Date: 26 August 2023 Ref. No.: TCPCL/SEC/2023-24/00053

To,

The General Manager,	**The Manager,**
Corporate relationship department,	**Listing department,**
BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers,	Exchange Plaza, C-1, Block-G,
Dalal Street, Fort,	Bandra-Kurla, Complex Bandra(E),
Mumbai-400 001	Mumbai-400 051
Scrip Code: 543321	**Scrip Symbol: TATVA**

Subject: Submission of the Annual Report of the Company for the Financial Year 2022-23 under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Dear Sir/Madam,

Pursuant to Regulation 34(1) of the SEBI Listing Regulations, please find enclosed herewith the Annual Report of the Company along with the Notice of the 27th Annual General Meeting ("AGM") and other Statutory Reports for the Financial Year 2022-23. The same is also being sent through electronic mode to those members whose email addresses are registered with the Company/Registrar and Share Transfer Agent/Depository Participants.

Further, the 27th AGM of the Company will be held on **Friday, 22 September 2023 at 04:00 p.m. (IST)** through **Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").**

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

Kindly take the above information on record.

Thanking you,

Yours faithfully,
For Tatva Chintan Pharma Chem Limited

ISHWAR RAMANBHAI NAYI
Digitally signed by ISHWAR RAMANBHAI NAYI
Date: 2023.08.26 14:56:02 +05'30'

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Encl.: As Above

UNLOCKING TRUE POTENTIAL.
READY FOR QUANTUM LEAP.

ANNUAL REPORT
2022-23

Tatva Chintan in numbers

26 years
Experience

189
Products

470+
Customers served in FY 23

608
Employees

A-/Stable
Long-term credit rating by CRISIL

A2+
Short-term credit rating by CRISIL

To view this report online or download, please log on to www.tatvachintan.com

08
Message from the Chairman and Managing Director

12
A Focused Approach to Unlocking Potential

Forward-Looking Statements

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.

Index

UNLOCKING TRUE POTENTIAL. READY FOR QUANTUM LEAP.

Backed by rich experience and driven by our strive to service our customers with superior quality products, we at Tatva Chintan have built a solid foundation of trust and reliability over the years.

In a year marked by various challenges arising from inflation, rising interest rates, geo-political conflicts (e.g. Russia-Ukraine war), and supply chain disruptions, we have focused on strengthening ourselves with the objective of pushing the boundaries of what is possible.

Drawing upon proactive investments in scaling up our capacities and constantly diversifying our product portfolio coupled with our research and development finesse, we are set to unlock our true potential. By harnessing the power of 'green chemistry', we are not only servicing our customers with superior products but also responsible ones. By fostering a culture of innovation and people-centricity, we have been gradually strengthening our team and inherent strengths, and paving a path for robust growth in the foreseeable future.

The quantum leap awaits – a leap that will transcend geographic boundaries by strengthening our export presence, revolutionize downstream sectors on the back of a diverse and sustainable product mix, and redefine what's possible. Moving forward, we are set to unlock our true potential and shape a future that knows no limits.

COMPANY OVERVIEW

Leading integrated specialty chemical manufacturing

Headquartered in Vadodara, Gujarat, and with a legacy dating back to 1996, we are one of the frontrunners in the integrated specialty chemicals manufacturing sector with a diversified and vast product suite.

Delving deep into Tatva Chintan

Ethos

Vision

To be a competitive leader in the specialty chemical sector globally by constantly innovating, developing and upgrading our products, while remaining true to our core values.

Mission

To provide highest quality products and services through innovative intelligence with a continued commitment to meet the market needs & standards, while promoting best business practices and sustainable processes that respects our shareholders, our employees, our customers, our suppliers, our environment and adhere to all regulations.

Values

1. Integrity
2. Teamwork
3. Customer oriented and reliable
4. Quality focus
5. Innovation
6. Safety
7. Sustainability

Clientele

Leveraging our customer-centric approach, superior product quality, cost leadership and timely delivery, we have been maintaining longstanding and enduring bonds with our customers. As a result, we have been associated with majority of our customers for the past 5 years.

Experience

We have a rich experience of 26 years since our incorporation in 1996. Back in 1996, the Company was incorporated by first generation entrepreneur engineers. Over the years, we have carved our niche in the integrated specialty chemical manufacturing sector. Further, we have also emerged as the pioneers in processes such as conventional synthesis, electrolysis and developing continuous flow chemistry which is a green chemistry and generates higher efficiencies.

Manufacturing and innovation

At Tatva Chintan, we are well-equipped with 2 state-of-the-art manufacturing facilities located at Dahej and Ankleshwar in Gujarat with an existing combined installed capacity of 294 KL across 27 assembly lines. We also have a world-class research and development center at Vadodara in Gujarat, which is recognized by Department of Scientific and Industrial Research (DSIR). We have a proven track record in process chemistry, innovation capabilities, coupled with our strive to ensure sustainable operations, which helps us serve the ever-changing needs of customers.

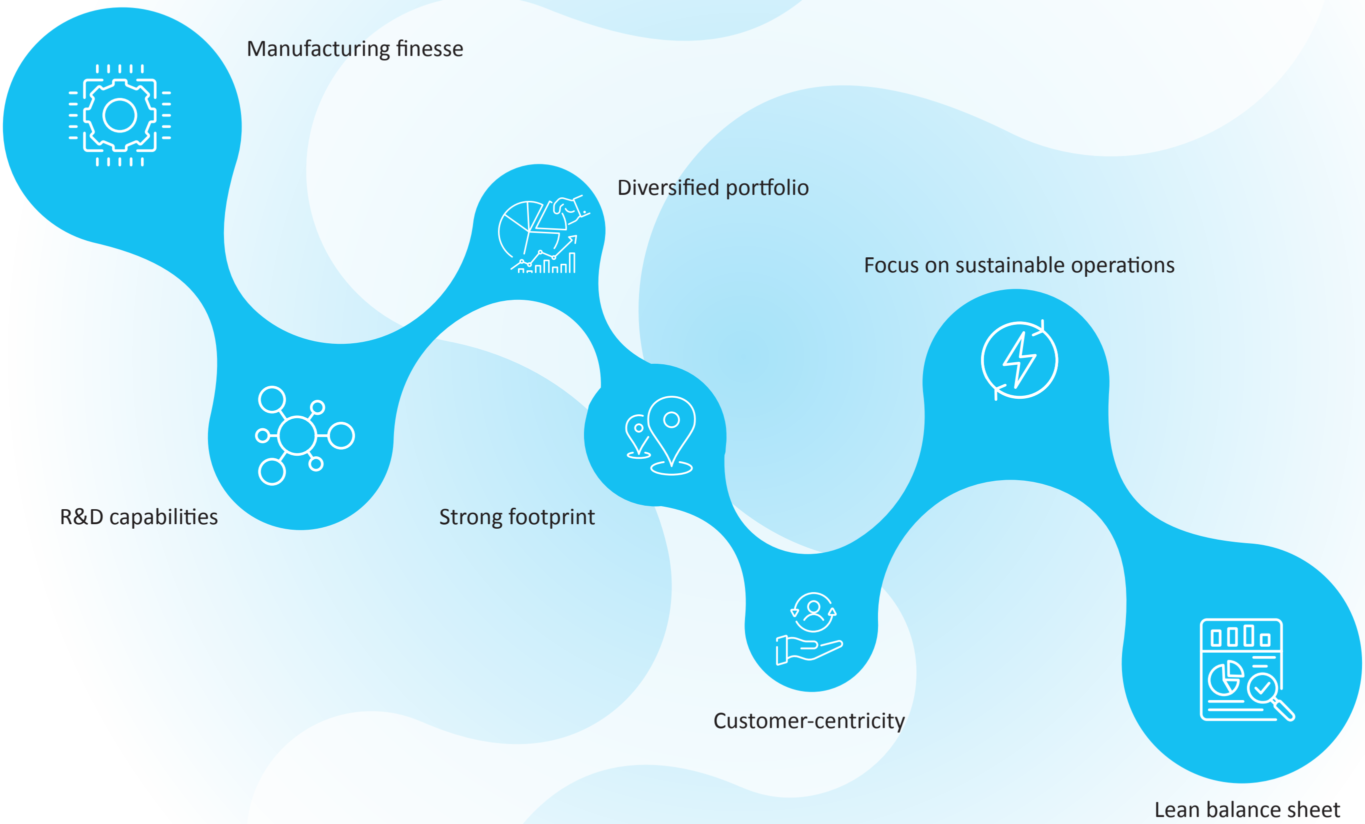
Awards and accreditations

Our focus on servicing our customers with superior quality products is validated by our ISO 9001:2015 certification, and our focus on environment centricity and sustainability is validated by the ISO 14001:2015, EcoVadis (for Ankleshwar plant) and Together for Sustainability (TfS) (for Dahej plant) certification. Further, we are also accredited with the ISO 45001:2018 certification, which validates our employee-centricity and our focus on ensuring employee safety.

Listing

We are listed on National Stock Exchange India Limited (NSE) and BSE Limited, with a market capitalization (BSE) of ₹ 3,694.69 crore as on 31 March 2023.

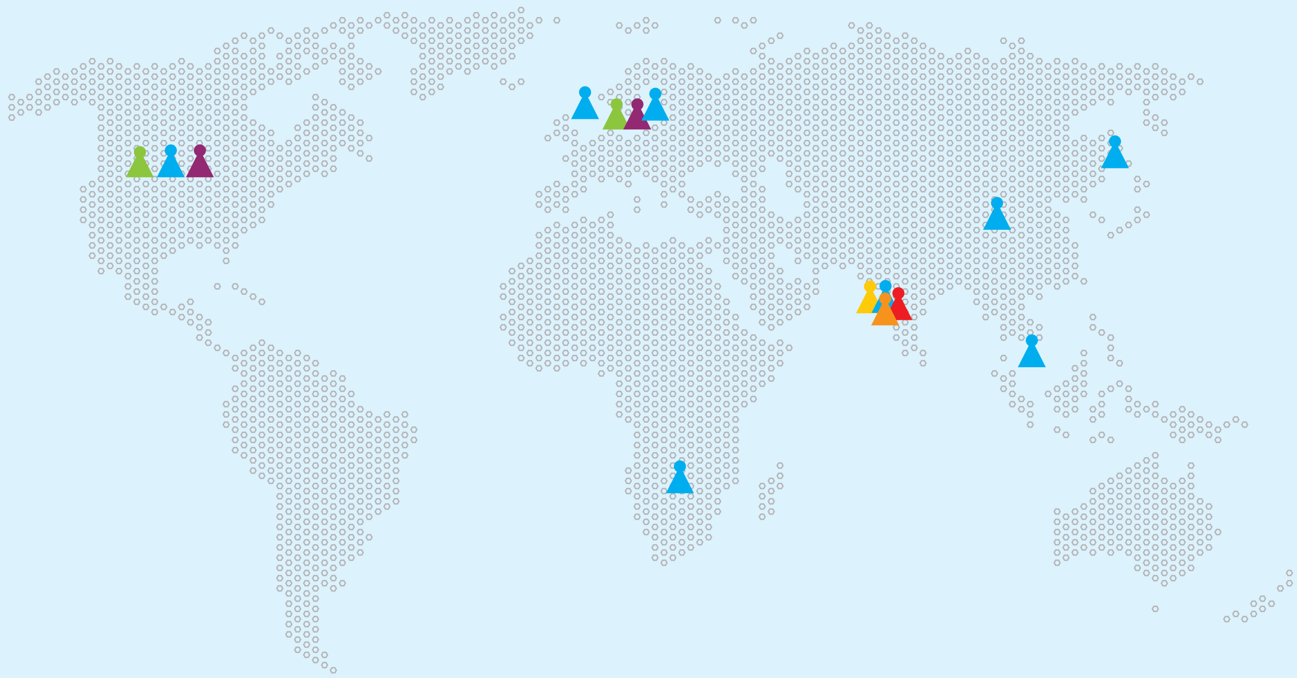
Our key differentiators



COMPANY OVERVIEW

Presence

Riding on the back of the strong brand recall we have carved in the niche space of integrated specialty chemical manufacturing, we have successfully spread our footprint across 25+ countries in the world, including markets such as USA, Singapore, UK, China, Germany, Japan and South Africa. During the fiscal, exports contributed the lion's share of our revenues at ~72%. Further, our overseas subsidiaries in USA and Netherlands provides off-shore support as well. We also have warehousing facilities at Amsterdam, Netherlands and Savanna in the US.



Headquarters
Vadodara

R&D facility (DSIR Approved)
Vadodara

Wholly-Owned Subsidiaries (WOS)
Tatva Chintan USA Inc., United States of America (USA)
Tatva Chintan Europe B.V., The Netherlands

Major markets
India, USA, Singapore, China, Germany, Japan, South Africa & UK

Manufacturing facilities
Dahej - SEZ, Gujarat
Ankleshwar, Gujarat

Warehousing facilities
Amsterdam, The Netherlands
Savanna, USA

Map not to scale. For illustrative purposes only.

PRODUCT PORTFOLIO

Catering to the ever-changing needs of customers

We have a diverse product portfolio spanning Structure Directing Agents (SDA), Phase Transfer Catalysts (PTC), Electrolyte Salts, Pharmaceutical & Agrochemical Intermediates and other Specialty Chemicals (PASC).

Phase Transfer Catalysts (PTC)

Such catalysts function as a detergent for solubilizing the salts into the organic phase, and are used to facilitate the migration of a reactant from one phase into another phase, in a heterogeneous multi-phase system.

Key features

- Enhances reaction speed
- Higher yield
- Reduces energy consumption
- Reduces waste and saves time

Downstream sectors

- Pharmaceutical API's
- Personal Care and Disinfectants
- Agrochemicals
- Chemicals/Specialty Chemicals

34%
Revenue share

Structure Directing Agents (SDA)

A high-purity quaternary salt that helps in the formation of channels/pores during the synthesis of zeolites. High purity and consistent quality SDAs are essential for the synthesis of precision zeolites.

Key features

- Aids in NOx removal

Downstream sectors

- Automotive – Emission Control
- Refinery
- Marine Ships
- DG Sets

30%
Revenue share

Pharmaceuticals and Agrochemicals Intermediates and other Specialty Chemicals (PASC)

PASC are used in the manufacture of various pharmaceutical and agrochemical products as intermediates, disinfectants and catalysts, and solvents.

Key features

- Superior and consistent quality
- Environmentally sustainable solution

Downstream sectors

- Pharmaceuticals API's
- Agro actives
- Pigment Intermediates
- Personal care products

32%
Revenue share

Electrolyte Salts (ES)

Such salts are required in super capacitor batteries, which are used in automobile, electronics and energy storage devices.

Key features

- Fast charging ability
- Superior low temperature performance
- Long service and cycle life
- High reliability

Downstream sectors

- Automotive
- Transportation
- Renewable energy storage
- Consumer electronics

4%
Revenue share

CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE

Powering tomorrow's progress

I am pleased to present our 27th Annual Report for 2022-23. I would like to take this opportunity to inform all our stakeholders that we have sustained our topline against the backdrop of various challenges associated with the chemical industry during the fiscal.

While switching to alternate materials, we prioritized ensuring the quality standards which the Company is synonymous with, is upheld, thereby, benchmarking our PTC and SDA to international standards.

Operating environment

Owing to the geopolitical tension arising from the Russia and Ukraine conflict, the global economy was suffering from trade and supply chain disruption, thereby, impacting global inflation as well. As a result, the inflation in India also rose to 6.7% during 2022-23 compared to 5.5% in 2021-22. As a result, the Indian economy was estimated to have grown at 7.2% in 2022-23 compared to 9.1% in 2021-22. The global chemical industry was estimated to have grown from US$ 4,241.18 billion in 2021 to US$ 4,654.14 billion in 2022. However, owing to the supply chain disruption and inflationary pressures around the globe, the demand for chemicals had slowed down across the world. Global economy continues to be marred by persistent inflation, tight financial conditions, rising interest rates, prolonged geopolitical hostilities, and turmoil in global banking system, among others.

Operating in the specialty chemical sector, especially for segments such as the Structure Directing Agents (SDA), we were faced with challenges arising from supply chain disruption, chip shortage and global recession. At Tatva Chintan, we also saw the recession impacting the prices of our finished products and thereby impacting our margins.

Performance update (Consolidated)

Against this operating environment, we sustained our revenues with a minor decline of 2.3% y-o-y. Our revenue from operations stood at ₹ 423.6 crore in 2022-23 compared to ₹ 433.6 crore in 2021-22. Other income during the fiscal declined from ₹ 9 crore in 2021-22 to ₹ 5.7 crore in 2022-23. During the fiscal, our EBITDA excluding other income stood at ₹ 60.6 crore compared to ₹ 108.2 crore in 2021-22, registering a y-o-y decline of 44%. On the other hand, our EBITDA margin stood at 14.3% in 2022-23 compared to 24.96% in 2021-22, clocking a decline of 1,066 bps. Our PAT and PAT margin also saw a decline from ₹ 95.87 crore and 22.11% respectively in 2021-22 to ₹ 45.5 crore and 10.74% respectively in 2022-23.

The decline in margins was largely on account of headwinds from supply chain disruption, chip shortages, rising inflation, rising interest rates, fluctuations in foreign currency transactions, geopolitical conflicts (Russia-Ukraine war), increase in employee costs and cost of goods sold due to rise in material cost such as solvents. In order to counter the inflationary pressures, we focused on cost optimization and improved cost control. Additionally, the INR depreciation in the global forex market has also impacted profitability during the fiscal. Exports during the fiscal stood at ₹ 304.4 crore in 2022-23 compared to ₹ 340.5 crore 2021-22, registering a decline of 10.64%.

Unlocking potential

Faced with an array of challenges during the fiscal, our constant endeavor was on strengthening ourselves to position the Company at an advantage once the challenges surpass. In doing so, we focused on 3 long-term strategic priorities with the objective of emerging stronger from the challenges. The strategic priorities are as follows:

- Scaling capacities and expanding portfolio
- Focus on research and development
- Continued focus on ESG

Construction work has been completed in our Dahej plant, following which, commercial production has been commenced from 05 April 2023. The capex has not only helped us scale our capacities and build new assembly lines, but also expand and diversify our product portfolio. On the back of the constant capex investments, we have successfully strengthened our business mix over the past few years, and will continue to do so in future also.

During the fiscal, we made proactive investments towards strengthening our R&D capabilities by expansion of existing R&D facility, equipping R&D center with state-of-the-art facility and strengthening our R&D team.

The fiscal also saw us taking progressive steps towards ensuring the creation of products which help us curb pollution on one hand, and also ensure reduced carbon footprint through responsible manufacturing and green chemistry on the other. We also strive to provide our employees a safe and conducive working environment and ensure good governance across the organization.

> “The fiscal saw us consolidating our strengths, thereby, helping us lay the building blocks of a stronger and future-ready organization – the Tatva Chintan of tomorrow.

