER SHARE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax attributable to equity shareholders [A]	2,127.81	9,737.98
Number of equity shares at the beginning of the year [B]	3,90,62,700	3,90,62,700
Number of equity shares outstanding at the end of the year [C]	3,90,62,700	3,90,62,700
Weighted average number of equity shares outstanding during the year [D]	3,90,62,700	3,90,62,700
Basic and diluted earnings per share of face value Rs. 10 [A]/[D]	5.45	24.93

38 TRANSFER PRICING

Transactions with related parties are governed by transfer pricing regulations of the Indian Income-tax Act, 1961. The Holding Company's international and domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended March 31, 2022. Management believes that the Company's international and domestic transactions with related parties post March 2022 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

39 DIVIDEND ON EQUITY SHARES

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Dividend on equity shares declared and paid during the year		
Final dividend for the year ended March 31, 2022 - Rs. 2.00 (March 31, 2021 Rs.: 2.00) per fully paid up share	781.21	781.21
(Amount of Cash-out flow of dividend is inclusive of dividend distribution tax)	781.21	781.21
Dividends not recognized at the end of reporting period		
Final dividend of Rs. Nil per fully paid up equity shares (March 31, 2022 Rs. 2.00 per fully paid up share). This proposed dividend is subject to the approval of share holders in the ensuing annual general meeting.	-	781.21
(Amount of Cash-out flow of dividend is inclusive of dividend distribution tax)		
	0.00	781.21

40 REVENUE FROM CONTRACTS WITH CUSTOMERS

(A) The Group is primarily in the Business of manufacture and sale of Aroma chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The group has a credit evaluation policy based on which the credit limits for the trade receivables are established, the group does not give significant credit period resulting in no significant financing component.

(B) Reconciliation of revenue recognised from Contract liability:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Contract liability	183.36	171.93
Less: Recognised as revenue during the year (includes contract liabilities at the beginning of the period)	2,697.06	2,887.33
Add: Addition to contract liability during the year	8,153.12	2,898.76
Closing Contract liability	5,639.42	183.36

Contract liability primarily relates to advance consideration received from customers for sale of products in case of few contracts based on terms agreed. The contract liability is expected to be recognised within 12 months.

There is no contract asset as at March 31, 2023 (March 31, 2022 : Nil)

(C) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue from contract with customer as per Contract price	1,60,567.66	1,40,343.33
Less: Discounts and other adjustments	28.21	105.41
Revenue from contract with customer as per statement of profit and loss	1,60,539.45	1,40,237.92

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

34 REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd.)

(D) Disaggregation of revenue from contract with customers

Particulars	Revenue from contracts with customers March 31 2023	Revenue from contracts with customers March 31 2022
India	40,270.01	39,453.68
Europe(excluding UK)	37,776.94	33,198.47
North America	44,700.74	33,579.52
Asia (Excluding India)	18,564.10	15,776.38
Middle East	7,443.05	7,520.83
United Kingdom	5,170.08	5,819.30
South America	3,872.38	3,048.67
Africa	2,658.01	1,772.44
Australia and New Zealand	84.14	68.63
	1,60,539.45	1,40,237.92

(E) Unsatisfied Performance Obligations

The Group applies the practical expedient in Paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations.

41 EXCEPTIONAL ITEMS

- a) **Flood claim settlement (Net)** :- Unprecedented rainfall on July 22 and 23, 2021 in Raigad district of Maharashtra including Mahad and consequent overflow of Savitri river caused flooding and major power outage in and around Mahad. The factory operations at the units were temporarily suspended. The necessary steps were taken to resume the operations in phased manner from August 12, 2021 after taking into consideration the safety norms. There has been loss to assets comprising of Inventories, Plant & Machineries and Other fixed assets, etc. The profitability has also been impacted due to loss of sales. All the said losses are adequately insured including coverage towards loss of profit and replacement cost of fixed assets.

As per Management's best estimate, the book value of the assets lost due to flood including other expenses for the year ended March 31, 2022 is Rs. 1,791.28 lakhs which is debited to the statement of profit and loss and is disclosed as an exceptional item and netted off with final insurance claim settlement aggregating to Rs. 2,320.51 lakhs for which a settlement letter is also issued by insurance company resulting in an exceptional gain(net) of Rs. 529.24 lakhs for the year ended March 31, 2022. The Group has received partial insurance claim of Rs. 1,000 lakhs from the insurance company which is recognised in the quarter ended September 30, 2021. The balance amount of Rs.1,320.51 lakhs (of which Rs. 300 lakhs is received subsequent to the balance sheet date) is shown as receivable from insurance company in balance sheet as at March 31, 2022. The entire insurance claim settlement amount is being recognised in the statement of profit and loss as per the requirement of Accounting Standards.

42 ESTIMATION OF UNCERTAINTIES RELATED TO GLOBAL HEALTH PANDEMIC FROM COVID-19

Government of India announced a Nationwide Lockdown due to Covid-19 Global Pandemic due to which the Group shutdown few of its plants at Mahad & Jhagadia factories (except those involved in manufacture of chemicals used in essential goods) from March 24, 2020 which continued till April 07, 2020. Although sales were partially affected during the period of shutdown, however, impact is not significant. The Group had not seen any significant impact on net realisable value of its current assets.

The Global pandemic Covid-19 continued in the year 2021-22 as well. The business of the Group was not affected during the year. However, the completion of major capex project were delayed by 4 to 5 months due to second wave of Covid-19 during the period March 2021 to July 2021, on account of non-availability of labour, transport facilities, industrial oxygen, etc. Further, given the uncertainty due to Covid-19, the Group would continue to monitor any material changes to future economic conditions and the consequential impact on the consolidated financial statements.



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

43 INTERESTS IN OTHER ENTITIES

(a) Subsidiaries

The group's subsidiaries at March 31, 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Principal activities	Place of business / country of incorporation	Ownership interest held by the Group	
			March 31, 2023	March 31, 2022
Privi Biotechnologies Private Limited	Chemicals	India	100	100
Prigiv Specialties Private Limited	Chemicals	India	51	-
Privi Speciality Chemicals USA Corporation	Chemicals	United States of America	100	100

(b) Additional information required by schedule III

Name of entity in group	Net assets (total assets minus total liabilities)		Share in profit and (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and (loss)	Amount	As % of consolidated other comprehensive income	Amount	as % of consolidated total comprehensive income	Amount
Parent								
Privi Speciality chemicals Limited								
March 31, 2023	99.32%	82,247.66	100.60%	2,247.49	18.96%	45.61	92.66%	2,293.10
March 31, 2022	98.50%	80,735.82	104.51%	9,936.01	-247.95%	(43.59)	103.86%	9,892.42
Subsidiaries								
Privi Biotechnologies Private Limited (Indian)								
March 31, 2023	3.92%	3,244.39	(4.58)%	(102.26)	(0.82)%	(1.97)	-4.21%	(104.23)
March 31, 2022	4.11%	3,367.58	-3.29%	(312.59)	-26.73%	(4.70)	-3.33%	(317.29)
Privi Speciality Chemicals USA Corporation ('Foreign)								
March 31, 2023	3.05%	2,528.60	0.11%	2.36	81.86%	196.92	8.05%	199.28
March 31, 2022	2.84%	2,329.32	3.39%	322.09	374.69%	65.87	4.07%	387.96
Prigiv Specialties Private Limited (Indian)								
March 31, 2023	1.58%	1,308.84	-8.56%	-191.16	0.00%	-	-7.72%	(191.16)
March 31, 2022	1.83%	1,500.00	0.00%	-	0.00%	-	0.00%	-
Adjustments arising out of consolidation								
March 31, 2023	-7.86%	(6,516.17)	12.43%	277.64	0.00%	-	11.22%	277.64
March 31, 2022	-7.28%	(5,971.52)	-4.61%	(438.05)	0.00%	-	-4.60%	(438.05)
Total								
March 31, 2023	100.00%	82,813.32	100.00%	2,234.07	100.00%	240.56	100.00%	2,474.63
March 31, 2022	100.00%	81,961.20	100.00%	9,507.46	100.01%	17.58	100.00%	9,525.04

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

44 OTHER STATUTORY INFORMATION

a) Other informations

- (i) As on March 31, 2023 there is no Unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.
- (ii) The Company do not have any transactions with struck off companies.
- (iii) The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (v) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (vi) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (viii) The Company have 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:
 - (a) 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
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (ix) The Company have not entered in any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

- b) Changes in accounting policy :** The Company has changed its accounting policy in respect of valuation of inventory - Indian Accounting Standard (Ind AS) 2 – Inventories.