Ready for quantum leap

The fiscal saw us consolidating our strengths, thereby, helping us lay the building blocks of a stronger and future-ready organization – ‘**The Tatva Chintan of Tomorrow**’. Growing from strength to strength during the year, we are poised for a quantum leap in the foreseeable future. Going forward, we would have a stronger business mix powered by strong R&D capabilities, which is expected to drive both topline and bottomline.

Acknowledgment

In conclusion, I would like to extend my gratitude towards the Board of Directors for their constant guidance and support, which had helped us navigate our path through all headwinds. I would also like to thank our customers / suppliers for their unstinted faith, and the employees for their untiring efforts and support.

Warm regards,

Chintan Nitinkumar Shah
Chairman and Managing Director

KEY PERFORMANCE INDICATORS

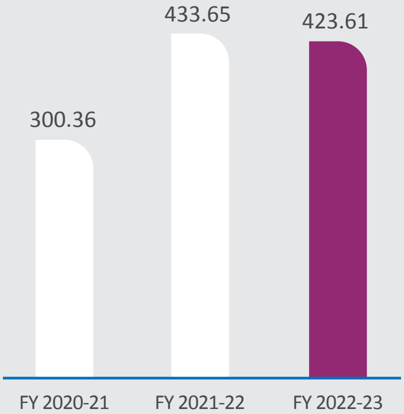
Mapping our path of progress

Over the past few years, we have been taking confident strides towards unlocking our true potential and paving our path to a progressive future in the year to come.

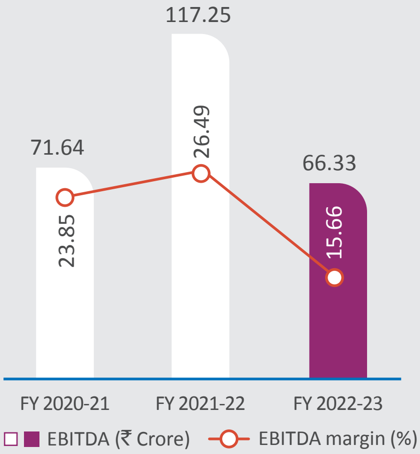
Profit and loss indicators

Revenue from Operations

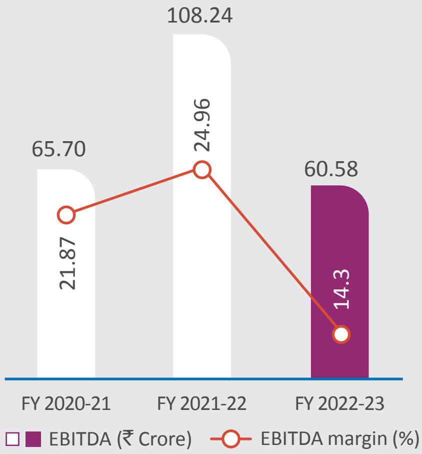
(₹ in Crore)



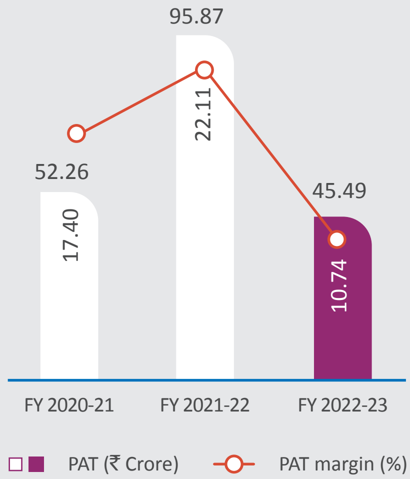
EBITDA and EBITDA Margin (Including Other Income)



EBITDA and EBITDA Margin (Excluding Other Income)

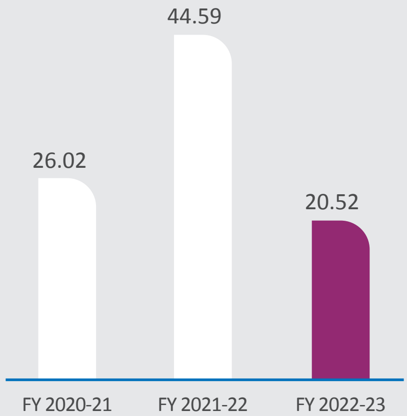


PAT and PAT Margin



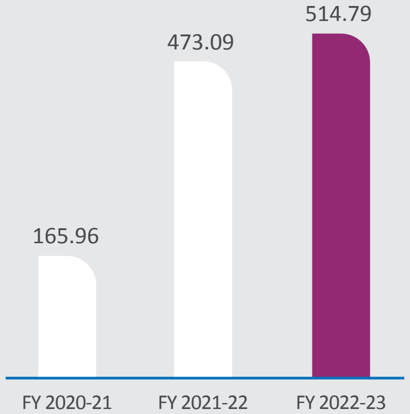
EPS

(₹)

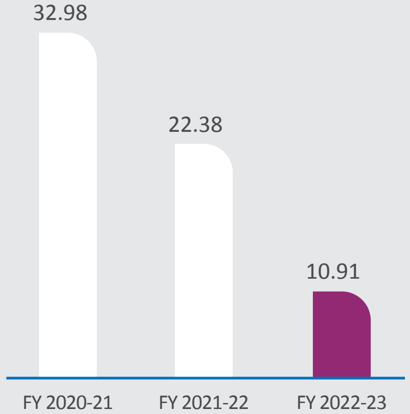


Balance sheet indicators

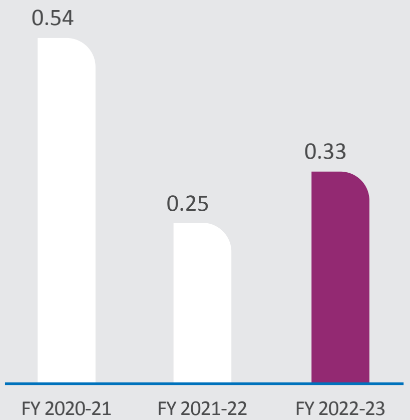
Net worth
(₹ in Crore)



Return on capital employed
(%)



Debt equity ratio
(X)



STRATEGIES

A focused approach to unlocking potential

At Tatva Chintan, our constant strive is to unleash our potential, and ensure a strong growth trajectory in the years to come, supported by our strategic priorities and inherent strengths.

Strategies:

S1 - Scaling capacities and expanding portfolio **S2** - Focus on Technology & R&D **S3** - Incremental focus on ESG

	Focus area	Achievements during 2022-23	Targets
S1	The key focus of this strategic priority is to keep scaling to enjoy economies of scale, and to ensure constant focus on diversification of the product portfolio.	Completion of construction and erection work in 2022-23 enabling us to start commercial production on 05 April 2023, resulting in increase in capacity by 70% in Reactor and 44% in Assembly on a y-o-y basis	Optimum utilization of expanded capacity within 2 to 3 years
S2	The key focus under this strategic priority is to ensure that we stay ahead of the curve on the back of periodic investment in technology and keep strengthening our R&D capabilities.	6x Capital expenditure during 2022-23 compared to 2021-22	Multiple products in pipeline for Commercialization
S3	The key focus under this strategic priority is to pave a sustainable growth path for Society at Large.	₹12.89 Million CSR spend in 2022-23	To ensure focus on carbon footprint, water management, human capital, packaging and waste, occupational health and safety, innovation and technology, compliance management and communities.

S1

Scaling capacities and expanding portfolio

At Tatva Chintan, we have been proactively scaling our capacities over the years to ensure a widespread and robust product portfolio which caters to the ever-changing needs of our downstream customers.

Capex update

The year saw the completion of the expansion of our Dahej Plant with major capital outlay, and the commercial production commencement from April 2023. Post the commercialization of our Dahej plant, the total production capacity for Tatva Chintan stood at 500 KL for Reactors and 39 Assembly Lines. The capex/ investments would not only help us scale our existing product lines but also diversify our business and help us tap into new product lines with strong future prospects.

Impact of capex

The total investment was made through internal accruals and proceeds from the IPO. The capex has added 220 KL in reactor capacities and 22 assembly lines in our Dahej unit, which has the potential to double our revenues in the next 2 to 3 years.

Optimum

Capacity utilization expected in the next 2 to 3 years with commensurate revenue

Focus on Research & Development

S2

Operating in the chemical sector, we are cognisant of the pivotal role played by research and development in keeping us ahead of the curve at all times, and helping us fortify our position as one of the frontrunners in the integrated specialty chemical manufacturing sector across the world.

₹195.52 Million

R&D spent (capex) in 2022-23

15

New products introduced in 2022-23

Research and development center

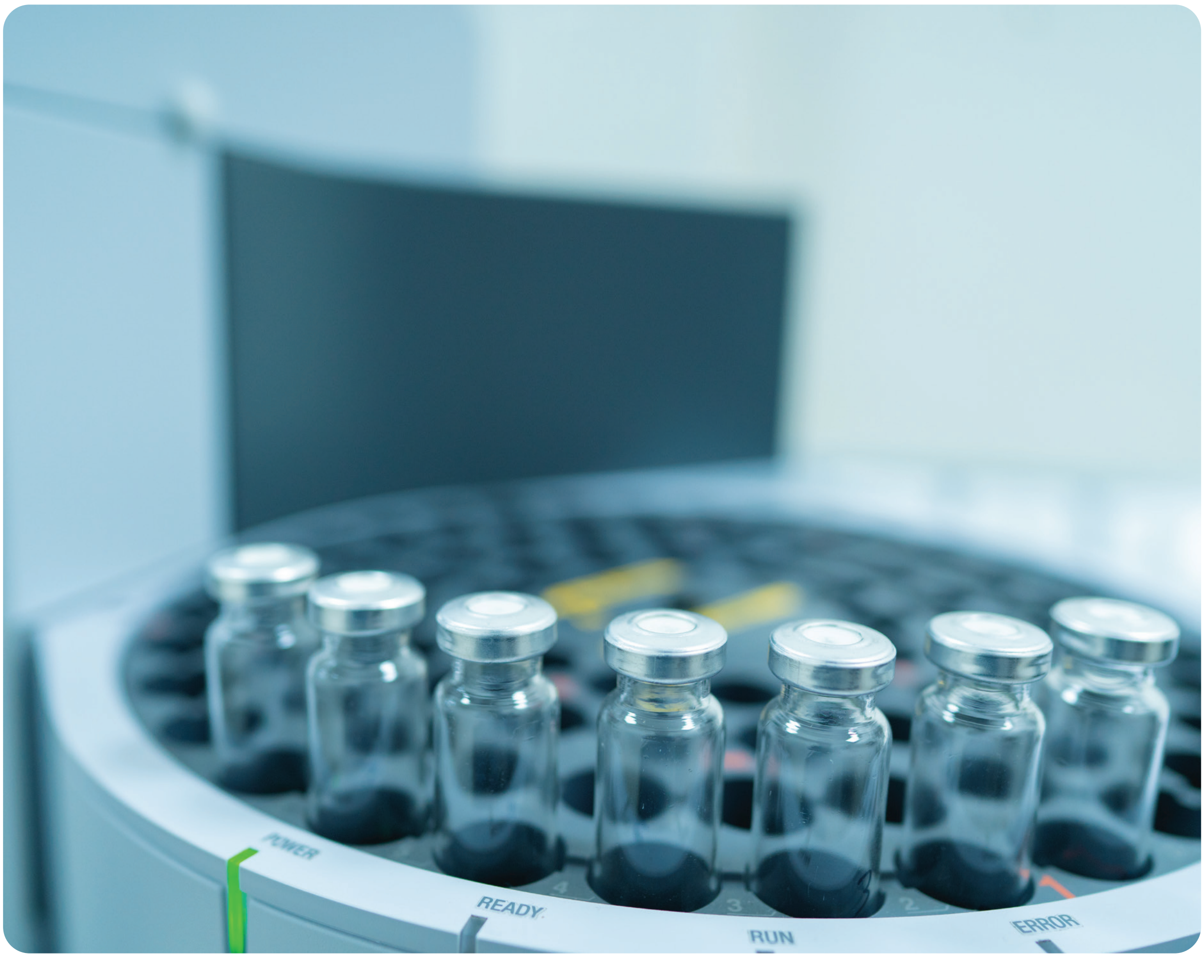
We have a dedicated state-of-the-art R&D facility located at Vadodara, which is recognized by the Department of Scientific and Industrial Research (DSIR), Government of India. Our newly-built R&D facility is spread across an area of ~36,000 sq. ft. Our R&D center is well equipped with glass assemblies, continuous flow reactors, and high-pressure autoclaves set up with the ability to run reactions at temperatures ranging from 10°C to more than 300°C and up to pressure conditions measuring up to 100 bar. Our R&D center is run by a strong and capable R&D team of 40 employees, including 23 senior highly-qualified scientists.

During the year under review, we have further strengthened our R&D prowess by making proactive investments of a whopping ~₹ 19.55 crore majorly through IPO proceeds. The investment towards R&D was largely on account of improvement and expansion of facilities required for performing research, production and analysis. The fiscal also saw a new and fully-equipped research center being set up to conduct large no. of experiments, helping us develop new products and processes.

The fiscal saw the addition of various new advanced analytical instruments, research instrument tools, new R&D center and production equipment to the R&D facilities, ensuring optimal process efficiencies and improved cost efficiencies.

Confident strides towards green chemistry

Our proactive investments directed towards strengthening our research and development facilities, team and abilities has also been acting as the building blocks for Tatva Chintan to strengthen its hold in green chemistry. We have been making confident strides towards green chemistry, and are positioned to gradually increase our focus on sustainability and responsible manufacturing.

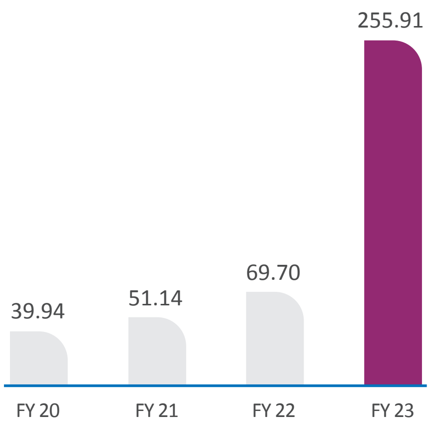


Outlook

We have been consistently strengthening our R&D finesse, which has not only helped us improve our operational efficiencies, but also create the building blocks of a robust product pipeline. We have a strong product pipeline in the research phase, which is sufficient to fully occupy our expanded capacity. In order to further strengthen our R&D capabilities, an amount of ₹ 24 crores has been spent/to be spent for the Vadodara R&D facility.

R&D Total Expenditure (Capex and Revenue)

(₹ in Million)



Incremental focus on ESG

S3

Operating in the chemical sector, we are cognisant of the pivotal role played by research and development in keeping us ahead of the curve at all times, and helping us fortify our position as one of the frontrunners in the integrated specialty chemical manufacturing sector across the world.

Scorecard - Validating our focus

Audit
by Together for Sustainability (TfS)

15%
Energy consumed from waste heat source

41%
Water recycled

Environment

Our focus under this head is 'Nurturing Nature for a Sustainable Tomorrow'.

At Tatva Chintan, we are cognisant of the nature of chemicals we deal with, and strive to achieve an ecological harmony with them. Our commitment lies in upholding the highest standards of ecological conservation in the regions where we operate in. Through proactive measures and strategic action plans, we diligently identify and address potential risks, ensuring the well-being of the environment and minimizing any adverse impacts caused by our operations.

73.05%
Quantity of hazardous waste recycled or reused

5.74%
Reduction in scope 1 emission during 2022-23

21.76%
Reduction in scope 2 emission during 2022-23

Key highlights for 2022-23

- Some of the products we manufacture such as SDAs are used to create high-precision zeolites which help in reducing emissions, and aid in NOx removal.
- In today's world, people have been increasingly aware of the adverse impact of certain chemicals on the environment. Against the backdrop of this, there has been a growing trend in the chemicals industry to shift towards 'green chemistry' or more accurately sustainable chemistry. We have been making proactive investment in research and development to ensure the creation of such products, and have been building a strong pipeline of such chemicals.
- Our environmental goals are focused on optimizing energy, making responsible use of our natural resources, and reducing waste to create sustainable progress. We will also maximize the usage of renewable energy while reducing the use of fossil fuels by working closely with our value chain partners to assess and help reduce the environmental impact.

Social - Employees

Numbers validating our focus

608

Total employees

137

29.09%

New hires

2%

Proportion of female in the workforce

Key highlights for 2022-23

We believe that a business is only as successful as its employees. To promote a positive workplace in which employees go above and beyond to achieve organizational goals, the Board committees influence the culture of the organization through ethical Code of Conduct, robust employee-centric policies. Monthly reviews on HR subjects of KRA and KPI progress, talent engagement, employee satisfaction and attrition are taking place for engagement and development of the employees. For development of senior employees, two structured customized training programs are launched, namely 'MDP - Management Development Program' & 'SDP - Supervisory Development Program' comprising total of 24 topics in each program, covering important subjects such as decision making, conflict management, stress management, time management, team building, and TQM, among others. We have created 'Shiksha' Drive, our knowledge sharing bank on which, training materials and related articles are uploaded for employees. We also have job rotations, certified internal auditors' program and GMP training to ensure multi-skilling for smooth and cost-effective operations. For new employee, we have six months of structured 'Mentor-Mentee program'. We also conduct safety trainings for our employees on a periodic basis to ensure safe working practices are followed. In order to promote employee engagement across the organization, we arranged celebrations and activities on various occasions such as Deepawali, New Year, International Women's Day. The employees' special achievements are recognized by 'Star Employees of the Month' Scheme. We also actively involve employee in CSR activities to develop their engagement & empowerment. Additionally, Tatva Chintan has a solid track record of employee retention, with 14% of their employees associated with the organization for 5 years or more.

Social - Communities

As a socially-responsible organization, we believe in giving back to society and enabling transformation in the lives of communities proximal to our plants and people in the unorganized sector. All CSR initiatives are strategically designed and monitored to make a tangible difference to the communities and the environment in which we operate. With our social footprints, we are steadily working towards empowering equality.

Focus Areas

Education and Skill Development

We have upgraded infrastructure facilities in several Primary Schools of Bharuch district in Gujarat, to create a better learning environment. We collaborate with the Mahavir Foundation to support two Asha Deep centers, providing free education to underprivileged children. Scholarships are also given to deserving students to

Numbers validating our focus

₹12.89 Million

Total CSR spent

~12.7K

Beneficiaries

overcome financial constraints and continue their education. On-the-job training programs are offered for skill development and improved employability. We also assist intellectually divyangjan children with tailored study materials and uniforms. Our goal is to make a positive impact by investing in education for a brighter future.

Environmental Sustainability and Rural Development

We have installed community solar panels in the villages of Bharuch District in Gujarat. This initiative promotes environmental safety, sustainability, and the use of clean and renewable energy sources. It provides affordable electricity, reduces reliance on fossil fuels, and curbs environmental impact. The project empowers local residents to embrace a greener lifestyle, and encourages sustainable practices. Our installations support the local economy, promote environmental stewardship, and contribute to a sustainable future.

Healthcare

We are committed to making a positive impact on healthcare in the communities we operate in. In doing so, we organize weekly medical camps, provide free check-ups and treatments to those without access to healthcare. Our team of professionals collaborate to deliver comprehensive services. We also prioritize the health of school children through medical check-ups, aiming for early detection and prompt treatment. Additionally, we have gifted healthcare equipment to Kashiba Children Hospital and Smt. Jayaben Mody Multispeciality Hospital, enhancing their capabilities. Our initiatives have benefited ~5,000 individuals, improving their quality of life.

Empowering Women's Health and Hygiene

We are dedicated to empowering women and promoting good health and hygiene among girls and women in several villages in Bharuch district, Gujarat. We organize awareness programs to educate them about menstrual health and dispel myths. We provide access to affordable menstrual products through vending machines and incinerators for proper disposal. So far, 660 women have benefited from our programs. We aim to create a positive and sustainable impact on the lives of women in these communities and contribute to their overall well-being. Our commitment to this cause is unwavering, and we work in collaboration with the local community to achieve lasting change.

Governance

At Tatva Chintan, we adhere to the highest standards of corporate governance and adopt best industry practices centered on ethics, integrity and transparency. Our Company is operating under the guidance of our Board of Directors which comprise members from varied experiences and fields. Our experienced Board plays a pivotal role in creation of superior value for all our stakeholders, by ensuring a de-risked business, consistently diversifying our product portfolio, and ensuring we stay ahead of the curve.

Code of Conduct

Our Code of Conduct serves as a comprehensive internal guidance for all employees of the Company and any other person operating on behalf of or for the Company. With robust governance processes and internal controls, ethical corporate behavior is promoted, complemented by an anti-corruption and anti-bribery strategy. The Code includes a vigil mechanism, whistle-blower policy, and procedures for addressing complaints and enforcing disciplinary action.

Compliance

At Tatva Chintan, we have a strong compliance management approach in place. We have stringent policies and checks, and an integrated compliance tool which ensures good governance and compliance with laws and regulations supported by timely reminders and alerts. Identified users across the locations monitor and report all applicable compliances through this tool on a real-time basis. Besides monthly reviews at functional level, the Board reviews compliance status and effectiveness of the set framework on a quarterly basis. We ensure timely and transparent disclosures in all reports and documents filed or submitted to comply with relevant legal provisions.

Risk Management

Effective risk management helps us manage the impact of events and attain business objectives. We ensure this with our robust risk management framework and a holistic approach of continually identifying, monitoring, evaluating and managing risks. Amidst the rising geopolitical tensions and supply chain issues globally, we are bringing more agility to tackle emerging risks and capitalize emanating opportunities.

Risk Management Framework

We have well-defined framework and procedures for Enterprise Risk Management (ERM), prepared under the supervision of the Whole Time Directors, covering areas like production, operations, purchase, marketing, and key support functions. It includes risk identification, analysis, response, tracking, and management discussion and mitigation.

Our respective functions and project teams maintain risk registries, which are reviewed and monitored by the Risk Management Committee. We ensure effective ERM through a robust governance mechanism covering all senior management personnel who work together with the Whole Time Directors.

Risk Management at Tatva Chintan

- Identification of key risk areas
- Assessment for probability and impact
- Formulation of response
- Identification and participation by functional owners in outlining mitigation plans
- Reporting on adequacy and effectiveness
- Area of Improvement

Board of Directors

Mr. Chintan Nitinkumar Shah

Chairman and Managing Director

A Computer Science engineer from Maharaja Sayajirao University of Baroda. With a cumulative experience of 27 years in business development, R&D, export, marketing, finance and IT, he holds the position of Chairman and Managing Director of the Company since 1996.

Mr. Ajaykumar Mansukhlal Patel

Whole Time Director

A chemical engineer from Maharaja Sayajirao University of Baroda. With a rich experience of 28 years, he spearheads Project Engineering & Development and implementation of new technology in the Company, in addition to holding the position of Whole Time Director on the Board.

Mr. Shekhar Rasiklal Somani

Whole Time Director

A graduate in Pharmacy from Maharaja Sayajirao University of Baroda. With an experience of 27 years, he spearheads Business Development (Domestic), and Quality and Supply Chain Management in the Company, in addition to holding the position of Whole Time Director on the Board.

Dr. Manher Chimanlal Desai

Independent Director

A post-graduate in organic chemistry and the holder of a doctorate in science from the University of Mumbai. Leveraging his rich experience of 34 years in the specialty chemicals sector and his previous stints at Indian Dyestuff Industries Limited, Metrochem Industries Limited, Alaknanda Organics Limited and Heubach Colour Private Limited, he holds the position of Independent Director on the Board of the Company.

CA Subhash Ambubhai Patel

Independent Director

A Chartered Accountant, a commerce graduate from Maharaja Sayajirao University of Baroda, and a fellow member of the Institute of Chartered Accountants of India. With a cumulative experience of more than 3 decades, he is Managing Partner in M/s. S. A. Patel & Co., Chartered Accountants, in addition to holding the position of Independent Director on the Board of the Company.

Dr. Avani Rajesh Umatt

Independent Director

A holder of master's degree in Applied Chemistry from The Maharaja Sayajirao University of Baroda, and a doctorate in Chemistry from Sardar Patel University. With an experience of 21 years in academics, research and academic administration, she holds the position of Independent Director on the Board of the Company, in addition to her association with TeamLease Skills University as a Professor, Provost (i/c).

Corporate Information

Name
Tatva Chintan Pharma Chem Limited

Corporate Identity Number
L24232GJ1996PLC029894

Registered Office
Plot No. 502 / 17, GIDC Estate, Ankleshwar
Dist. Bharuch, Gujarat - 393 002, India
Telephone: +91 75748 48533/34
Fax: +91 265 263 8533

Corporate Office and R&D Center
Plot No. 353, Makarpura GIDC,
Vadodara, Gujarat - 390 010, India

Website: www.tatvachintan.com

Chairman and Managing Director
Mr. Chintan Nitinkumar Shah

Whole-Time Directors
Mr. Ajaykumar Mansukhlal Patel
Mr. Shekhar Rasiklal Somani

Independent Directors
Dr. Manher Chimanlal Desai
CA Subhash Ambubhai Patel
Dr. Avani Rajesh Umatt

Chief Financial Officer
Mr. Ashok Bothra

Company Secretary and Compliance Officer
Mr. Ishwar Nayi
E-mail: cs@tatvachintan.com

Statutory Auditor
NDJ & Co.
Chartered Accountants
Surat, Gujarat

Bankers
CITI Bank NA
DBS Bank Limited
ICICI Bank Limited
State Bank of India

Registrar & Share Transfer Agent
Link Intime India Private Limited
C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg, Vikhroli (West)
Mumbai, Maharashtra - 400 083, India
E-mail: vadodara@linkintime.co.in
Website: www.linkintime.co.in

Investor Grievance
E-mail: cs@tatvachintan.com / rnt.helpdesk@linkintime.co.in

Statutory Reports and Financial Statements

Notice

NOTICE IS HEREBY GIVEN THAT THE TWENTY SEVENTH (27^{TH}) ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF TATVA CHINTAN PHARMA CHEM LIMITED ("THE COMPANY") WILL BE HELD ON FRIDAY, 22 SEPTEMBER 2023 AT 04:00 P.M. (IST) THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31 March 2023, together with the Reports of the Board of Directors and the Auditors thereon.

2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2023, together with the Report of the Auditors thereon.

3. To declare dividend on equity shares for the financial year ended 31 March 2023.

4. To appoint a Director in place of Mr. Shekhar Rasiklal Somani (DIN: 00183665) who retires by rotation and being eligible, offers himself for re-appointment.

5. Re-appointment of Statutory Auditors of the Company.

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, M/s. NDJ & Co., Chartered Accountants (Firm Registration No.: 136345W), be and are hereby re-appointed as the Statutory Auditors of the Company for a second term of five (5) consecutive years, from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the Thirty Second (32nd) AGM of the Company to be held in the year 2028, to examine and audit the accounts of the Company, at such remuneration plus applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.

   RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

SPECIAL BUSINESS:

6. Ratification of remuneration payable to the Cost Auditors for the Financial Year 2023-24

   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 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company hereby ratifies the remuneration of ₹ 65,000/- (Rupees Sixty Five Thousand Only) plus applicable taxes and out of pocket expenses at actuals, if any, payable to M/s. Zarna Thakar & Associates, Cost Accountants (FRN: 005956) 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 the Cost Records maintained by the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended, for the Financial Year ended on 31 March 2024.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to above resolution."

By Order of the Board of Directors

Ishwar Nayi
Company Secretary and Compliance Officer
Membership No. A37444

Date: 04 August 2023
Place: Vadodara

Registered Office:
Plot No. 502/17 GIDC Estate,
Ankleshwar,
Dist. Bharuch-393002, Gujarat, India
CIN: L24232GJ1996PLC029894
Phone: +91 75748 48533/34
Fax: +91 265 263 8533
Website: www.tatvachintan.com
Email: cs@tatvachintan.com

Notes:

1. The explanatory statement as required under Section 102 of the Companies Act, 2013 (**"the Act"**) relating to the Ordinary/ Special Business to be transacted at the Annual General Meeting (**"AGM"**) is annexed hereto and forms part of this notice.

2. The Ministry of Corporate Affairs (**"MCA"**) has vide its General Circular No. 14/2020, dated 8 April 2020, General Circular No.17/2020 dated 13 April 2020, General Circular No. 20/2020 dated 5 May 2020, General Circular No. 22/2020 dated 15 June 2020, General Circular No. 33/2020 dated 28 September 2020, General Circular No. 39/2020 dated 31 December 2020, General Circular no. 02/2021 dated 13 January 2021, General Circular no. 21/2021 dated 14 December 2021, General Circular no. 02/2022 dated 05 May 2022 and General Circular no. 10/2022 dated 28 December 2022 (collectively **"MCA Circulars"**) and Securities and Exchange Board of India (**"SEBI"**) vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020, circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January 2021, circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May 2022 and circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05 January 2023 (collectively referred to as **"SEBI Circulars"**), have permitted companies to conduct AGM through VC / OAVM, without the physical presence of the Member at a common venue, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of Companies Act, 2013 and rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (**"SEBI Listing Regulations"**) the 27th AGM of the Company is being convened and conducted through VC. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

3. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 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 will also be available on the Company's website www.tatvachintan.com, website of Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com, and on the website of Registrar and Share Transfer Agent Link Intime India Private Limited ("LIIPL") at URL: https://instavote.linkintime.co.in. The Company shall send a physical copy of the Annual Report 2022-23 to those Members who request the same at cs@tatvachintan.com mentioning their Folio No./DP ID and Client ID.

4. The details required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings (**"SS-2"**) issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/ re-appointment at this AGM forms part as **Annexure-A** of the Notice.

5. **PURSUANT TO THE PROVISIONS OF THE COMPANIES ACT, 2013, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THE 27TH AGM IS BEING HELD THROUGH VC AS PER THE MCA CIRCULARS, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE MADE AVAILABLE FOR THE 27TH AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**

6. Participation of members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

7. Facility of joining the AGM through VC / OAVM shall open 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

8. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC / OAVM. Institutional / Corporate members (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote electronically either during the remote e-voting period or during the AGM. The said Resolution/Authorization should be sent electronically through their registered email address to the Scrutinizer at csneerajtrivedi@gmail.com with a copy marked to the Company at cs@tatvachintan.com. Further instructions has been set out at Note No. 25.

9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM, based on the request being received on cs@tatvachintan.com.

10. All documents referred to in the Notice and Explanatory Statement will also be available for electronic inspection without any fee by the members from the date of circulation of

this Notice upto the date of AGM. Members seeking to inspect such documents can send an email to cs@tatvachintan.com.

11. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participant(s) of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.

12. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company immediately by writing at B - 102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara-390020, Gujarat. Phone: 0265 6136000 or by sending a request on email at vadodara@linkintime.co.in.

13. Process for registration of Email Id for obtaining Annual Report, User ID and password for e-voting:

    i. In case shares are held in physical mode, members who have not registered their email address and as a consequence may not receive the Notice may get their email address registered with the Link Intime India Private Limited by writing at B - 102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara-390020, Gujarat. Phone: 0265 6136000 or by sending a request on email at vadodara@linkintime.co.in.

    ii. In case shares are held in demat mode, members are requested to update Email Id and bank account details with their respective Depository Participants ("DPs").

14. Members holding the shares in physical mode are requested to notify immediately for change of their address and bank particulars to the Registrar and Share Transfer Agent of the Company.

    In case the shares are held in dematerialized form, then information should be furnished directly to their respective Depository Participant ("DP") only.

15. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, 09 September 2023 to Friday, 22 September 2023 (both days inclusive)** for the purpose of AGM. **Friday, 15 September 2023 ("cut-off date"),** would be the cut-off date for the purpose of reckoning the members/beneficial owners entitled to e-vote and attend the AGM through VC. The voting rights of the members shall be in proportion to their share in the paid-up equity share capital of the Company as on the said cut-off date.

16. Dividend Related Information:

    Subject to approval of the Members at the said AGM, the dividend will be paid on or after **Friday, 29 September 2023** but before the expiry of statutory period of 30 days from the date of AGM, to the Members whose names appear on the Company's Register of Members as on the Record Date i.e. closure of business hours on **Friday, 08 September 2023 (Record date for dividend payment)** and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

    The dividend of ₹ 2/- per fully paid-up equity share of ₹ 10/- each (i.e. 20%), if approved by the Members at the AGM, will be paid subject to the deduction of income-tax at source ("TDS"). Payment of dividend shall be made through electronic mode to the Members who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the Members who have not updated their bank account details.

    Members are requested to register / update their complete bank details:

    a) with their Depository Participant(s) with which they maintain their demat accounts, if shares are held in dematerialized mode, by submitting forms and documents as may be required by the Depository Participant(s); and

    b) with the Company / Link Intime India Private Limited by writing at B - 102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara-390020, Gujarat. Phone: 0265 6136000 or by emailing at cs@tatvachintan.com or vadodara@linkintime.co.in, if shares are held in physical mode, by submitting:

        (i) Scanned copy of the signed request letter which shall contain Member's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details),

        (ii) Self-attested copy of the PAN card, and

        (iii) Cancelled cheque leaf.

    Tax Deductible at Source / Withholding tax:

    Pursuant to the requirement of Income Tax Act, 1961, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate would vary depending on the residential status of the shareholder and documents submitted by shareholder with the Company/Link Intime India Private Limited/Depository Participant.

17. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (**"IEPF"**). Further, the shares in respect of such unclaimed dividends are also liable to be transferred to the Demat account of the IEPF Authority. In view of this, members/claimants are requested to claim their dividends from the Company within the stipulated timeline.

18. As the AGM of the Company is held through VC / OAVM, we therefore request the Members to register themselves as speaker by sending their question / express their views from their registered E-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at E-mail Id - cs@tatvachintan.com on or before **Tuesday, 19 September 2023**. The Members who have registered themselves as speaker will only be allowed to ask queries / express their views during the AGM. The Company reserves the right to limit the number of Members asking questions depending on the availability of time at the AGM.

19. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

20. In case of any queries regarding the Annual Report, the Members may write to cs@tatvachintan.com to receive response on email. Members desiring any information as regards to financial statements are requested to send an email to cs@tatvachintan.com, 7 days in advance before the date of the meeting to enable the management to keep full information ready on the date of AGM.

21. The Annual Report alongwith the Notice of AGM will be available on Company's website on https://www.tatvachintan.com.

22. As per the MCA and SEBI Circulars, the Annual Report will be sent through electronic mode to only those Members whose E-mail ids are registered with the Registrar & Share Transfer Agent of the Company / Depository Participant. Members of the Company holding shares either in physical form or in dematerialised form as on Benpos date i.e. **Friday, 18 August 2023** will receive Annual Report for the financial year 2022-2023 through electronic mode.

23. Investor Grievance Redressal:- The Company has designated Mr. Ishwar Nayi, Company Secretary & Compliance Officer, Plot No. 353, GIDC, Makarpura, Vadodara-390010 Gujarat, India having Phone +91 75748 48533 / 34 and E-mail: cs@tatvachintan.com / rnt.helpdesk@linkintime.co.in to enable investors to register their complaints, if any.

24. Other information relating to Remote E-Voting are as under:

    i. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI Listing Regulations, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by Link Intime India Private Limited. Shareholders who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by shareholders holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice.

    ii. The e-voting period begins on **Tuesday, 19 September 2023 at 9:00 a.m. (IST) and ends on Thursday, 21 September 2023 at 5:00 p.m. (IST)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Friday, 15 September 2023 ("cut-off date for e-voting")**, may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited ("LIIPL") for voting thereafter.

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

    iv. Any person who acquires shares of the Company and becomes a shareholders of the Company after sending of the Notice and holding shares as of the cut-off date of e-voting, may obtain the login ID and password by sending a request at instameet@linkintime.co.in and vadodara@linkintime.co.in. However, if he/she is already registered with LIIPL for remote e-voting, then he/she can use his/her existing user ID and password for casting the vote.

    v. The Board of Directors has appointed M/s. TNT & Associates, Practicing Company Secretaries, Vadodara as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

    vi. The Scrutinizer shall after the conclusion of voting at the Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and shall provide, not later than two (2) working days of the conclusion of the Meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, Who shall countersign the same and declare the result of the voting forthwith.

    vii. The results shall be declared forthwith by the Chairman or a person so authorised by him in writing on receipt of consolidated report from the Scrutinizer. The Results declared along with Scrutinizer's Report shall be placed to the stock exchanges, LIIPL and will also be displayed on the Company's website. Members may contact at E-mail Id vadodara@linkintime.co.in or rnt.helpdesk@linkintime.co.in for any grievances connected with voting by electronic means.

viii. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. 01 April 2019. Accordingly, the Company / LIIPL has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

ix. Members holding shares in physical mode are: a) required to submit their Permanent Account Number (PAN) and bank account details to the Company/ LIIPL, if not registered with the Company/LIIPL, as mandated by SEBI by writing to the Company at cs@tatvachintan.com or to LIIPL at vadodara@linkintime.co.in alongwith the details of folio no., self-attested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque leaf.

x. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form may file their nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent i.e. LIIPL. In respect of shares held in electric/demat form, the nomination form may be filed with the respective Depository Participant.

xi. Non-Resident Indian members are requested to inform LIIPL / respective DPs, immediately of: a) Change in their residential status on return to India for permanent settlement b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

Members are requested to send all their documents and communications pertaining to shares to the Registrar and Share Transfer Agent of the Company – Link Intime India Private Limited, at their address at B - 102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390020, Phone: 0265 6136000, for both physical and demat segments of Equity Shares.

Please quote on all such correspondence – "Unit – Tatva Chintan Pharma Chem Limited" For Shareholders queries – Telephone No. +91 265 6136000, Email ID: vadodara@linkintime.co.in Website www.linkintime.co.in.

25. The Instructions of Remote E-Voting for Shareholders are as under:

As per the SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09 December 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 / physical mode is given below:

1. Individual Shareholders holding securities in demat mode with NSDL:

1. Existing IDeAS user can visit the e-Services website of NSDL viz... https://eservices.nsdl.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.