The change in accounting policy for valuation of inventory is from First in First out to Periodic Weighted Average Method, retrospectively, to the earliest period reported on voluntary basis. The change is owing to more reliable, relevant information being available through newly migrated accounting system, SAP and resulting in better presentation. Inventories include Raw Material, Packing Material, Fuel, consumable stores and spares are valued and determined basis of Periodic Unit Price Moving Weighted Average Method as against First in first out adopted until 31 March 2022. The Company has implemented SAP S4 Hana integrated ERP system from current financial year as against the earlier oracle R12.1.1 ERP system. SAP ERP system is more robust and conducive to the manufacturing operations. It provides real time data across



Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(Currency: Indian Rupees in lakhs)

modules. Inventory valuation now automated from SAP system and gives granular details and valuations of items at various stage of its operations. The Company thought it prudent to move from the legacy FIFO basis of valuation to the Periodic Moving Weighted Average Method of the SAP ERP system. This is also in line with the global practices followed in the industry. The voluntary change in method of valuation of Inventory is in the nature of Change in Accounting Policy and requires retrospective application as per Ind AS 8. As per the detailed assessment and re-computation performed by the Management, the impact thereof is not to be material and hence the financial statements are not re-stated to the earliest reported period. This change has resulted in inventories being higher than Rs 19.02 lakhs and corresponding effect in the retained earnings as at 31 March 2023. There is no significant impact on the opening equity as a result of the change. The impact on basic and diluted EPS is not material.

45 CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act, 2013 a corporate social responsibility (CSR) committee has been formed by the Company. The areas for CSR activities are Education, Environment Sustainability, Health and hygiene and Disaster Management. Amount spent during the year on activities which are specified in Schedule VII of the Companies Act 2013 are as mentioned below:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) amount required to be spend by the company for the year	333.00	250.68
b) amount of expenditure till date:		
Paid		
(i) construction / acquisition of any asset		
(ii) on purpose other than (i) above	333.00	255.53
Yet to be paid		
(i) construction / acquisition of any asset	-	-
(ii) on purpose other than (i) above	-	-
Total	333.00	255.53
c) shortfall at the end of the year	-	-
d) reason for shortfall	NA	NA
e) total of pervious year shortfall	NA	NA
f) nature of CSR activities	Education, Environment Sustainability, Health and hygiene and Disaster Management	Education, Environment Sustainability, Health and hygiene and Disaster Management

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959
Place: Mumbai
Date: May 29, 2023

For and on behalf of the Board of Directors of **Privi Speciality Chemicals Limited**

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

Narayan S Iyer
Chief Financial Officer
Membership No: 105320
Place: Mumbai
Date: May 29, 2023

D. B. Rao
Executive Director
DIN: 00356218

Ashwini Shah
Company Secretary
Membership No: A-58378



PRIVI SPECIALITY CHEMICALS LIMITED

www.privi.com

PRIVI SPECIALITY CHEMICALS LIMITED

CIN: L15140MH1985PLC286828

Registered Office: 'Privi House', A-71 TTC – Thane Belapur Road,
Near Kopar Khairne Railway Station, Navi Mumbai, Mumbai City – 400 710, Maharashtra.

Notice

Notice is hereby given that the thirty-eighth annual general meeting of the Members of **Privi Speciality Chemicals Limited** will be held on **Thursday, August 10, 2023 at 4:00 p.m. (IST)** through Video Conferencing Facility (VC) / other Audio-Visual means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial year ended March 31, 2023, along with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Bhaktavatsala Doppalapudi Rao (DIN 00356218), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Ratification of Cost Auditor's remuneration for the financial year ending March 31, 2024.

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs. 6,50,000/- (Rupees Six Lakhs Fifty Thousand Only) plus applicable taxes and out of pocket expenses payable to M/s Kishore Bhatia & Associates (Firm Registration Number 00294), Cost Accountants, who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as Cost Auditors of the Company, to conduct the audit of cost records maintained by the Company as prescribed under the Companies (Cost Records and Audit) Rules 2014 for the financial year ending March 31, 2024."

RESOLVED FURTHER THAT the Board of Directors, Chief Financial Officer, Company Secretary of the Company, be and is hereby severally authorised to do all acts, deeds, matters and take all such steps as may be necessary, expedient, and desirable for the purpose of giving effect to this resolution."

4. Re-appointment of Mr. Bhaktavatsala Rao Doppalapudi (DIN: 00356218) as an Executive Director of the Company for the period of three years commencing w.e.f. August 13, 2023.

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and such other approvals, permissions and sanctions as may be required and in accordance with the Articles of Association of the Company and as per the recommendation of the Nomination and Remuneration Committee, consent of the members be and is hereby accorded for the re-appointment of Mr. Bhaktavatsala Rao Doppalapudi (DIN 00356218) as the Executive Director of the Company for a period of 3 (three) years with effect from August 13, 2023 and payment of remuneration of Rs. 2,10,00,000/- (Rupees Two Crores Ten Lakhs only) per annum, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice (including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the aforesaid period), with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary terms and conditions of the said appointment including remuneration in such manner as may be agreed to between the Board and Mr. Bhaktavatsala Rao Doppalapudi as per the Key Employee Agreement and within the overall maximum remuneration payable to Mr. Bhaktavatsala Rao Doppalapudi in accordance with the Act."