2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name 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:

1. 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.

2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by 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. 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.

3. 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.

4. 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 **Demat 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 LIIPL 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 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".

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).

  Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction / InstaMEET website.

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 on or before **Tuesday, 19 September 2023** with the company on the cs@tatvachintan.com.

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.

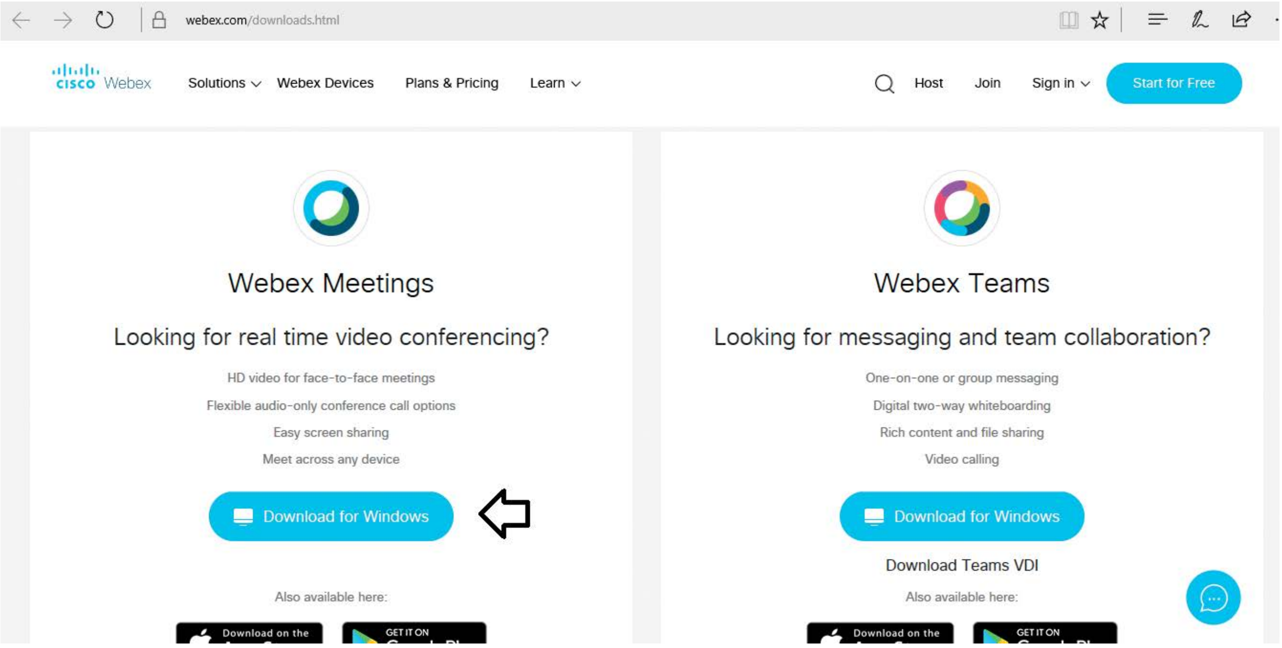
Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

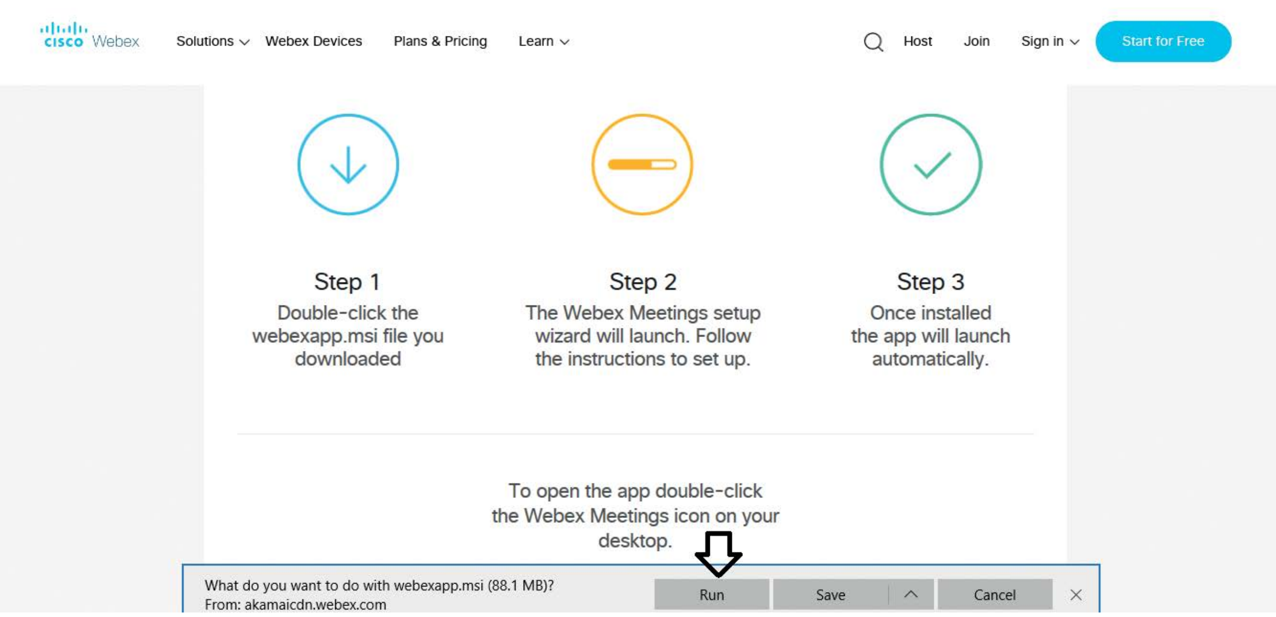
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

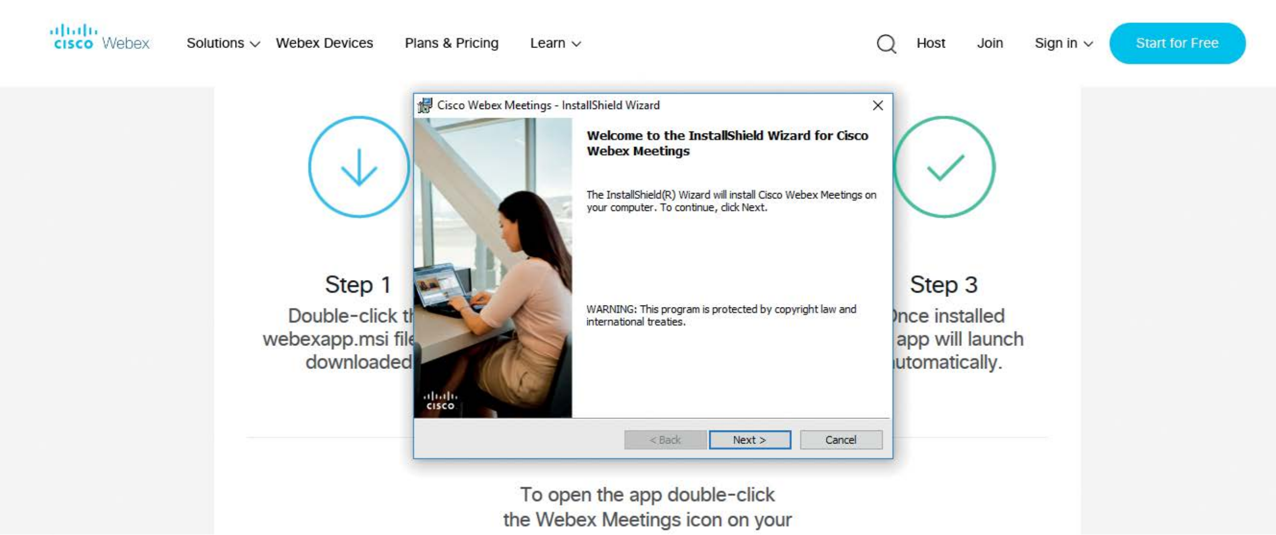
Guidelines to attend the AGM proceedings of Link Intime India Private Limited: InstaMEET

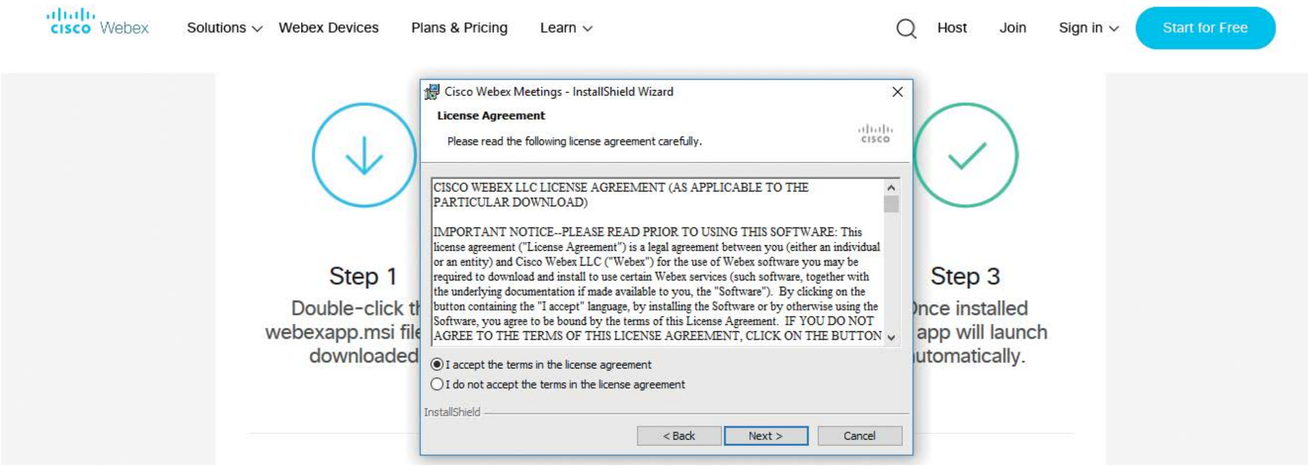
For a smooth experience of viewing the AGM proceedings of Link Intime India Private Limited InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

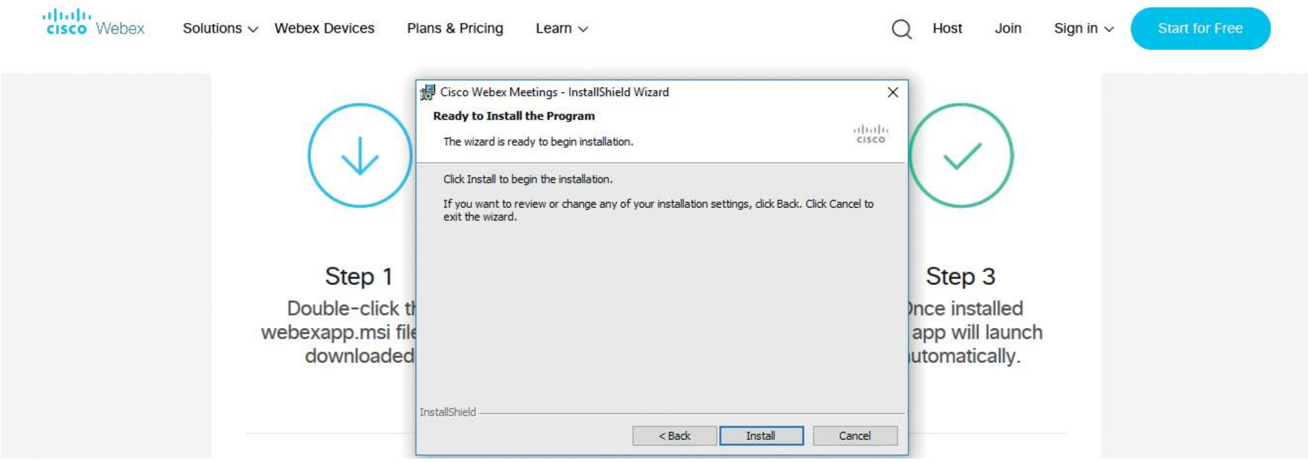
a) Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/


webex.com/downloads.html
cisco Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Webex Meetings
Looking for real time video conferencing?
HD video for face-to-face meetings
Flexible audio-only conference call options
Easy screen sharing
Meet across any device
Download for Windows
Also available here:
Webex Teams
Looking for messaging and team collaboration?
One-on-one or group messaging
Digital two-way whiteboarding
Rich content and file sharing
Video calling
Download for Windows
Download Teams VDI
Also available here:


cisco Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Step 1
Double-click the webexapp.msi file you downloaded
Step 2
The Webex Meetings setup wizard will launch. Follow the instructions to set up.
Step 3
Once installed the app will launch automatically.
To open the app double-click the Webex Meetings icon on your desktop.
What do you want to do with webexapp.msi (88.1 MB)?
From: akamaicdn.webex.com
Run
Save
Cancel


cisco Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Cisco Webex Meetings - InstallShield Wizard
Welcome to the InstallShield Wizard for Cisco Webex Meetings
The InstallShield(R) Wizard will install Cisco Webex Meetings on your computer. To continue, click Next.
WARNING: This program is protected by copyright law and international treaties.
< Back
Next >
Cancel
Step 1
Step 3
To open the app double-click the Webex Meetings icon on your

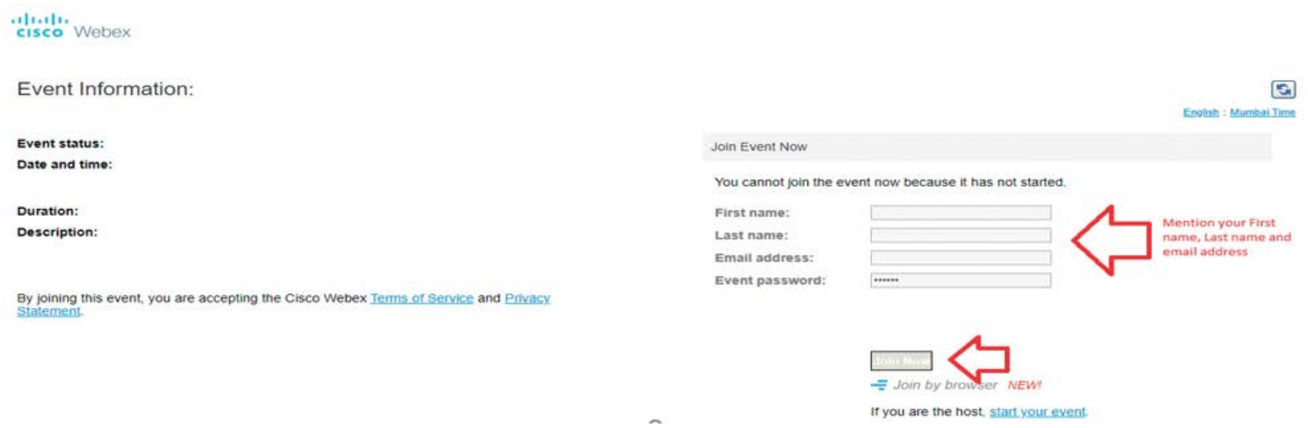




or

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	**Enter your First Name, Last Name and Email ID and click on Join Now.**
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

ITEM NO. 5

This Explanatory Statement is provided pursuant to Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"). However, the same is strictly not required as per Section 102 of the Act.

In accordance with Sections 139 and 142 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Members of the Company had, at the 22nd Annual General Meeting ('AGM') held on 29 September 2018, appointed M/s. NDJ & Co., Chartered Accountants, Surat (holding Registration No. 136345W) ("NDJ & Co.") as the Statutory Auditors of the Company for a period of five (5) consecutive years from the conclusion of the 22nd AGM till the conclusion of 27th AGM of the Company.

Pursuant to the provisions of Section 139 of the Act, no listed company can appoint/re-appoint an audit firm as a Statutory Auditor for more than two terms of five (5) consecutive years and accordingly, NDJ & Co., is eligible to be re-appointed as the Statutory Auditors of the Company for another term of five (5) consecutive years.

The Board of Directors of the Company, at its meeting held on 05 May 2023, on the recommendation of the Audit Committee has, after considering various factors such as independence, industry experience, technical skills, geographical presence, audit team, quality of audit reports, etc. recommended the re-appointment of NDJ & Co., as the Statutory Auditors of the Company, to the Members at the ensuing AGM for a second term of five (5) consecutive years from the conclusion of this AGM till the conclusion of the 32nd AGM of the Company to be held in the year 2028.

Proposed statutory audit fee payable to auditors

₹ 12,00,000/- (Rupees Twelve lakh only) as statutory audit fees to examine and audit the accounts of the Company for the year ending 31 March 2024, plus out-of-pocket expenses and applicable taxes. The remuneration for the remaining term till the conclusion of the 32nd AGM of the Company shall be determined based on the recommendation of the Audit Committee and as mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.

Terms of appointment

5 (five) years from the conclusion of 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting of the Company.

Basis of recommendation for re-appointment and auditor credentials

NDJ & Co., Chartered Accountants, Surat, is a peer reviewed firm by the Institute of Chartered Accountants of India. The firm was established in 2013 and is having standing of 10 years. Total number of team members of the firm including the partners are around 23. The firm has vast experience of Conducting the Audit of Banks, Public Sector Undertakings and Corporates. The firm is also providing tax consultation to Individuals, Firms, Co-operative Societies, Companies, Trusts, etc. The Firm also provides corporate advisory.

NDJ & Co., has consented to its re-appointment as Statutory Auditors and has confirmed that their re-appointment, if made, shall be in accordance with Sections 139, 141 and other applicable provisions of the Act and rules framed thereunder.

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

None of the Directors or Key Managerial Personnel ("KMP") of the Company and their respective relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the accompanying Notice.

ITEM NO. 6

Based on the recommendation of the Audit Committee, the Board of Directors had appointed M/s. Zarna Thakar & Associates, Cost Accountants (FRN: 005956), who are in whole time Practice, as Cost Auditors of the Company to carry out the audit of the cost records maintained by the Company for the financial year 2023-24 and also fixed their remuneration for the said purpose. Pursuant to the provisions of Section 148 and any other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) remuneration payable to the Cost Auditors is required to be ratified and confirmed by the members of the Company.

The Board recommends the resolution set forth in Item No. 6 for approval of the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel ("KMP") of the Company and their respective relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the accompanying Notice.