"RESOLVED FURTHER THAT any of the Directors, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary or incidental thereto to give effect to the resolution including filing of all the necessary e-forms with the office of the Registrar of Companies, Maharashtra, Mumbai."



5. Re-appointment of Mr. Dwarko Topandas Khilnani (DIN: 01824655) as an Independent Director for the period of five years for the second consecutive term w.e.f. April 01, 2024.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. Dwarko Topandas Khilnani (DIN: 01824655), who was appointed as Director - Independent Category to fill in the casual vacancy pursuant to the provisions of Section 161(4) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto March 31, 2024 and has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act, be and is hereby re-appointed as an Independent Director of the Company, shall not be liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company with effect from April 01, 2024 till 31.03.2029.”

6. Re-appointment of Mr. Anurag Surana (DIN: 00006665) as an Independent Director for the period of five years for the second consecutive term w.e.f. April 01, 2024.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. Anurag Surana (DIN: 00006665), who was appointed as Director - Independent Category to fill in the casual vacancy pursuant to the provisions of Section 161(4) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto March 31, 2024 and has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act, be and is hereby re-appointed as an Independent Director of the Company, shall not be liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company with effect from April 01, 2024 till 31.03.2029.”

NOTES:

1. In terms of General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 (collectively referred to as 'MCA Circulars') issued by the Ministry of Corporate Affairs ('MCA'), the Annual General Meeting ('AGM') is being held through Video Conferencing ('VC') facility / Other Audio Visual Means ('OAVM') without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the MCA Circulars, the AGM of the Company is being held through VC/OAVM on Thursday, August 10, 2023, at 4.00 p.m. (IST). The proceedings of the 38th AGM shall be deemed to be conducted at the Registered Office of the Company at Privi House, A-71, TTC, Thane Belapur Road, Kopar Khairne, Navi Mumbai - 400710.
2. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 13, 2022, the Notice of the 38th AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.privi.com, websites of the Stock Exchange and on the website of Link Intime India Private Limited at <https://instavote.linkintime.co.in>. Members who have not registered their email address with the Company can register the same by following the procedure as mentioned in point 17 below. Post successful registration of email address, the Member will receive the soft copy of the Notice of AGM and the Annual Report.
3. The Company has availed VC facility provided by Link Intime India Private Limited, Register & Transfer Agent (RTA) of the Company, for Members to participate in the 38th AGM of the Company. The instructions for participation by the Members are given in the subsequent paragraphs. Participation at the AGM through VC shall be allowed on a first-come-first-serve basis.
4. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.

5. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 04, 2023 to Thursday, August 10, 2023 (both days inclusive) for the purpose of 38th Annual General Meeting.
6. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/ Authorisation etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company at investors@privi.co.in.
7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies, Act 2013 (the Act)
8. The Explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of item Nos. 3, 4, 5 and 6 of the Notice as set out above is annexed hereto. The Board of Directors have considered and decided to include Item Nos. 3, 4, 5 and 6 as given above, as Special Business in the forthcoming AGM as they are unavoidable in nature.

The relevant details with respect to Item Nos. 2,4,5 and 6 of the Notice pursuant to Regulation 36(3) of the SEBI Listing Regulations, and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India ('ICSI') in respect of the Directors seeking re-appointment at this AGM are also annexed. Requisite declarations have been received from the Directors seeking re-appointment.
9. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
10. The Register of Directors and Key Managerial Personnel 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, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to investors@privi.co.in
11. As the AGM is being conducted through VC/OAVM, for the smooth conduct of proceedings of the AGM, members seeking any information with regard to the accounts or any matter to be placed at the AGM, are encouraged to write to the Company through email on investors@privi.co.in. The same will be replied by the Company suitably.
12. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending email from their registered email id mentioning their name, demat account number/ folio number, mobile number to investors@privi.co.in. The Company reserves the right to restrict number of questions and number of speakers, as appropriate for smooth conduct of the AGM.
13. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Friday, August 04, 2023, may obtain the login ID and password by sending a request at rnt.helpdesk@linkintime.co.in
14. Pursuant to the provisions of Section 125 of the Companies Act, 2013 the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company, is required to be transferred to the Investor Education and Protection Fund, set up by the Government of India. Kindly note that once unclaimed and unpaid dividends are transferred to the Investor Education and Protection Fund, Members will have to approach IEPF Authority for such dividend.
15. Members are requested to note that the Company's Equity shares are under compulsory DEMAT trading for all classes of investors, as per the provisions of SEBI circular dated May 29, 2000. In view of above, members are advised in their own interest to dematerialize the shares held by them in physical form to avoid inconvenience and avail various benefits of dematerialization.
16. Members holding shares in electronic form are requested to intimate any changes in their registered address, name, PAN details, etc. to their Depository Participant (DP) with whom they are maintaining their demat account. Members holding shares in physical form are requested to intimate any such change to the Company or its RTA (Link Intime India Pvt. Ltd.)
17. Registration of email ID and Bank Account details:

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/ Depositories, the log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and have not updated the Bank Account mandate for receipt of dividend, the following instructions are to be followed:



a. In case of Shares held in Physical Mode:

The Shareholder may send a request quoting its Folio No. to RTA by email at rnt.helpdesk@linkintime.co.in

b. In the case of Shares held in Demat mode:

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

18. The Board of Directors have appointed Mr. Himanshu Kamdar (FSC NO. 5171) Partner, M/s Rathi & Associates, Practicing Company Secretaries, to act as the Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and be available for the said purpose.

19. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the meeting shall be announced by the Chairman or any other person authorized by him. The results declared along with the Scrutinizer's Report, will be posted on the website of the Company www.privi.com and on the website of RTA and will be displayed on the Notice Board of the Company at its Registered Office immediately after the declaration of the results by the Chairman or any other person authorized by him and simultaneously communicated to both the Stock Exchanges.

20. Voting through electronic means

- The business as set out in the Notice may be transacted through electronic voting system. In compliance with the provisions of Section 108 of the Act read with the Companies [Management and Administration] Rules, 2014, Secretarial Standards-2 issued by the Institute of Companies Secretaries of India on General Meetings and in compliance with Regulation 44 of the Listing Regulations, the Company is pleased to offer the facility of voting through electronic means, as an alternate,

to all its Members to enable them to cast their votes electronically. The Company has made necessary arrangements with Link Intime India Private Limited (RTA) to facilitate the members to cast their votes from a place other than the venue of the AGM [remote e-voting].

- A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or voting at the AGM. Persons who are not Members as on the cut-off date should treat this Notice for information purpose only.
- The Notice will be displayed on the website of the Company www.privi.com and on the website of RTA <https://instavote.linkintime.co.in/>
- The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM but shall not be entitled to cast their vote again.
- The Members whose names appear in the Register of Members / List of Beneficial Owners prior to commencement of book closure date are entitled to vote on Resolutions set forth in the Notice. Eligible members who have acquired shares after the dispatch of the Annual Report and holding shares as on the cut-off date may approach RTA for issuance of the USER ID and Password for exercising their right to vote by electronic means.
- The remote e-voting period will commence at 9:00 a.m. (IST) on Monday, August 07, 2023, and will end at 5:00 p.m. (IST) on Wednesday, August 09, 2023. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, August 03, 2023 may cast their vote by remote e-voting. The e-voting module shall be disabled by RTA for voting thereafter.

INSTRUCTIONS FOR MEMBERS ATTENDING THE ANNUAL GENERAL MEETING THROUGH VC/OAVM:

Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & Click on "Login".

➤ Select the "Company" and 'Event Date' and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP) / Company shall use the sequence number provided to you, if applicable).

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

➤ Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request with the company.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/ Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet 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 facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

InstaMeet Support Desk
Link Intime India Private Limited



REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

1. Individual Shareholders holding securities in demat mode with NSDL

- Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsd.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
- If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>
- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.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 i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL

- Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users

to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.

- 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 the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are 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.
 - If the user is not registered for Easi/Easiest, the 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.
 - Alternatively, the user can directly access the 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, the 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.
3. Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on “**Sign Up**” under ‘**SHARE HOLDER**’ tab and register with your following details: -
 - A. **User ID:** Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
 - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
 - D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

**Shareholders holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above*

**Shareholders holding shares in NSDL form, shall provide ‘D’ above*

 - Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
 - Click “confirm” (Your password is now generated).
3. Click on ‘Login’ under ‘**SHARE HOLDER**’ tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘**Submit**’.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select ‘**View**’ icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option ‘**Favour / Against**’ (If you wish to view the entire Resolution details, click on the ‘**View Resolution**’ file link).

4. After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘**Yes**’, else to change your vote, click on ‘No’ and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘**Custodian / Mutual Fund / Corporate Body**’. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘**Custodian / Mutual Fund / Corporate Body**’ login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
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
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 22 55 33

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on ‘**Login**’ under ‘**SHARE HOLDER**’ tab and further Click ‘**forgot password?**’
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.



In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/ DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password

Registered Office:

'Privi House', Plot No. A- 71 TTC, Thane Belapur Road,
Near KoparKhairne, Navi Mumbai,
Mumbai City-400710, Maharashtra
CIN: L15140MH1985PLC286828

Navi Mumbai

May 29, 2023

option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

InstaVote Support Desk

Link Intime India Private Limited

By Order of the Board

For **PRIVI SPECIALITY CHEMICALS LIMITED**

Ashwini Saumil Shah

Company Secretary

ACS No.: 58378

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

Item No. 3:

The Board of Directors, on the recommendation of the Audit Committee, have approved the appointment of M/s Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294) as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2024, at a remuneration of Rs. 6,50,000/- (Rupees Six Lakhs Fifty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses.