By Order of the Board of Directors

Ishwar Nayi
Date: 04 August 2023 **Company Secretary and Compliance Officer**
Place: Vadodara Membership No. A37444

Registered Office:
Plot No. 502/17 GIDC Estate,
Ankleshwar,
Dist. Bharuch-393002, Gujarat, India
CIN: L24232GJ1996PLC029894
Phone: +91 75748 48533/34
Fax: +91 265 263 8533
Website: www.tatvachintan.com
Email: cs@tatvachintan.com

Annexure - A to the Notice

PURSUANT TO REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED (INCLUDING ANY STATUTORY MODIFICATION(S) OR RE-ENACTMENT(S) THEREOF, FOR THE TIME BEING IN FORCE) AND SECRETARIAL STANDARD-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, INFORMATION ABOUT THE DIRECTOR PROPOSED TO BE RE-APPOINTED IS FURNISHED BELOW:

Profile of the Director being re-appointed at the ensuing AGM

Name of Director	**Mr. Shekhar Rasiklal Somani**
Directors Identification Number (DIN)	00183665
Date of Birth	11 January 1974
Age	49 years
Nationality	Indian
Education & Qualification	Bachelor's degree in pharmacy
Brief Resume & Nature of Expertise in specific Functional areas	Mr. Shekhar Rasiklal Somani has over 27 years of experience in the manufacturing / specialty chemical industry.
Date of Appointment	12 June 1996
Relationship with other Directors and Key Managerial Personnel of the Company	Mr. Shekhar Rasiklal Somani does not have any relationship with other Directors, Manager and Other Key Managerial Personnel which may create conflict of interest.
Other Listed Companies in which Directorship held as on 31 March 2023	None as on 31 March 2023
Chairman / Membership of the Committees of the Board of the Company	Tatva Chintan Pharma Chem Limited Risk Management Committee: Chairman Stakeholders Relationship Committee: Member
Chairman/Membership of Audit Committee and Stakeholders' Relationship Committees in other Listed Companies as on 31 March 2023	None as on 31 March 2023
Names of Listed Entities from which Director has resigned in the past three years	None
No. of Shares held in the Company	56,30,628 shares as at 31 March 2023
Terms and conditions for Re-reappointment -	Period of Appointment - Five years commencing from 01 February 2021, the date of appointment upto 31 January 2026. Remuneration: ₹ 1,65,03,252/- (Rupees One Crore Sixty Five Lakhs Three Thousand Two Hundred and Fifty Two only) per annum
Remuneration last drawn	₹ 1,65,03,252 per annum
Number of Meetings of the Board attended during the year	04 in Financial Year 2022-23.

Board's Report

To,
The Members,
Tatva Chintan Pharma Chem Limited

Your Directors take immense pleasure in presenting the Twenty Seventh (27th) Annual Report covering the highlights of the finances, business, and operations of Tatva Chintan Pharma Chem Limited ("the Company") together with the Audited Financial Statements of the Company (standalone and consolidated) prepared in compliance with Indian Accounting Standards (Ind AS), for the financial year ("FY") ended 31 March 2023.

1. Financial Highlights of the Company

(₹ in Million)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	4030.44	4278.11	4236.12	4336.47
Other income	56.78	106.29	57.44	90.17
EBITDA (Including other income)	603.56	1163.97	663.25	1172.52
EBITDA (Excluding other income)	546.78	1057.68	605.81	1082.35
Interest and financial charges	83.84	49.51	84.04	49.51
Depreciation and amortisation expense	95.54	81.80	95.55	81.80
Profit/(Loss) before exceptional item and taxes	424.18	1032.66	483.66	1041.21
Exceptional item	35.87	-	35.87	-
Tax expense	(16.34)	72.79	(7.08)	82.47
Profit / (Loss) for the year	404.65	959.87	454.87	958.74
Other comprehensive income	(1.29)	(1.45)	6.48	1.53
Total comprehensive income	**403.36**	**958.42**	**461.35**	**960.27**

2. Performance Review & State of Company's Affairs

Consolidated

The Consolidated revenue from operations decreased by 2.3% from ₹ 4,336.47 million for FY 2021-22 to ₹ 4,236.12 million for FY 2022-23, EBITDA (Including other income) decreased by 43.43% from ₹ 1,172.52 million in FY 2021-22 to ₹ 663.25 million in FY 2022-23, Profit after tax decreased by 52.56% from ₹ 958.74 million in FY 2021-22 to ₹ 454.87 million in FY 2022-23. The earnings per shares (Basic/ Diluted) decreased by 53.98% from ₹ 44.59 to ₹ 20.52 as compared to previous financial year.

Standalone

The Standalone revenue from operations decreased by 5.79% from ₹ 4,278.11 million for FY 2021-22 to ₹ 4,030.44 million for FY 2022-23, EBITDA (Including other income) decreased by 48.15% from ₹ 1,163.97 in FY 2021-22 to ₹ 603.56 million in FY 2022-23, Profit after tax decreased by 57.84% from ₹ 959.87 million in FY 2021-22 to ₹ 404.65 million in FY 2022-23. The earnings per share (Basic/Diluted) have decreased by 59.10% from ₹ 44.65 in FY 2021-22 to ₹ 18.26 in FY 2022-23 as compared to previous financial year. During the year, the Company focused on acquiring new customers, launching new products, growing its market share, etc.

The Export share in "revenue from operations" is ~70% during FY 2022-23. The business continued to experience headwinds in demand generation from both global and domestic majors.

Moreover, the efforts on creating a diversified portfolio of innovative products, winning new customers and penetration into new markets are ongoing.

3. Responding to Unprecedented Challenges with Resilience

In the financial year 2022-23, our Company faced an array of unprecedented challenges that put our resilience to the test. Despite the uncertainties and adversities presented by global economic fluctuations, supply chain disruptions, and unforeseen market shifts, we embraced these challenges with unwavering determination and adaptability. Our strong commitment to innovation and strategic planning allowed us to swiftly respond to emerging situations, ensuring the continuity of our operations and the delivery of value to our stakeholders. By fostering a culture of collaboration and agility, we harnessed the collective strength of our workforce to navigate through uncertainties and achieve good results. This resilience not only enabled us to withstand the storms but also presented us with new opportunities for growth and innovation. As we look ahead, we remain confident that the lessons learned from this year's challenges will fortify our Company for a more resilient and sustainable future.

Furthermore, throughout the Covid-19 pandemic, the Company practiced extreme care and caution towards the health and well-being of its employees and associated partners while ensuring this care and caution was extended to the community at large. The Company regularly adhered to various guidelines and advisories issued by the authorities from time to time including maintaining social distancing etc.

4. Dividend

Your Company's policy on Dividend Distribution is available at https://www.tatvachintan.com/wp-content/uploads/2022/01/Dividend-distribution-policy.pdf

In accordance with the said policy, the Board of Directors has recommended a final dividend of ₹ 2/- per equity share for the financial year ended 31 March 2023 (previous financial year ₹ 2/- per equity shares). If the above recommendation is approved by the Members of the Company at the ensuing Annual General Meeting, the total outflow on this account will be ₹ 44.33 million (previous financial year ₹ 44.33 million).

Pursuant to the provisions of the Finance Act, 2020, the said final dividend will be liable for deduction of income tax at source.

5. Transfer to Reserves

During the year under review, the Board of Directors has decided to retain the entire amount of profits for FY 2022-23 in the retained earnings and not to transfer any amount to General Reserve.

6. Material Changes and Commitments

The Company has not made any material changes or commitments which affect the financial position of the Company between the end of the financial year to which the financial statements relate and the date of signing of this report.

7. Share Capital and Change Therein

Authorised Share Capital of the Company is ₹ 40,00,00,000/- (Rupees Forty Crore Only) divided in to 4,00,00,000 (Four Crore) Equity Shares of ₹ 10/- (Rupees Ten only) each.

Issued, Subscribed and Paid-up share capital of the Company is ₹ 22,16,50,620/- (Rupees Twenty Two Crore Sixteen Lakhs Fifty Thousands Six Hundred and Twenty only) divided into 2,21,65,062 (Two Crore Twenty One Lakhs Sixty Five Thousand and Sixty Two) Equity Shares of ₹ 10/- (Rupees Ten Only) each.

During the year, the Board of Directors of the Company has not allotted any equity shares under review.

a) Buy Back of Securities

Your Company has not bought back any of its securities during the year under review.

b) Sweat Equity

Your Company has not issued any Sweat Equity Shares during the year under review.

c) Bonus Shares

Your Company has not issued any Bonus Shares during the year under review.

d) Employee Stock Option Plan

Your Company has not provided any Stock Option Scheme to the employees.

8. Utilisation of IPO Proceeds

Your Company is utilising IPO proceeds as per the objects stated in the Prospectus of the Company and pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") during the period under review, there was no deviation / variation in utilisation of funds raised in respect of the Initial Public Offering of the Company. The Company has appointed ICICI Bank Limited as Monitoring Agency in terms of Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time, to monitor the utilisation of IPO proceeds and the Company has obtained monitoring reports from the Monitoring Agency from time to time. The Company has after placing before the Audit Committee and the Board submitted the statement(s) and report as required under Regulation 32 of the SEBI Listing Regulations to both the exchanges where the shares of the Company are listed, namely, BSE Limited and National Stock Exchange of India Limited on timely basis. There is no variation in the utilisation of issue proceed of IPO money.

9. Finance

During the year under review, your Company availed various financial facilities from the existing Bankers as per the business requirements. Your Company has been regular in paying interest and in repayment of the principal amount of the term lenders.

10. Change in Nature of Business, if any

During the year under review, there has been no material change(s) in the business of the Company or in the nature of business carried by the Company.

11. Deposits

During the year under review, your Company has not accepted any deposits from public within the meaning of Section 73 of the Companies Act, 2013 ("the Act") read with Companies (Acceptance of Deposits) Rules, 2014. The Company has no unclaimed / unpaid matured deposit or interest due thereon.

12. Subsidiaries, Joint Ventures and Associate Companies

As on 31 March 2023, your company has 2 Wholly Owned Subsidiaries as detailed below;

Sr. No.	Name of the Company	Type of Company	Location
1.	Tatva Chintan USA Inc.	Wholly Owned Subsidiary	United States of America
2.	Tatva Chintan Europe B.V.	Wholly Owned Subsidiary	Amsterdam, The Netherlands

Statement containing salient features of the Financial statement of subsidiaries Company as per the Companies Act, 2013 is provided in form AOC-1 at **Annexure-A** to this Report.

Your Company's policy on material subsidiary is also available on the website of the Company at https://www.tatvachintan.com/investors/corporate-governance/.

Details of New Subsidiary / Joint Ventures / Associate Companies:

There is no new Subsidiary / Joint Ventures / Associate Companies of the Company during the year under review.

Details of the Company who ceased to be its Subsidiary / Joint Ventures / Associate Companies:

No Company ceased to be Subsidiary / Joint Venture/ Associate Company of the Company during the year under review.

13. Particulars of Related Party Transactions

In line with the requirements of the Companies Act, 2013 ("the Act") and SEBI Listing Regulations, as amended from time to time, the Company has formulated a Policy on Related Party Transactions ("RPT Policy") for identifying, reviewing, approving and monitoring of Related Party Transactions. The RPT Policy was revised pursuant to the amendment in the SEBI Listing Regulations and the same is available on the Company's website at https://www.tatvachintan.com/investors/corporate-governance/.

All related party transactions entered into during FY 2022-23 were on arm's length basis and in the ordinary course of business and were reviewed and approved by the Audit Committee. With a view to ensure continuity of day-to-day operations, an omnibus approval is also obtained for related party transactions which are of repetitive in nature and entered in the ordinary course of business and on an arm's length basis. There was no materially significant Related Party Transaction made by the Company during the year that would have required Shareholder's approval under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A statement giving details of all related party transactions entered pursuant to the omnibus approval so granted is placed before the Audit Committee on a quarterly basis for its review.

Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, the details of Related party transaction which were transacted during the year under review on arm's length basis and in the ordinary course of business are set out as in form AOC-2 at **Annexure-B** to this Report.

In terms of Regulation 23 of the SEBI Listing Regulations, your Company submits details of related party transactions on a consolidated basis as per the format specified in the relevant accounting standards to the stock exchanges on a half-yearly basis.

The details of the transactions with related parties are provided in the accompanying Financial Statements.

14. Risk Management

Risk Management at Tatva Chintan Pharma Chem Limited forms an integral part of Management focus.

The Risk Management Policy of the Company, which is reviewed by the Risk Management Committee of the Board ("RMC") and approved by the Board of Directors, provides the framework of Enterprise Risk Management ("ERM") by describing mechanisms for the proactive identification and prioritisation of risks based on the scanning of the external environment and continuous monitoring of internal risk factors. The ERM framework identifies, evaluates, manages and reports risks arising from the Company's operations and exogenous factors.

The Company has deployed holistic approaches to drive organization wide Risk Management. The holistic process includes identification and regular assessment of risks by the respective departments and implementation of mitigation strategies.

The RMC oversees the risk management process in the Company. The RMC is chaired by a Whole time Director and the Chairperson of the Audit Committee is also a Member of the RMC.

Further, the Chairman of the RMC briefs the Board at its Meetings about the significant discussions at each of the RMC Meetings. This robust governance structure has also helped in the integration of the ERM with the Company's Strategic Planning Process where emerging risks are used as inputs in such process. The RMC meets periodically to review all the key risks and assess the status of mitigation measures.

The Risk Management Policy is available on Company's website at https://www.tatvachintan.com/investors/corporate-governance/.

Some of the risks identified are set out in the Management Discussion & Analysis which forms part of this Annual Report.

Risk Management Committee

Pursuant to the provisions of Regulation 21 of the SEBI Listing Regulations, the Board of Directors at their meeting held on 17 January 2022 has constituted a Risk Management Committee which is responsible for management of risk, avoid exposure to significant financial loss and achieve risk management objectives as specified under Risk Management Policy. The Corporate Governance Report, which forms part of this report, contains the details of Risk Management Committee of the Company.

15. Directors and Key Managerial Personnel ("KMP") and changes therein

Directors

As on 31 March 2023, the Board of Directors of your Company comprised of six Directors, viz., three executive Directors and three Independent Directors including one women Independent Director. Details of the same are as below:

Sr. No.	Name of Director	Designation	Date of Appointment	Date of Cessation
1	Mr. Chintan N. Shah	Chairman and Managing Director	12/06/1996	-
2	Mr. Shekhar R. Somani	Whole time Director	12/06/1996	-
3	Mr. Ajaykumar M. Patel	Whole time Director	12/06/1996	-
4	CA Subhash A. Patel	Independent Director	27/02/2021	-
5	Dr. Avani R. Umatt	Independent Director	27/02/2021	-
6	Dr. Manher C. Desai	Independent Director	27/02/2021	-

Re-appointment

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Mr. Shekhar Rasiklal Somani (DIN: 00183665) is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer himself for re-appointment. The Board recommends the appointment of Mr. Shekhar Rasiklal Somani as Whole time Director of the Company retiring by rotation. Details of the proposal for the appointment / re-appointment of Directors along with their shareholding in the Company, as stipulated under Secretarial Standard 2 of the Institute of Company Secretaries of India and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is mentioned in the Notice of the Annual General Meeting.

Cessation

There were no cessations of the Directors during the Financial Year 2022-23.

All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013.

Independent Directors

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with sub rule (1) and sub rule (2) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI Listing Regulations and they are independent of the management and they have complied with the code for Independent prescribed in Schedule IV of the Act.

In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same. They are not liable to retire by rotation in terms of Section 149(13) of the Act.

The Board is of the opinion that the all Directors including the Independent Directors of the Company possess requisite qualifications, experience and expertise in their relative fields like science and technology, strategy, finance, governance, human resources, safety, sustainability, etc. and that they hold highest standards of integrity.

The Independent Directors of the Company have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ("IICA") in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Key Managerial Personnel ("KMP")

As on 31 March 2023, the following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) read with Section 203 of the Act, read with the Rules framed thereunder.

Sr. No.	Name of Director/KMP	Designation	Date of Appointment	Date of Cessation
1	Mr. Chintan N. Shah	Chairman and Managing Director	12/06/1996	-
2	Mr. Shekhar R. Somani	Whole time Director	12/06/1996	-
3	Mr. Ajaykumar M. Patel	Whole time Director	12/06/1996	-
4	Mr. Ashok Bothra	Chief Financial Officer	03/12/2021	-
5	Mr. Ishwar Nayi	Company Secretary and Compliance Officer	17/01/2022	-

Changes in KMP

During the Year under review, there was no change in the KMP.

Your Company has also received declaration from all the Directors and senior management personnel on compliance of Code of Conduct for Directors and senior management personnel, formulated by the Company.

16. Board and Committee Meetings

Details of Board Meetings

During the year under review, four (04) Meetings of the Board of Directors were held in accordance with the provisions of the Companies Act, 2013 read with rules made there under and the applicable secretarial standards. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report which forms part of the Annual Report of the Company.

Details of Committee Meetings

The Company has duly constituted the following mandatory Committees in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time viz.

a. Audit Committee;

b. Nomination and Remuneration Committee;

c. Stakeholders Relationship Committee;

d. Risk Management Committee; and

e. Corporate Social Responsibility Committee;

The Composition of all such Committees, number of meetings held during the year under review, attendance of each of the Directors at such meetings, brief terms of reference and other details have been provided in the Corporate Governance Report which forms part of this Annual Report. All the recommendations made by the Committees were accepted by the Board.

17. Separate Meeting of Independent Directors

During the year under review, one (1) Separate meeting of Independent Directors was held on 24 January 2023. The details of the Independent Directors Meeting and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of this Report.

18. Familiarisation Programme

In compliance with the requirements of Regulation 25(7) of the SEBI Listing Regulations, the Company has put in place a Familiarisation Programme for the Independent Directors to familiarise them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model etc. The details of the Familiarisation Programme imparted to Independent Directors are available on the Company's official website at https://www.tatvachintan.com/investors/corporate-governance/.

19. Evaluation of the Performance of the Board of Directors, its Committees and of Individual Directors

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirement) Regulations, 2015, as amended, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of its committees and Chairperson of the Company. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

20. Directors' Responsibility Statement

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, in relation to financial statements of the Company for the year ended 31 March 2023, the Board of Directors to the best of their knowledge and ability, confirm that:

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

2. The Directors had 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 31 March 2023 and of the profit of the Company for that period;

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

4. The Directors had prepared the annual accounts on a going concern basis;

5. The Directors laid down the internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

6. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. Internal Financial Controls Systems and their Adequacy

Internal Financial Controls are an integrated part of the risk management process. Your Company has adequate internal financial controls in place to address financial and financial reporting risks. The internal financial controls with reference to the financial statements are commensurate the size, scale and complexity of its operations. The Audit committee defines the scope and authority of the Internal Auditor. The Audit Committee, comprises of professionally qualified Directors, who interact with the statutory auditors, internal auditors and management in dealing with matters within its terms of reference. Your Company has a proper and adequate system of internal controls. Adequate internal financial controls ensure transactions are authorized, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition.

22. Vigil Mechanism/Whistle Blower Policy

As per provisions of Section 177(9) of the Companies Act, 2013 read with Regulation 22(1) of SEBI Listing Regulations, your Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the Directors and employees to report their grievances / concerns about instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in certain cases. It is affirmed that no personnel of your Company have been denied access to the Audit Committee. The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time.

The details of the policy as well as its weblink are contained in the Corporate Governance Report and website of the Company https://www.tatvachintan.com/investors/corporate-governance/.

23. Significant and Material Orders Passed by the Regulators

During the year under review, no significant and material orders were passed by the regulators or courts or Tribunals impacting the going concern status and future operation of the Company.

The Registrar of Companies ("ROC"), Gujarat has issued one adjudication order vide reference no. ROC-Guj/Adj. Order/ Tatva/ Sec. 42(6)/2021/6259 dated 31 December 2021, under Section 454 of the Companies Act, 2013 read with Companies (Adjudication of Penalties) Rules, 2014 and Companies (Adjudication of Penalties Amendment) Rules, 2019 for violation of Section 42(6) of the Companies Act, 2013. The penalty imposed on your Company was ₹ 1 Crore and ₹ 20 Lakhs each on three Directors and two Key Managerial Personnel. The Company and its three Executive Directors / Promoters being an aggrieved party, has filed an appeal against the said order before office of Regional Director ("RD"), North Western Region ("NWR"), Ministry of Corporate Affairs. The Hon'ble Regional Director, NWR, MCA has issued the order dated 07.07.2022. As per this order, penalty imposed earlier on the two Key Managerial Personnel ("KMP") i.e. Chief Financial Officer ("CFO") & Company Secretary ("CS") by Hon'ble ROC is set aside and also reduced the final penalty on the Company and its three Executive Directors/Promoters and disposed off the said matter. The order does not impact the going concern status and future operation of the Company.

24. Corporate Social Responsibility

In compliance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility ("CSR") Committee. The details of membership of the Committee and the meetings held are detailed in the Corporate Governance Report, forming part of this Report.

CSR Policy in line with the requirements of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. The CSR Policy of the Company is available on the website of the Company and can be accessed through the website of the Company https://www.tatvachintan.com/investors/corporate-governance/.

The annual report on CSR activities containing details of expenditure incurred by the Company and brief details on the CSR activities are provided in **Annexure-C** to this Report.

25. Board Diversity

The Company recognizes and embraces the importance of a diverse Board in its success. Your Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help the Company to retain its competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The policy is available on our website at https://www.tatvachintan.com/wp-content/uploads/2022/01/Board-Diversity-Policy.pdf.

26. Appointment and Remuneration Policy

Your Company has been following a policy with respect to appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel ("SMP"). The appointment of Directors on the Board is subject to the recommendation of the Nomination and Remuneration Committee ("NRC"). Based on the recommendation of the NRC, the remuneration of Executive Director is fixed in accordance with the provisions of the Companies Act, 2013 which comprises of Basic Salary and Perquisites/Allowances. The Remuneration of Non-Executive Directors comprises of sitting fees in accordance with the provisions of Companies Act, 2013. The Company had adopted a Remuneration Policy for the Directors, Key Managerial Persons and other employees, pursuant to the provisions of the Act. Managing Director of the Company does not receives any remuneration or commission from any of its subsidiaries. The Remuneration Policy is stated in the Corporate Governance report and weblink for the same is https://www.tatvachintan.com/wp-content/uploads/2022/01/Nomination-Remuneration-Policy.pdf.

27. Particulars of Employees

Details of remuneration of Directors, KMPs and employees as per Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of Report as **Annexure-D**. However, as per the provisions of Section 136 of the Companies Act, 2013, the Annual Report is being sent to the Members and others entitled thereto, excluding the information on employees' remuneration particulars as required under Rule 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The disclosure is available for inspection by the Members at the Registered Office of your Company during business hours on all working days of the Company up to the date of the ensuing AGM. Any Member interested in obtaining such information may send their email to cs@tatvachintan.com.

28. Auditors and Their Report

i. Statutory Auditors

At the 22nd AGM held on 29 September 2018, M/s. NDJ & Co., Chartered Accountants, Surat (holding Registration No. 136345W) ("NDJ & Co.") were appointed as Statutory Auditors of the Company for a period of five (5) consecutive years by the Members.

The report of the Statutory Auditors forming part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Further, in terms of Sections 139 and 142 of the Act, the Board of Directors has, on the recommendation of the Audit Committee, recommended the re-appointment of NDJ & Co., as the Statutory Auditors of the Company for a second term of five (5) consecutive years from the conclusion of the 27th AGM till the conclusion of 32nd AGM for the approval of the Members.

Accordingly, an ordinary resolution seeking Members' approval for the same forms part of the Notice of the 27th AGM forming part of this Annual Report.

The Company has received a written consent and eligibility certificate from NDJ & Co., confirming that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

ii. Cost Auditors and Maintenance of Cost Records

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, Your Company is required to prepare, maintain as well as have the audit of its cost records conducted by a Cost Accountant in whole time practice and accordingly, it has made and maintained such cost accounts and records.

The Board, on the recommendation of the Audit Committee has appointed M/s. Zarna Thakar & Associates, Cost Accountants (FRN: 005956), Vadodara to carry out Cost Audit and issue Cost Audit Report for the Financial Year 2023-24 at a professional fee of ₹ 65,000/- (Rupees Sixty Five Thousand Only) plus applicable taxes and out of pocket expenses at actuals, if any.

The remuneration payable to the Cost Auditors is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution seeking Members' ratification for the remuneration payable to M/s. Zarna Thakar & Associates, forms part of the Notice of the 27th AGM forming part of this Annual Report.

The Cost Audit Report for the year under review issued by M/s. Y. S. Thakkar & Co., Cost Accountants, does not contain any qualification, reservation or adverse remark or disclaimer.

iii. Secretarial Auditors

In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, M/s. TNT & Associates, Practicing Company Secretaries, Vadodara, have been appointed as Secretarial Auditors of the Company to carry out the secretarial audit for FY 2023-24. The report of the Secretarial Auditors for FY 2022-23 is enclosed as **Annexure-E** forming part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

In accordance with the SEBI Circular dated 08 February 2019 read with Regulation 24A of the SEBI Listing Regulations, the Company has obtained an Annual Secretarial Compliance Report from M/s. TNT & Associates, Practicing Company Secretaries, Vadodara, confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the financial year 2022-23. The Annual Secretarial Compliance Report for abovesaid financial year has been submitted to the stock exchanges within 60 days from the end of the said financial year.

M/s. TNT & Associates, Practicing Company Secretaries, Vadodara, has issued a certificate confirming 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 Securities and Exchange Board of India ("SEBI")/ Ministry of Corporate Affairs ("MCA") or any such statutory authority. The said Certificate is annexed to this Report on Corporate Governance.

29. Credit Ratings

During the financial year under review, the long term and short term credit ratings of your Company has been reaffirmed to "A-/Stable" and "A2+" respectively.

30. Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its subsidiaries for FY 2022-23 are prepared in compliance with the applicable provisions of the Act and as stipulated under Regulation 33 of the SEBI Listing Regulations as well as in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The Audited Consolidated Financial Statements together with the Auditor's Report thereon forms part of this Annual Report.

31. Information Regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information relating to conservation of energy, technology absorption and Foreign Exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is set out herewith as **Annexure-F** forming part of this report.

32. Corporate Governance Report

Your Company believes in conducting its affairs in a fair, transparent, and professional manner along with good ethical standards, transparency, and accountability in its dealings with all its constituents. Your Company has Complied with all the Mandatory Requirements of Corporate Governance norms as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Separate report on Corporate Governance as well as the Secretarial Auditor's certificate on the compliance of Corporate Governance thereon forms part of this report as **Annexure-G**.

33. Failure to Implement any Corporate Action

During the year under review, no such instance where the Company has failed to complete or implement any corporate action within specified time limit.

34. Business Responsibility and Sustainability Report

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility and Sustainability Report ("BRSR") of your Company for FY 2022-23 is forming part of this Annual Report as **Annexure-H** describing the initiatives taken by the Company from an environmental, social and governance perspective.

35. Management's Discussion and Analysis Report

Management Discussion and Analysis as required under Schedule V of the SEBI Listing Regulations is forming part of this Annual Report as **Annexure-I**.

36. Particulars of Loans Given, Guarantees Given, Security Provided or Investments made under Section 186 of Companies Act, 2013

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes forming part of the Financial Statements and forms a part of this Annual Report.

37. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company is fully committed to uphold and maintain the dignity of every woman working with the Company. Your Company has Zero tolerance towards any action on the part of any one which may fall under the ambit of 'Sexual Harassment at workplace'.

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, the Company has formed an Internal Complaint Committee ("ICC") for its workplaces to address complaints pertaining to sexual harassment in accordance with the POSH Act. The Company has a detailed policy for prevention of sexual harassment at workplace which ensures a free and fair enquiry process with clear timelines for resolution.

The Policy is uploaded on the website of the Company at https://www.tatvachintan.com/wp-content/uploads/2023/05/Policy-on-Prevention-and-resolution-of-sexual-harassment-at-workplace.pdf.

No complaints were pending at the beginning of the financial year. During the year under review, there was no complaint pertaining to sexual harassment. Further details have been provided in Corporate Governance Report forming part of this report.

38. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act read with the Rules made thereunder, the Annual Return in form MGT-7 as on 31 March 2023 is available on the Company's website at https://www.tatvachintan.com/investors/disclosures/.

39. Insurance

The Company has taken adequate insurance to cover the risks to its employees, property (land and buildings), plant, equipment, other assets, third parties etc.

40. Secretarial Standard

During the year under review, your Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India ("ICSI").

41. Investor Education and Protection Fund ("IEPF")

During the year under review, no amount required to transferred to Investors Education Protection Fund.

Your Company has appointed Mr. Ishwar Nayi, Company Secretary and Compliance Officer of the Company as Nodal Officer of the Company. Details of the same is available on the websites of the Company at https://www.tatvachintan.com/.

42. Proceedings Pending under the Insolvency and Bankruptcy Code ("IBC")

There is no such proceeding or appeal pending under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year and at the end of the financial year, even upto the date of this report.

43. The details of difference between Amount of the valuation done at the time of one time settlement and the Valuation done while taking loan from the Banks or Financial Institutions

No such instance of One-time settlement or valuation was done while taking or discharging loan from the Banks / Financial institutions occurred during the year.

44. Reporting of Fraud During the year under review

The Auditors have not reported any instances of frauds committed in your Company by its officers or employees, to the Audit Committee under Section 143(12) of the Act details of which needs to be mentioned in this Report.

45. Revision in Financial Statement or Boards Report

During the year under review, no revision in Financial Statement or Boards Report has been made.

46. Events Subsequent to the date of Financial Statements

As on the date of this Report, your Directors are not aware of any circumstances not otherwise dealt with in this Report or in the financial statements of your Company, which would render any amount stated in the Accounts of the Company misleading. In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report, which would affect substantially the results, or the operations of your Company for the financial year in respect of which this report is made.

47. Industrial Relations/Personnel

Your Company is committed to uphold its excellent reputation in the field of Industrial relations. Through continuous efforts, the Company invests and improvises development programmes for its employees.

48. Cautionary Statement

Statements in the Annual Report, including those which relate to Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking' statements within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

49. Acknowledgement

Your Directors' wish to place on record their appreciation for the contribution made by the employees at all levels without whose hard work and support, your company's achievements would not have been possible. Your Directors also wish to thank all its stakeholders including investors, FI, QIBs, customers, dealers, agents, suppliers, investors and bankers and various State and Central Government Agencies. The Directors also take this opportunity to thank the shareholders for their continued confidence reposed in the Management of the Company.

On behalf of the Board of Directors

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Date: 04 August 2023
Place: Vadodara

Annexure - A to the Board's Report

Form No. AOC-1

(Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A:- Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ million)

1	Name of the Subsidiary Company	**Tatva Chintan USA Inc.**	**Tatva Chintan Europe B.V.**
2	Date of acquisition / incorporation	16 March 2015	01 March 2019
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01 April 2022 to 31 March 2023	01 April 2022 to 31 March 2023
4	Reporting currency and exchange rate# as on the last date of the relevant financial year in the case of foreign subsidiaries	USD	EUR
	Financial details as on 31 March 2023	**Amount in ₹ million**	**Amount in ₹ million**
5	Share capital	6.66	0.01
6	Reserves and surplus	100.37	27.91
7	Total assets	270.69	175.88
8	Total liabilities	163.66	147.96
9	Investments	Not applicable	Not applicable
10	Turnover	884.77	645.69
11	Profit before taxation	30.89	8.13
12	Provision for taxation	8.28	0.98
13	Profit after taxation	22.61	7.15
14	Proposed dividend	-	-
15	Extent of shareholding (in percentage)	100%	100%

Notes:

(i) # The Indian rupee equivalents have been calculated at average rate for profit and loss items and at closing rate for assets and liabilities and at historical rate for equity.

Particulars	Year ended 31 March 2023	
	1 USD	**1 EUR**
Opening rate as at 01 April 2022	75.81	84.66
Average rate	80.33	83.67
Closing rate as at 31 March 2023	82.22	89.61

(ii) Names of subsidiaries which are incorporated during the year and yet to commence operations: Not applicable

(iii) Names of subsidiaries which have been liquidated or sold during the year: Not applicable

(iv) Part "B": Associates and Joint Ventures- Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: Not applicable

(v) Names of associates or joint ventures which are incorporated during the year and yet to commence operations: Not applicable

(vi) Names of associates or joint ventures which have been liquidated or sold during the year: Not applicable.

For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date: 05 May 2023
Place: Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date: 05 May 2023
Place: Vadodara, Gujarat, India

Annexure - B to the Board's Report

Form No. AOC-2

Particulars of Contracts/arrangement made with related parties

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1) Details of contracts or arrangements or transactions not at arm's length basis: NIL

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

(a)	**Name(s) of the related party and nature of relationship**	**Tatva Chintan USA Inc. Wholly Owned Subsidiary Company**	**Tatva Chintan Europe B.V. Wholly owned Subsidiary Company**
(b)	Nature of contracts/ arrangements/transaction	Sale of products	Sale of products
(c)	Duration of the contracts /arrangements/ transactions	On going	On going
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any (₹ In Million):	As per Sale made time to time and on mutually agreed terms and Conditions. Value: ₹ 760.59 (01/04/2022 to 31/03/2023)	As per Sale made time to time and on mutually agreed terms and Conditions. Value: ₹ 564.19 (01/04/2022 to 31/03/2023)
(e)	Date(s) of approval by the Board/ shareholders, if any:	Approved by the Audit Committee and Board of Directors at their meeting held on 17 January 2022 for Financial Year 2022-23 in compliance with provisions of section 188 of the Companies Act, 2013 and regulation 23 of SEBI Listing Regulations.	Approved by the Audit Committee and Board of Directors at their meeting held on 17 January 2022 for Financial Year 2022-23 in compliance with provisions of section 188 of the Companies Act, 2013 and regulation 23 of SEBI Listing Regulations.
(f)	Amount paid as advances, if any:	Nil	Nil

All the related party transactions during the year under review, were in the ordinary course of business and on arm's length basis.

On behalf of the Board of Directors

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Date: 04 August 2023
Place: Vadodara

Annexure - C to the Board's Report

Annual Report on Corporate Social Responsibility ("CSR") Activities for the Financial Year 2022-23

[Pursuant to Section 135 of the Companies Act, 2013 ("the Act") & Rules made thereunder]

1. Brief outline on CSR Policy of the Company:

Tatva Chintan Pharma Chem Limited as a Company contributes to various charitable causes and seek to participate in ways that touch people's lives in the communities. The Company aims to create educated, healthy, sustainable and culturally vibrant communities. Further, the Company intends to be a significant contributor to CSR initiatives by devising and implementing social improvement projects for the benefit of underprivileged communities, towns and villages.

2. Composition of the CSR Committee as on 31 March 2023:

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	Dr. Avani R. Umatt (Chairperson)	Non-Executive - Independent Director	02	02
2	CA Subhash A. Patel (Member)	Non-Executive - Independent Director	02	02
3	Mr. Ajaykumar M. Patel (Member)	Promoter, Executive Director	02	02

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

https://www.tatvachintan.com/investors/corporate-governance/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable:

Not Applicable

5. (a) Average net profit of the Company as per sub-Section (5) of section 135: ₹ **67,05,25,364/-**

(b) Two percent of average net profit of the Company as per sub-Section (5) of section 135: ₹ **1,34,10,508/-**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Not Applicable**

(d) Amount required to be set-off for the financial year, if any: ₹ **9,80,728/-**

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ **1,24,29,780/-**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):

Ongoing Project: **NIL**

Other than ongoing projects: ₹ **1,28,85,915/-** (Refer Annexure C (a))

(b) Amount spent in Administrative Overheads: **NIL**

(c) Amount spent on Impact Assessment, if applicable.: **Not Applicable**

(d) Total Amount spent for the Financial Year [(a)+(b)+(c)].: ₹ **1,28,85,915/-**

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,28,85,915	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

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

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	(a) Two percent of average net profit of the company as per sub-section (5) of section 135	1,34,10,508
	(b) Amount available for set-off for FY 2022-23	9,80,728
	CSR Obligation for the FY 2022-23 (a-b)	1,24,29,780
(ii)	Total amount spent for the Financial Year	1,28,85,915
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	4,56,135
(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)]	4,56,135

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
Not Applicable								

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

If Yes, enter the number of Capital assets created/acquired: Not applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Address
Not Applicable							

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

Not Applicable

On behalf of the Board of Directors

Mr. Chintan N. Shah
Chairman & Managing Director
DIN: 00183618

Dr. Avani R. Umatt
Chairperson - CSR Committee
DIN: 09046170

Date: 04 August 2023
Place: Vadodara

Annexure C (a)

(1) Sl. No.	(2) Name of 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 ₹)	(7) Mode of implementation - Direct (Yes/ No)	(8) Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
1.	Swasthya Sampanda	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care	Yes	Gujarat	Bharuch	21,24,211	Yes	NA	NA
2.	Shiksha se Samruddhi	(ii) promoting education	Yes	Gujarat	Bharuch	35,400	Yes	NA	NA
3.	Swasthya Sampanda	(i) promoting health care including preventive health care	Yes	Gujarat	Bharuch	6,51,000	No	Vatsalya Foundation	CSR00007982
4.	Swasthya Sampanda – Health check ups	(i) promoting health care including preventive health care	Yes	Gujarat	Bharuch	1,96,625	No	Society for village Development in petrochemical area (SVADES)	CSR00002452
5.	Swasthya Sampanda - Support to Kashiben Gordhandas Patel Children Hospital	(i) promoting health care including preventive health care	Yes	Gujarat	Vadodara	5,57,115	No	Medical Care Centre Trust	CSR00003940
6.	Shiksha se Samruddhi - Education Support	(ii) promoting education	Yes	Gujarat	Vadodara	65,215	No	Medical Care Centre Trust	CSR00003940
7.	Shiksha se Samruddhi – Scholarship and Education Support	(ii) promoting education	Yes	Gujarat	Vadodara	10,00,000	No	Mahavir Foundation Trust	CSR00002591
8.	Shiksha se Samruddhi - National Employment Enhancement Mission (NEEM) Project	(ii) promoting education	Yes	Gujarat	Bharuch, Vadodara	13,16,156	No	Teamlease Education Foundation	CSR00009471
9.	Shiksha se Samruddhi - Infrastructure development for primary schools, aanganwadi and other initiatives at manufacturing sites	(ii) promoting education	Yes	Gujarat	Bharuch	39,34,546	No	Society for village Development in petrochemical area (SVADES)	CSR00002452
10.	Tatva Hariyali - environmental sustainability project and Naya Savera - Development of Rural Infrastructure and other Rural Development initiatives	(iv) ensuring environmental sustainability (x) rural development projects	Yes	Gujarat	Bharuch	24,45,647	No	Shri Mahakal Education and Charitable Trust	CSR00004675
11.	Swasthya Sampanda - Support to Smt. Jayaben Mody Hospital	(i) promoting health care including preventinve health care	Yes	Gujarat	Bharuch	5,60,000	No	Ankleshwar Industrial Development Society	CSR00003724
	Total					**1,28,85,915**			

On behalf of the Board of Directors

Mr. Chintan N. Shah
Chairman & Managing Director
DIN: 00183618

Dr. Avani R. Umatt
Chairperson - CSR Committee
DIN: 09046170

Date: 04 August 2023
Place: Vadodara

Annexure - D to the Board's Report

Disclosure under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the FY 2022-23 as well as the percentage increase in remuneration of each Director, Chief Financial Officer (CFO) and Company Secretary (CS) during the Financial Year 2022-23 are as under:

Name of Director / Key Managerial Personnel (KMP)	Designation	Ratio of remuneration of each Director / to median remuneration of employees	% increase/decrease in Remuneration in the Financial Year 2022-23
Mr. Chintan N. Shah	Chairman & Managing Director	54.98:1	-
Mr. Ajaykumar M. Patel	Whole time Director	54.98:1	-
Mr. Shekhar R. Somani	Whole time Director	54.98:1	-
CA Subhash A. Patel	Independent Director	NA	-
Dr. Avani R. Umatt	Independent Director	NA	-
Dr. Manher C. Desai	Independent Director	NA	-
Mr. Ashok Bothra	Chief Financial Officer	-	3%
Mr. Ishwar Nayi	Company Secretary and Compliance Officer	-	3%

2. The percentage increase in the median remuneration of employees in the financial year 2022- 23: 6.20%.

3. Number of permanent employees on the rolls of the Company as on 31 March 2023: 608

4. 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.