The Company is required under Section 148 of the Companies Act, 2013 ("the Act") read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, to have the audit of its cost records conducted by a Cost Accountant. Further, 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 Auditor must be ratified by the Members of the Company.

Accordingly, the consent of the Members is sought by way of an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2024.

Your Board recommends the Ordinary Resolution as set out in Item No. 3 for approval of Members.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in resolution Item No. 3 of the Notice.

Item No. 4:

Mr. Bhaktavatsala Doppalapudi Rao (DIN 00356218) has been a Director of the Company since May 11, 2017. He was redesignated as the Executive Director of the Company in accordance with the recommendation of the Nomination and Remuneration Committee on August 12, 2020, the Board of Directors at its meeting held on August 12, 2020, and Shareholders approval in 35th AGM held on November 02, 2020.

The terms of appointment of Mr. Bhaktavatsala Rao Doppalapudi as the Executive Director were for a period of 3 (three) years effective from August 13, 2020, to August 12, 2023. Since his term is expiring it was recommended by Nomination and Remuneration Committee and Board of Directors in their meeting held on May 29, 2023, and the remuneration payable to him was determined as Rs. 2,10,00,000/- (Rupees Two Crores Ten Lakh only) per annum plus perquisites, benefits etc. as follows:

Remuneration

Salary of Rs. 2,10,00,000/- (Rupees Two Crores Ten Lakh only) per annum for FY 2023-24. The Annual increments which will be

effective from April 1, each year will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee and will be merit based and take into account the Company's performance as well subject to the overall ceilings laid down in Section 197 read with 198 and other applicable provisions of the Companies Act, 2013 ('the Act').

Perquisites & benefits

- a) Travelling and out of pocket expenses in accordance with the Rules of the Company.
- b) Provision for telecommunication facilities.
- c) Re-imbursment of medical expenses incurred for himself and his family as per Rules of the Company.
- d) Re-imbursment of entertainment and other expenses actually and properly incurred for the business of the Company as well as other expenses incurred in the performance of duties on behalf of the Company.
- e) The Company shall provide car with driver at the entire cost to the Company for using Company's business and the same will not be considered as perquisites.
- f) Personal accidental and life insurance coverage for Mr. Rao according to Company policy.
- g) Leave as per Company policy.
- h) All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the Executive Director, unless specifically provided otherwise
- i) The terms and conditions of appointment of the Executive Director also includes adherence with the Company's Code of Conduct.

Insurance

The Company will take an appropriate Directors' and Officers' Liability Insurance Policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire period of appointment, subject to the terms of such policy in force from time to time.

Duties and Other Terms:

- a) Mr. Rao agrees to serve the Company in the capacity of Executive Director for the period of 3 (three) years with effect from August 13, 2023, to August 12, 2026 (subject to earlier termination as hereinafter provided) on the terms and conditions herein contained.



- b) The Executive Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by Managing Director and/or the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or joint ventures and/or subsidiaries, including performing duties as assigned by the Managing Director and/or the Board from time to time by serving on the boards of such associated companies and/or joint ventures and/or subsidiaries or any other executive body or any committee of such a company.
- c) The Executive Director shall not exceed the power so delegated by the Managing Director and/or Board pursuant to clause b above.
- d) Mr. Rao shall faithfully adhere to, execute and fulfill all policies and guidelines established by the Board of Directors of the Company.
- e) The terms and conditions may be altered and varied from time to time by the Board as it may in its discretion deem fit, irrespective of the limits stipulated under Schedule V of the Act or any amendments made hereafter in this regard, in such manner as may be agreed to between the Board and the Managing Director, subject to such approvals as may be required.
- f) Mr. Rao undertakes to employ the best of his skills and abilities to make his utmost endeavors to promote the interests and welfare of the Company and to confirm and comply with the directions and regulations of the Company. He shall not, while an employee thereof or thereafter, directly or indirectly, divulge any information concerning the affairs, or any information of whatever nature which he shall have acquired during his employment, to anyone or to use it for any purpose except performance of his duties.
- g) Mr. Rao shall be liable to retire by rotation.

Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay to the Executive Director remuneration by way of Salary, Benefits, Perquisites and Allowances as specified above.