Particulars	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	10.66
Average increase in remuneration of managerial personnel	3.54

There has been no exceptional remuneration increase for managerial personnel. The salary/ies increase are decided based on the Company's performance, individual performance, inflation, prevailing industry trends, various parameters including benchmarks etc.

5. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Date: 04 August 2023
Place: Vadodara

Annexure - E to the Board's Report

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
TATVA CHINTAN PHARMA CHEM LIMITED
CIN: - L24232GJ1996PLC029894
Plot No. 502/17, GIDC Estate,
Ankleshwar, Bharuch-393002,
Gujarat, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tatva Chintan Pharma Chem Limited** (CIN: L24232GJ1996PLC029894) (hereinafter called **"the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended on 31 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:

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 31 March 2023 according to the provisions of;

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force):

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

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

III. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

IV. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - **Not applicable to the Company during the period under review**;

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

VI. 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;

VII. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - **Not applicable to the Company during the period under review** and

VIII. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;- **Not applicable to the Company during the period under review**.

(vi) Other applicable laws: Based on the information provided and the representation made by the Company and its officers and also on the review of the compliance reports taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes exist in the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations as applicable to the Company.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, 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 (including Woman Independent Director). There is no change in the composition of the Board of Directors during the period under review.

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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions at the Board Meetings were taken unanimously.

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, etc.

We further report that during the audit period there were no event occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For, **TNT & Associates**
Practicing Company Secretaries
P. R. No.: 3209/2023

Niraj Trivedi
Partner
FCS No.: 3844
C.P. No.: 3123
UDIN No.: F003844E000737687

Date: 4th August, 2023
Place: Vadodara

This report is to be read with our letter of even date which is annexed as **"Annexure A"** and forms an integral part of this report.

Annexure A to Secretarial Audit Report

To,
The Members,
TATVA CHINTAN PHARMA CHEM LIMITED
CIN: - L24232GJ1996PLC029894
Plot No. 502/17, GIDC Estate,
Ankleshwar,
Bharuch-393002,
Gujarat, India

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained 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, **TNT & Associates**
Practicing Company Secretaries
P. R. No.: 3209/2023

Niraj Trivedi
Partner
FCS No.: 3844
C.P. No.: 3123
UDIN No.: F003844E000737687

Date: 4th August, 2023
Place: Vadodara

Annexure - F to the Board's Report

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

A. Conservation of energy

Energy conservation continues to be an active focus area of Tatva Chintan Pharma Chem Limited ("Tatva Chintan" or "the Company"). In light of the global warming, which eventually may lead to scarcity of energy resources, Your Company has been focusing on efficient energy conservation practices as one of the key components of its responsible energy strategy. Your Company has also taken several initiatives in order to conserve energy which is in line with our policy of conservation of natural resources.

i. The steps taken or impact on conservation of energy:

- Installed APFC panel (3860 KVAR) for power factor improvement
- Installed VFD in Brine plants & ATFD machines to reduce power consumption
- New efficient Ventury scrubber system
- Installed Air Conditioners with high EER
- Installed LED lights to reduce power consumption
- Installed Pressure Powered Pumping Packaged Unit (Ppppu) to reduce power consumption
- Improvement in recovery of steam condensate water to reuse the same in boiler
- Replacement of pumps with energy efficient pumps
- Installation of energy efficient motors
- Re-designing of cooling tower pump by installing energy efficient pump for reduced energy consumption
- Re-designing of brine secondary pump by trimming impeller for reduced energy consumption
- Centralized compressed air system to reduce energy losses & also save electrical energy
- Increased re-use of treated effluent water done to reduce fresh water consumption
- Replacement of old motors with IE3 energy efficient motors in phased manner
- Replacement of Sodium vapor /CFL bulbs with energy efficient LED lights

ii. The steps taken by the Company for utilising alternate sources of energy: Nil

iii. The capital investment on energy conservation equipments: ₹ 26.76 Million

B. Technology absorption

i. The efforts made towards technology absorption:

We, at Tatva Chintan always endeavour for the development of technologies which are environmentally benign, sustainable and safe. We have always focused mainly to develop, adapt and make available best of technologies indigenously and in collaboration with Government approved reputed Research laboratories for various novel and proprietary products to improve profitability and accelerate our growth.

In continuation with a mindset of achieving Tatva Chintan's goals of developing novel and proprietary products and processes we are persistently committed for strengthening our in-house Research & Development Department ("R&D") by way of expanding our existing scientific pool and with the help of additions of advanced instrumentation to develop technologies that create significant value. R&D enables the innovation based growth agenda.

R&D has evolved, matured and entered into the next level of innovation by foraying into untouched complex chemistries with a sustained success rate. The developed breakthrough chemistries and techniques have significantly helped in simplifying the existing processes, helped in reduction of wastes, made the equipment usage much more efficient and not the least helped towards the usage of environmentally benign reagents and solvents.

With the expertise of high scientific and analytical skills, R&D has also focused on specialty chemicals, agrochemicals and the pharma intermediates taking part of 'make in India' campaign, the initiative by Govt. of India.

Tatva Chintan through its technology development strategies for various products technologies is also simultaneously focused on Safety, health & environmental issues.

ii. The benefits derived like product improvement, cost reduction, product development or import substitution:

With the strengthening and adoption of current advanced techniques and technologies, Tatva Chintan through its cohesive and continuous R&D efforts has been able to deliver new products through environmentally benign, cost competitive, safe and effective processes for new product pipelines for various customers.

Regio-selective halogenation and application of hydrogen peroxide as green oxidant were successfully commenced from bench scale to pilot scale. Prototype process for the recovery of bromine from bromination reaction product waste was also developed thus pushing and inching towards Tatva Chintan's target of zero process waste generation. Grignard reaction was also scaled up in pilot scale thus establishing and expanding our capabilities in performing complex and hazardous chemistries at all level's without any safety question raised. Commercial Scale hydrogenation were also the highlights of Tatva Chintan which was performed without any safety concerns. Scale up of solid distillation from lab scale to pilot level was also performed successfully which established Tatva Chintan's sustained capacity and desire to adopt newer and challenging technologies.

The continuous flow chemistry technique was successfully adapted, developed and demonstrated, showing minimum floor space requirements, lesser operational expenditures and most importantly it being environmentally sustainable. Zeolite based adsorptive separation of used solvent mixture in continuous mode was another accomplishment that resulted high purity of reusable grade solvent.

The knowledge and skill were developed in analytical techniques for estimation of trace level impurities that meet customer satisfaction and confidence.

Tatva Chintan by its adherence to the technology absorption strategy through its efforts has also been successful in upgrading the existing commercial products in terms of improving output quality and yield while reducing effluent load by adopting/ substituting to latest / current available technology and processes.

We have also been able to expand the product portfolio through our R&D strategies and efforts as per our desire for product diversification and exploring varied application based research.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

Currently no imported technology acquired and practiced.

iv. The expenditure incurred on Research and Development:

(₹ in million)

Sr. No	Particulars	2022-23	2021-22
a)	Capital expenditure	195.52	32.67
b)	Revenue expenditure	60.39	37.03
	Total (a+b)	**255.91**	**69.70**

C. Foreign exchange earnings and Outgo-

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows:

(₹ in million)

Particulars	2022-23	2021-22
Foreign exchange earned	3,228.93	3642.02
Outgo of foreign exchange	(2,409.30)	(1,643.91)

On behalf of the Board of Directors

Chintan N. Shah
Chairman & Managing Director
DIN 00183618

Date: 04 August 2023
Place: Vadodara

Annexure - G to the Board's Report

Report on Corporate Governance

1. Company's Philosophy on Code of Corporate Governance

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures transparency, responsibility and accountability. Your Company believes in upholding highest standards 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, timely statutory compliance, disclosure of information on performance, ownership and governance of the Company.

Above all, we believe that Corporate Governance must balance individual interest with corporate goals and operate within accepted norms of propriety, equity, fair play and sense of responsibility & justice. Achieving this balance depends upon how accountable and transparent the Company is. Accountability improves decision making. Transparency helps to explain the rationale behind decisions and thereby creating long term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

Your Company's philosophy on Corporate Governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all the stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Your Company 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 ("SEBI Listing Regulations") as applicable with regard to Corporate Governance.

2. Board of Directors

a) Composition of the Board

Your Company has an active, experienced, highly qualified, diverse and a well-informed Board. The Board along with its Committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's Corporate Governance philosophy. Your Company has an optimum combination of Executive and Non-Executive Directors which is in conformity with Regulation 17 of the SEBI Listing Regulations read with Sections 149 and 152 of the Companies Act 2013 ("the Act"). The Board periodically evaluates the need for change in its composition and size.

In terms of Regulation 17 of the SEBI Listing Regulations, at least 50% of the Board should comprise Non-Executive Independent Directors with at least one Woman Director. Out of total 6 Directors as on 31 March 2023, the Non-Executive Independent Directors in the Company consist 50% of the Board. Your Company has one Woman Director on the Board as on the said date who is holding the office as a Non-Executive Independent Director.

Detailed profile of all the Directors of your Company are available on the Company's website at https://www.tatvachintan.com/about-us/promoters-board-of-directors/.

b) **The names and categories, inter personal relationship of the Directors on the Board, their attendance at Board meetings during the year and at the last Annual General Meeting ("AGM"), the number of Directorships in other Companies and Committee membership / chairpersonship held by them are given below:**

Name and Category of Director	Attendance at the Board meetings and last AGM of Tatva Chintan Pharma Chem Limited held during the FY 2022-23		Directorship in Listed Companies			Number of other Board of Directors or Statutory Committees and Category of Membership					
	Board (Out of 04)	Last AGM held on 22 September 2022	Name of Listed Companies	Category		BOD	AC	NRC	CSR	SRC	RMC
				P/PG	ED/NED/ID						
Mr. Chintan N. Shah (DIN: 00183618) Promoter, Executive Director	04	Yes	Tatva Chintan Pharma Chem Limited	P	ED	-	-	-	-	-	-
Mr. Ajaykumar M. Patel (DIN: 00183745) Promoter, Executive Director	04	Yes	Tatva Chintan Pharma Chem Limited	P	ED	-	-	-	-	-	-
Mr. Shekhar R. Somani (DIN: 00183665) Promoter, Executive Director	04	Yes	Tatva Chintan Pharma Chem Limited	P	ED	-	-	-	-	-	-
CA Subhash A. Patel (DIN: 00535221) Non-Executive - Independent Director	04	Yes	Tatva Chintan Pharma Chem Limited	-	ID	1-NED	-	-	-	-	-
Dr. Avani R. Umatt (DIN: 09046170) Non-Executive - Independent Director	04	Yes	Tatva Chintan Pharma Chem Limited	-	ID	1-ID	-	1-M	1-C	1-C	1-M
Dr. Manher C. Desai (DIN: 09042598) Non-Executive -Independent Director	04	Yes	Tatva Chintan Pharma Chem Limited	-	ID	-	-	-	-	-	-

P- Promoter; PG - Promoter Group; ED – Executive Director; NED - Non-Executive Director; ID - Independent Director; BOD – Board of Director; AC - Audit Committee; NRC - Nomination & Remuneration Committee; CSR - Corporate Social Responsibility Committee; SRC - Stakeholders Relationship Committee; RMC - Risk Management Committee; M - Membership; C – Chairmanship

*Note: The AGM was held through video conferencing / other audio-visual means ("VC/OAVM") because of COVID restrictions.

None of the Directors on the Board is a Member of more than ten (10) Committees and Chairperson of more than five (5) Committees (Committees being Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the SEBI Listing Regulations) across all the public companies in which he/she is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies.

None of the Directors hold office in more than ten (10) public limited companies as prescribed under Section 165(1) of the Act. No Director holds Directorships in more than seven (7) listed companies. None of the Non-Executive Director is an Independent Director in more than seven (7) listed companies as required under the SEBI Listing Regulations. Further, the Managing Director and the Executive Director do not serve as Independent Directors in any listed company.

c) **Number of Board Meetings held and the dates of the Board Meetings**

The Board of Directors met four (4) times on following date during the financial year under review.

Sr. No.	Date of Board Meeting	No. of Directors Present
1.	25 April 2022	6
2.	25 July 2022	6
3.	04 November 2022	6
4.	24 January 2023	6

The maximum gap between any two meetings was less than one hundred and twenty days and the Meetings were conducted in compliance with all applicable laws. The necessary quorum was present at all the Board Meetings.

d) Disclosure of relationships between Directors inter-se - None of the Directors are related to each other.

e) Number of shares held by Non-executive Directors

No Shares has been held by Non-Executive Directors. The details of Shares held by Directors as on 31 March 2023 are given below:

Name	Category	Number of equity shares
Mr. Chintan N. Shah	Promoter, Executive Director	48,97,219
Mr. Shekhar R. Somani	Promoter, Executive Director	56,30,628
Mr. Ajaykumar M. Patel	Promoter, Executive Director	40,07,190
CA Subhash A. Patel	Non-Executive - Independent Director	-
Dr. Manher C. Desai	Non-Executive - Independent Director	-
Dr. Avani R. Umatt	Non-Executive - Independent Director	-

f) The Company has not issued any convertible instruments.

g) Web link where details of familiarization programmes imparted to independent Directors - https://www.tatvachintan.com/wp-content/uploads/2022/08/Familiarization-Programme-for-Independent-Directors.pdf

h) **As required under the provisions of Schedule V(C)(2)(h) of the SEBI Listing Regulations, the Board of Directors has identified the core skills / expertise / competencies as required in the context of its business(es) and sector(s) for it to function effectively those actually available with the Board and the details of the name of Director(s) who possess specific skills / expertise / competencies are as follows:**

Name of the Director	Leadership, Management & Governance	Information Technology business & Industry knowledge	Legal, regulatory and financial knowhow	Strategic and analytical mindset	Safety and Sustainability	Interpersonal skills and personal qualities/values
Mr. Chintan N. Shah	✓	✓	✓	✓	✓	✓
Mr. Shekhar R. Somani	✓	✓	✓	✓	✓	✓
Mr. Ajaykumar M. Patel	✓	✓	✓	✓	✓	✓
CA Subhash A. Patel	✓	✓	✓	✓	✓	✓
Dr. Avani R. Umatt	✓	✓	✓	✓	✓	✓
Dr. Manher C. Desai	✓	✓	✓	✓	✓	✓

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person having knowledge about a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company. The Directors so appointed are drawn from diverse backgrounds and who possess special skills with regard to the industries/fields from where they come.

i) The Board of Directors of the Company is of opinion that all the Independent Directors of the Company fulfill the conditions specified in SEBI Listing Regulations and are independent of the management during the period under review.

j) None of the Independent Directors of the Company has resigned before the expiry of their tenure during the period under review.

k) **Annual Evaluation of the Board's and Individual Directors:**

Pursuant to the provisions of the Act, and the SEBI Listing Regulations, the Board has carried out the annual evaluation of its own performance, as well as the working of its Audit, Nomination and Remuneration. A structured questionnaire was prepared after taking into consideration, inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation made by Nomination and Remuneration Committee and Independent Directors at their respective meetings was noted by the Board. The performance evaluation of Executive Directors, Independent Directors, Board committees and Board as a whole was carried out by the Board of Directors excluding the Director being evaluated, at their meeting on the basis of criteria laid down by the Board.

l) **Compliance with Code of Conduct:**

The Company has adopted the Code of Conduct for the Board of Directors and Senior Management Personnel. The Company's Code of Conduct is available on the website of the Company https://www.tatvachintan.com/wp-content/uploads/2022/01/Code-of-conduct-for-all-members-of-the-Board-and-senior-management.pdf.

The members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct during the year under review.

A declaration to this effect duly signed by the Chairman and Managing Director forms part of this Report.

m) Prevention of Insider Trading Code:

The Company has adopted a "Code of Conduct for Prohibition of Insider Trading" and the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" as per SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, with a view to regulate trading in securities by the Designated Persons and their Immediate Relatives.

The Board of Directors, designated employees and connected persons have affirmed compliance with the Code.

Code of Conduct for Prohibition of Insider Trading and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is available on Company's website at https://www.tatvachintan.com/investors/corporate-governance/.

The Compliance Officer of the Company is responsible for adherence to Code of Conduct for Prohibition of Insider Trading Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

3. Audit Committee

I. The Audit Committee ("AC") of the Company is constituted in alignment with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

II. The terms of reference of the Committee are in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013 and major terms of reference, inter alia, includes the following:

1. Oversight of financial reporting process and the disclosure of financial information relating to Tatva Chintan Pharma Chem Limited (the "Company") to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, reappointment, replacement, remuneration and terms of appointment of Auditors of the Company and the fixation of the audit fee;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Formulation of a policy on related party transactions, which shall include materiality of related party transactions;
5. Reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
6. Examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. 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;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions; and
    g. Modified opinion(s) in the draft audit report.
7. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
8. 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 of directors of the Company (the "Board" or "Board of Directors") to take up steps in this matter;
9. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
10. Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

    Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.
11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of the Company, wherever it is necessary;
13. Evaluation of internal financial controls and risk management systems;

14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

15. 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;

16. Discussion with internal auditors of any significant findings and follow up there on;

17. 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;

18. 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;

19. Recommending to the Board of Directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

20. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

21. Reviewing the functioning of the whistle blower mechanism;

22. Monitoring the end use of funds raised through public offers and related matters;

23. Overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

24. Approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

25. Reviewing the utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision; and

25A. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

26. Carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

III. The composition of the Audit Committee meets with the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

All the members of the Audit Committee are qualified and have insight to interpret and understand financial statements.