Mr. Bhaktavatsala Rao Doppalapudi has been on the Board of Privi since its inception. Mr. Rao oversees Operations, Research & Development, Personnel, and raw material sourcing. He has worked diligently in converting the vision of the Company

to reality and has handled various projects right from their conception to completion. He has been instrumental in putting up the manufacturing facilities in a swift and cost-effective manner and chartering the growth of the Company. His vast experience, in depth knowledge of chemicals and engineering has helped PRIVI to attain the current position. He takes keen interest in R & D activities of the Company, especially in developing green technologies. He is involved in the operations of the company and institutionalizing various processes in the management of the company.

He has contributed significantly in PRIVI's growth and in creation of formidable organization structure of PRIVI. Mr. Rao is a postgraduate in Engineering with over 36 years' experience.

Having regard to the qualifications, experience and knowledge, the Directors are of the view that the appointment of Mr. Bhaktavatsala Rao Doppalapudi as Executive Director will be beneficial to the functioning and future growth opportunities of the Company and the remuneration payable to him is commensurate with his abilities and experience.

Schedule-V to the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time Director or Manager unless it is approved by the members by passing a Special Resolution. As Mr. Rao has already attained the age of 70 years, his reappointment requires the approval of the shareholders at the Annual General Meeting by way of Special Resolution.

Accordingly, the Board commends the Resolution set out at Item No. 4 of the Notice in relation to the appointment of Mr. Rao as the Executive Director and the remuneration payable to him for a period of 3 years from August 13, 2020, to August 12, 2023, for the approval of the Members.

The above may be treated as a written memorandum setting out the terms of the appointment of Mr. Rao under Section 190 of the Act.

Except for Mr. Rao, none of the Directors or the Key Managerial Personnel (KMP) of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out in Item No. 4 of the Notice. Mr. Rao is not related to any other Director or KMP of the Company.

Item No. 5 & 6:

Mr. Dwarko Topandas Khilnani (DIN: 01824655) and Mr. Anurag Surana (DIN: 00006665) were appointed as Directors - Independent Category to fill the casual vacancy pursuant to the provisions of Section 161(4) of the Companies Act, 2013. They hold office as Independent Directors of the Company up to March 31, 2024 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act). The Nomination and

Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended reappointment of Mr. Dwarko Topandas Khilnani (DIN: 01824655) and Mr. Anurag Surana (DIN: 00006665) as an Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company. The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr. Dwarko Topandas Khilnani (DIN: 01824655) and Mr. Anurag Surana (DIN: 00006665) would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors.

Accordingly, it is proposed to re-appoint Mr. Dwarko Topandas Khilnani (DIN: 01824655) and Mr. Anurag Surana (DIN: 00006665) as an Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years w.e.f. April 01, 2024, on the Board of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an Independent Director of a Company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an Independent Director may hold office for up to two consecutive terms. Mr. Dwarko Topandas Khilnani (DIN: 01824655) and Mr. Anurag Surana (DIN: 00006665) are not disqualified from

being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has received notices in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Dwarko Topandas Khilnani (DIN: 01824655) and Mr. Anurag Surana (DIN: 00006665) for the office of Independent Directors of the Company. The Company has also received declarations from Mr. Dwarko Topandas Khilnani (DIN: 01824655) and Mr. Anurag Surana (DIN: 00006665) that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations. In the opinion of the Board, Mr. Dwarko Topandas Khilnani (DIN: 01824655) and Mr. Anurag Surana (DIN: 00006665) fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations. Mr. Dwarko Topandas Khilnani (DIN: 01824655) and Mr. Anurag Surana (DIN: 00006665) are independent of the management. Details of Directors whose reappointment as Independent Directors is proposed at Item Nos. 5 and 6 are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. Dwarko Topandas Khilnani (DIN: 01824655) and Mr. Anurag Surana (DIN: 00006665) are interested in the resolutions set out respectively in Item Nos. 5 and 6 of the Notice with regard to their respective re-appointments. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Special Resolutions set out in Item Nos. 5 and 6 of the Notice for approval by the members.

Registered Office:

'Privi House', Plot No. A- 71 TTC, Thane Belapur Road,
Near KoparKhairne, Navi Mumbai,
Mumbai City-400710, Maharashtra
CIN: L15140MH1985PLC286828

Navi Mumbai
May 29, 2023

By Order of the Board

For **PRIVI SPECIALITY CHEMICALS LIMITED**

Ashwini Saumil Shah

Company Secretary

ACS No.: 58378



DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE AGM PURSUANT TO REGULATIONS 26(4) AND 36(3) OF LISTING REGULATIONS AND SECRETARIAL STANDARD – 2 ON GENERAL MEETINGS

Name of Director	Mr. Bhaktavatsala Doppalapudi Rao (DIN: 00356218)	Mr. Dwarko Topandas Khilnani (DIN: 01824655)	Mr. Anurag Surana (DIN:00006665)
Date of Birth	10.05.1946	11.11.1943	22.01.1965
Age	77 years	80 years	58 years
Date of Appointment on the Board	11.05.2017	13.08.2020	13.08.2020
Expertise In specific functional areas, Qualification and Experience	<p>Mr. Bhaktavatsala Rao Doppalapudi has been associated with Privi group since 1982.</p> <p>Mr. Rao overseas Operations, Research & Development, Personnel and raw material sourcing. Mr. Rao has worked diligently in converting the vision of the Company to reality and has handled various projects right from their conception to completion. He has been instrumental in putting up the manufacturing facilities in a swift and cost-effective manner and chartering the growth of the Company. His vast experience, in depth knowledge of chemicals and engineering has helped PRIVI to attain the current position. He takes keen interest in R & D activities of the Company, especially in developing green technologies. He is involved in the operations of the company and institutionalizing various processes in the management of the company.</p> <p>Mr. Rao is the Managing Director of Privi Biotechnologies Pvt. Ltd., the wholly owned Subsidiary of the Company.</p> <p>Mr. Rao is a post-graduate in Engineering with over 36 years' experience.</p>	<p>He is an expert on Foreign Exchange Management Act (FEMA) having worked with RBI for 33 years. He has conducted various workshops on 'NRI Investments' and 'FEMA' all over the country including for Officers of the Enforcement Directorate at CBI Academy, Ghaziabad, IPS Training College at Karnal, Haryana and Jawaharlal Nehru University, New Delhi. He is a visiting faculty member of NISM, Bombay Stock Exchange Training Institute, Institute of Company Secretaries and many other training institutes. He is a forex advisor to Exactus.Com Ltd., a leading legal portal having offices in New York and metro cities of India. He is a prominent author of 'Foreign Exchange Management Manual', FEMA Ready Reckoner, both in their 26th Edition and various other books on Foreign Exchange and NRI Investments.</p>	<p>Mr. Anurag Surana has over 2 decades of experience in Chemical Industry and brings immense value to the Board by providing inputs on manufacturing operations and management controls. Mr. Surana was associated with PI Industries as a Whole-time Director till September 2012. Presently, he is the Managing Director of KAGASHIN Global Network Private Limited. He is Commerce Graduate (Hons.) from University of Delhi.</p>
Terms and conditions of Appointment/Re-appointment	He is eligible for re-appointment.	He is not eligible for re-appointment.	He is not eligible for re-appointment.
Details of Remuneration last drawn	50,00,000 (Rupees Fifty Lakhs Only)	NA	NA
Relationship between Directors and KMP	No relationship as defined under The Companies Act, 2013 and/or Rules made thereunder	No relationship as defined under The Companies Act, 2013 and/or Rules made thereunder	No relationship as defined under the Companies Act, 2013 and/or Rules made thereunder

Name of Director	Mr. Bhaktavatsala Doppalapudi Rao (DIN: 00356218)	Mr. Dwarko Topandas Khilnani (DIN: 01824655)	Mr. Anurag Surana (DIN:00006665)
Directorship held in other Public Listed Companies as on March 31, 2023.	Privi Speciality Chemicals Limited	Privi Speciality Chemicals Limited	1. Privi Speciality Chemicals Limited 2. Neogen Chemicals Limited 3. Yasho Industries Limited
Membership / Chairmanship of Committees in other Public Listed Companies as on March 31, 2022	Privi Speciality Chemicals Limited a. Risk Management Committee – Member b. Corporate Social Responsibility Committee – Member	Privi Speciality Chemicals Limited a. Audit Committee – Member b. Nomination & Remuneration Committee – Chairman c. Stakeholders Relationship Committee – Chairman d. Risk Management Committee – Chairman	Privi Speciality Chemicals Limited a. Risk Management Committee – Member b. Corporate Social Responsibility Committee – Member c. Nomination & Remuneration Committee – Member
		Neogen Chemicals Limited a. Risk Management Committee – Member b. Corporate Social Responsibility Committee – Member c. Nomination & Remuneration Committee – Member	Neogen Chemicals Limited a. Risk Management Committee – Member b. Corporate Social Responsibility Committee – Member c. Nomination & Remuneration Committee – Member
			Yasho Industries Limited d. Risk Management Committee – Member e. Corporate Social Responsibility Committee – Member f. Nomination & Remuneration Committee – Member
No. of Board Meetings attended during Financial Year 2022-2023	4 (Four)	4 (Four)	3 (Three)
Relationship with other Directors and KMPS	None	None	None
Details of shares held in the Company	15,48,202 Equity Shares (as on 31.03.2023)	Nil	9,500 Equity Shares (as on 31.03.2023)