Four (4) Audit Committee meetings were held during the Financial Year 2022-23 which were held on 25 April 2022, 25 July 2022, 04 November 2022 and 24 January 2023. The maximum gap between any two meetings was less than one hundred and twenty days. The necessary quorum was present for all the Meetings of the Committee.

The details of members, their category and number of meetings attended by them during the Financial Year 2022-23 are given below:

Name of Committee Member	Designation in Committee	Category in the Board	No of Meeting held	No of Meeting attended
CA Subhash A. Patel	Chairperson	Non-Executive - Independent Director	04	04
Dr. Manher C. Desai	Member	Non-Executive - Independent Director	04	04
Mr. Chintan N. Shah	Member	Promoter, Executive Director	04	04
Dr. Avani R. Umatt	Member	Non-Executive - Independent Director	04	03

CA Subhash A. Patel, Chairperson of the Audit Committee, was present during the 26th AGM held on 22 September 2022 through Video Conferencing.

4. Nomination and Remuneration Committee

I. The Nomination and Remuneration Committee ("NRC") of the Company is constituted in alignment with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations and terms of reference, including role & powers of the Committee, has been modified accordingly.

II. Terms of reference of the Committee, inter alia, includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees ("Remuneration Policy").

   The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

   i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

   ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

(1A). For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a. use the services of an external agencies, if required;

   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c. consider the time commitments of the candidates.

2. Formulation of criteria for evaluation of independent directors and the Board;

3. Devising a policy on Board diversity;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

5. Analyzing, monitoring and reviewing various human resource and compensation matters;

6. Deciding 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;

7. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

8. Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;

9. Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;

10. Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

11. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, if applicable;

12. Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

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

    b. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

13. Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

III. The composition of the Nomination and Remuneration Committee meets with the requirement of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

Three (3) Nomination and Remuneration Committee meetings were held during the Financial Year 2022-23 which were held on 25 April 2022, 25 July 2022 and 24 January 2023. The necessary quorum was present at all the Meetings of the Committee.

The details of members, their category and number of meetings attended by them during the Financial Year 2022-23 are given below:

Name of Committee Member	Designation in Committee	Category in the Board	No of Meeting held	No of Meeting attended
Dr. Manher C. Desai	Chairperson	Non-Executive - Independent Director	03	03
CA Subhash A. Patel	Member	Non-Executive - Independent Director	03	03
Dr. Avani R. Umatt	Member	Non-Executive - Independent Director	03	03

Dr. Manher C. Desai, Chairperson of the Nomination and Remuneration Committee, was present during the 26th AGM held on 22 September 2022 through Video Conferencing.

IV. The below criteria are considered for performance evaluation of Board, that of its Committees and Individual Directors:

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Executive and Non-Executive Directors of the Company as per Section 178 of the Companies Act, 2013, as amended from time to time. The criteria was set based on various attributes, inter alia, profile, experience, contribution, dedication, knowledge, sharing of information with the Board, regularity of attendance, aptitude & effectiveness, preparedness & participation, team work, decision making process, their roles, rights, responsibilities in the Company, monitoring & managing potential conflict of interest of management, providing fair and constructive feedback & strategic guidance and contribution of each Director to the growth of the Company.

5. Stakeholders Relationship Committee

I. The Stakeholders Relationship Committee ("SRC") of the Company is constituted in alignment with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations and terms of reference, including role & powers of the Committee, has been modified accordingly.

II. Terms of reference of the Committee, inter alia, includes the following:

a. Resolving the grievances of the security holders of the listed entity including complaints related to transfer of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report or non-receipt of balance sheet, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

b. review of measures taken for effective exercise of voting rights by shareholders;

c. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

d. Giving effect to all transfer / transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate / consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

e. review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;

f. 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; and

g. Carrying out such other functions as may be specified by the Board from time to time or specified / provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

To expedite the process and for effective resolution of grievances / complaints, the Committee has delegated powers to the Link Intime India Private Limited, Registrar and Share Transfer Agent and its officials to redress all various aspects of interest of the Members / Investors. Mr. Ishwar Nayi, the Company Secretary of the Company acts as a Compliance Officer of the Stakeholders Relationship Committee and under his supervision, the Committee redresses the grievances / complaints of Members / Investors.

Two (2) Stakeholders Relationship Committee meetings were held during the Financial Year 2022-23 which were held on 25 April 2022 and 24 January 2023. The necessary quorum was present at all the Meetings of the Committee.

The details of members, their category and number of meetings attended by them during the Financial Year 2022-23 are given below:

Name of Committee Member	Designation in Committee	Category in the Board	No of Meeting held	No of Meeting attended
CA Subhash A. Patel	Chairperson	Non-Executive - Independent Director	02	02
Dr. Manher C. Desai	Member	Non-Executive - Independent Director	02	02
Mr. Shekhar R. Somani	Member	Promoter, Executive Director	02	02

CA Subhash A. Patel, Chairperson of the Stakeholders Relationship Committee, was present during the 26th AGM held on 22 September 2022 through Video Conferencing.

III. Status of Investor Complaints

The status of investor complaints as on 31 March 2023 as reported under Regulation 13(3) of the SEBI Listing Regulations is as under:

No of shareholders complaints as on 01 April 2022	00
No of shareholders complaints received during the year	02
No of shareholders complaint resolved during the year	02
No of shareholders complaint not resolved during the year	00
No of complaint pending as on 31 March 2023	00

The complaints have been resolved to the satisfaction of the shareholders. The correspondence identified as investor complaints are letters received through statutory/regulatory bodies.

No grievances / complaints are outstanding and no requests for share transfers and / or requests for dematerialization were pending for approval as on 31/03/2023.

IV. Name, designation and address of the Compliance Officer

Mr. Ishwar Nayi
Company Secretary and Compliance officer
Tatva Chintan Pharma Chem Limited
Plot No. 502 / 17, GIDC Estate, Ankleshwar
Dist. Bharuch, Gujarat - 393 002, India
Telephone: +91 75748 48533/34
Fax: +91 265 263 8533
Email: cs@tatvachintan.com

6. Risk Management Committee

I. The Risk Management Committee ("RMC") of the Company is constituted in alignment with the provisions of Regulation 21 of the SEBI Listing Regulations. The primary role of the RMC is that of assisting the Board of Directors in overseeing the Company's risk management processes and controls. The RMC, through the Enterprise Risk Management in the Company, seeks to minimise adverse impact on the business objectives and enhance stakeholder value. The Board has adopted a charter for the functioning of the RMC covering the composition, meetings, quorum, responsibilities, etc.

II. Terms of reference of the Committee, inter alia, includes the following:

1. To formulate a detailed risk management policy which shall include:

   a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   b. Measures for risk mitigation including systems and processes for internal control of identified risks.

   c. Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

Four (4) Risk Management Committee were held during the Financial Year 2022-23 which were held on 25 April 2022, 25 July 2022, 04 November 2022 and 24 January 2023. The necessary quorum was present at all the Meetings of the Committee.

The details of members, their category and number of meetings attended by them during the Financial Year 2022-23 are given below:

Name of Committee Member	Designation in Committee	Category in the Board	No of Meeting held	No of Meeting attended
Mr. Shekhar R. Somani	Chairperson	Promoter, Executive Director	04	04
CA Subhash A. Patel	Member	Non-Executive - Independent Director	04	04
Dr. Manher C. Desai	Member	Non-Executive - Independent Director	04	04
Mr. Harish L. Patel	Member	General Manager - Operation	04	03
Mr. Rakeshkumar P. Poonia	Member	Assistant General Manager - Commercial	04	03

Mr. Shekhar R. Somani, Chairperson of the Risk Management Committee, was present during the 26th AGM held on 22 September 2022 through Video Conferencing.

7. Senior Management

As on 31 March 2023, the following persons have been designated as Senior Management personnel ("SMP") of the Company pursuant to SEBI Listing Regulations.

Name SMP	Designation	Date of Appointment	Date of Cessation
Mr. Ashok Bothra	Chief Financial Officer	03/12/2021	-
Mr. Harish L. Patel	General Manager – Operation	12/01/2007	-
Mr. Ajay Rawat	General Manager – Research and Development	05/07/2019	-
Mr. Ishwar Nayi	Company Secretary and Compliance Officer	17/01/2022	-

8. Corporate Social Responsibility Committee

I. The Corporate Social Responsibility ("CSR") Committee of the Board is constituted in accordance with the provisions of Section 135 of the Companies Act, 2013. The CSR Committee has been entrusted with the specific responsibility of reviewing corporate social responsibility programmes. The scope of the CSR Committee also includes approving the budget of CSR activities, reviewing the CSR programmes, formulation of annual action plan and monitoring the CSR spends.

II. Terms of reference of the Committee, inter alia, includes the following:

a. formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;

b. identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

c. review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;

d. delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

e. review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

f. any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time; and

g. exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

The Corporate Social Responsibility Policy on the Company is available on Company's website at https://www.tatvachintan.com/wp-content/uploads/2022/01/CSR-Policy-1.pdf.

A CSR Report giving details of the CSR activities undertaken by the Company during the year under review, along with the amount spent forms part of the Board's Report.

Two (2) Corporate Social Responsibility Committee meetings were held during the Financial Year 2022-23 on 25 April 2022 and 24 January 2023. The necessary quorum was present for all the Meetings of the Committee.

The details of members, their category and number of meetings attended by them during the Financial Year 2022-23 are given below:

Name of Committee Member	Designation in Committee	Category in the Board	No of Meeting held	No of Meeting attended
Dr. Avani R. Umatt	Chairperson	Non-Executive - Independent Director	02	02
CA Subhash A. Patel	Member	Non-Executive - Independent Director	02	02
Mr. Ajaykumar M. Patel	Member	Promoter, Executive Director	02	02

Dr. Avani R. Umatt, Chairperson of the Corporate Social Responsibility Committee, was present during the 26th AGM held on 22 September 2022 through Video Conferencing.

9. Remuneration of Directors

a. Remuneration policy, terms and criteria of appointment of Directors:

The Nomination and Remuneration Policy lays down criteria for determining appointment and qualification, positive attributes and independence of Director. The policy reflects the interests of the shareholders and the Company taking into consideration any specific matters, including the assignments, the responsibilities undertaken and also be competitive with the external market. Your Company recognizes the benefit of a Board that possesses the right balance of skills, knowledge, experience, expertise and diversity of perspective. The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis and is in consonance with the existing Industry practices.

b. Remuneration paid to Executive Directors:

The break-up of remuneration paid on yearly basis to the Executive Directors for the Financial Year 2022-23 are as under:

(Amount in ₹)

Name of Directors	Mr. Chintan N. Shah	Mr. Ajaykumar M. Patel	Mr. Shekhar R. Somani
Designation	Chairman & Managing Director	Whole time Director	Whole time Director
Salary (₹)	50,80,032	50,80,032	50,80,032
Bonus	-	-	-
Pension	-	-	-
Commission (₹)	-	-	-
Perquisites / Allowances (₹)	1,14,23,220	1,14,23,220	1,14,23,220
Total (₹)	1,65,03,252	1,65,03,252	1,65,03,252
Stock Option Granted (Nos.)	-	-	-
Fixed components and performance linked incentives	-	-	-
Service Contract, Notice Period, Severance Fees	The employment of Mr. Chintan N. Shah is Contractual. Period of Contract - 5 years from 01 February 2021 to 31 January 2026. Notice Period – Six (6) months. There is no separate provision for payment of severance fees.	The employment of Mr. Ajaykumar M. Patel is Contractual. Period of Contract - 5 years from 01 February 2021 to 31 January 2026. Notice Period – Six (6) months. There is no separate provision for payment of severance fees.	The employment of Mr. Shekhar R. Somani is Contractual. Period of Contract - 5 years from 01 February 2021 to 31 January 2026. Notice Period – Six (6) months. There is no separate provision for payment of severance fees.

c. Remuneration paid to Non-Executive Directors:

During FY 2022-23, your Company paid sitting fees of ₹ 25,000 per Meeting to the Non-executive Directors who are also an Independent Directors for attending each Meeting of the Board and ₹ 10,000 per Meeting for attending each Meeting of Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders Relationship Committee and Corporate Social Responsibility. Your Company also reimburses out-of-pocket expenses, if any incurred by the Directors for attending the Meetings.

Criteria of making payments to Non-executive Directors who are also an Independent Directors are available on the website of the Company at https://www.tatvachintan.com/wp-content/uploads/2022/01/Terms-and-conditions-for-Appointment-of-Independent-Directors-of-the-Company.pdf.

The terms and conditions for appointment of Non- Executive – Independent Directors are disclosed on the website of the Company at https://www.tatvachintan.com/wp-content/uploads/2022/01/Terms-and-conditions-for-Appointment-of-Independent-Directors-of-the-Company.pdf.

Details of remuneration paid to Non-Executive - Independent Directors for attending the meetings of Board of Directors and Committees for the financial year 2022-23 are as given below:

(Amount in ₹)

Name of Directors	Sitting Fees
CA Subhash A. Patel	2,50,000
Dr. Manher C. Desai	2,30,000
Dr. Avani R. Umatt	1,80,000

d. Pecuniary Relationship of Non-Executive - Independent Directors with the Company:

None of the Non-Executive - Independent Directors of the Company have any pecuniary relationship or transactions with the Company, its Promoters, its management or its Subsidiaries and Associate, which, in the judgement of the Board, would affect the independence or judgement of Directors.

10. Independent Directors' Meeting

During the year, a separate meeting of the Independent Directors was held on 24 January 2023, without the attendance of Non-Independent Directors and members of the management, inter alia, to:

- Review the performance of Non-Independent Directors and the Board of Directors as a whole;
- Review the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Assessment of the quality, content and timelines for the flow of information between the Management and the Board, which is necessary for the Board to effectively and reasonably perform its duties;

All Independent Directors attended the said meeting.

11. Subsidiary Companies

Regulation 16 of the SEBI 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 SEBI 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 have been appointed on the Board of unlisted material subsidiaries. For more 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.

The subsidiaries of the Company function independently with an adequately empowered Board of Directors and adequate resources. The minutes of Board Meetings of subsidiaries are placed before the Board of the Company for its review and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are also placed before the Board.

Pursuant to the explanation under Regulation 16(1)(c) of the SEBI Listing Regulations, the Company has formulated a Policy for determining material subsidiaries which is disclosed on the Company's website at https://www.tatvachintan.com/wp-content/uploads/2022/01/Policy-for-determining-%E2%80%98material-subsidiaries.pdf

The other requirements of Regulation 24 of the SEBI Listing Regulations with regard to Corporate Governance requirements for subsidiary companies have been complied with.

12. General Body Meetings

a) Details of location, time and date of last three Annual General Meetings are given below:

Date	Time	Venue
22 September 2022	4:00 p.m. (IST)	Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") Deemed Venue - Plot No. 502/17 GIDC Estate, Ankleshwar, Dist. Bharuch-393002, Gujarat, India
29 September 2021	4:00 p.m. (IST)	Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") Deemed Venue - Plot No. 502/17 GIDC Estate, Ankleshwar, Dist. Bharuch-393002, Gujarat, India
29 October 2020	3:00 p.m. (IST)	Plot No. 502/17 GIDC Estate, Ankleshwar, Dist. Bharuch-393002, Gujarat, India

b) Details of special resolutions passed in the previous three annual general meetings:

Nature of Transaction in respect of which Special Resolution Passed	Special Resolutions were passed through Postal Ballot	Date and time of Meeting
1. To Borrow money in excess of paid-up share capital and free reserves of the Company 2. Authority to create mortgages, charges and hypothecations on properties of the Company 3. Authorization to invests, give guarantee or providing securities or investment made	-	29 September 2021 at 4:00 p.m. (IST)
1. Alteration of Memorandum of Association of the Company 2. Adoption of new set of Articles of Association of the Company 3. Keeping Register & Index of Members and copy of Annual Return at Vadodara Office instead of Registered Office	-	29 October 2020 at 3:00 p.m. (IST)

c) Whether special resolutions were put through postal ballot last year, details of voting pattern:

There were no Special Resolutions passed through postal ballot process during FY 2022- 23.

d) Person who conducted the postal ballot exercise:

Not Applicable

e) Whether any resolutions are proposed to be conducted through postal ballot:

No resolution is proposed to be passed by way of Postal Ballot at the ensuing AGM.

f) Procedure for postal ballot:

Not applicable

13. Means of Communication

a. Stock Exchange Intimations

All submissions to the Stock Exchanges are made through the respective electronic filing systems. All unpublished price sensitive information, material events or information as detailed in Regulation 30 of the SEBI Listing Regulations are disseminated to the Stock Exchanges.

The disclosures are also available on the Company's website at https://www.tatvachintan.com.

b. Quarterly Results

Pursuant to provisions of the SEBI Listing Regulations, the quarterly/half-yearly/annual financial results of the Company are submitted to the Stock Exchanges and are normally published in English Language in National Daily Newspaper "Financial Express" circulating in substantially the whole of India and in Gujarati Language in "Vadodara Samachar".

The quarterly/half-yearly/annual financial results of the Company are displayed on the Company's website under "Investor Relations" section at https://www.tatvachintan.com. The website also displays official press releases, investor presentations and other statutory and business information.

c. Newspaper wherein results normally published

After getting the shares listed on BSE and NSE, the Company publishes its results in English Language in National Daily Newspaper "Financial Express" circulating in substantially the whole of India and in Gujarati Language in "Vadodara Samachar".

d. Website

https://www.tatvachintan.com.

e. Official news release

The Company regularly publish information, update its financial results and official news releases on the Company's website https://www.tatvachintan.com/.

f. Presentation made to institutional investor or to the analyst

The Chairman and Managing Director/Whole-Time Director/ Chief Financial Officer, Senior Management Personnel etc. hold quarterly briefs with analysts, shareholders and major stakeholders where the Company's performance is discussed. The official press releases, presentation made to the institutional investors and analysts, audio/video recording and the transcripts of the call with analysts for quarterly/half-yearly/annual results are available on the Company's website at https://www.tatvachintan.com and uploaded on the website of NSE & BSE.

14. General Shareholders' Information

Day, Date, time and venue of Annual general meeting (AGM)	:	Friday, 22 September 2023 Time: 04:00 P.M. (IST) Venue: In accordance with the General Circular issued by the MCA on 28 December 2022 and other relevant MCA Circulars, the AGM will be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") only
Financial year;	:	01 April to 31 March
Book Closure Date;	:	Saturday, 09 September 2023 to Friday, 22 September 2023 (both days inclusive)

Dividend payment date;	:	On or after Friday, 29 September 2023 but before the expiry of statutory period of 30 days from the date of AGM, if approved by the Members at the AGM
The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);	:	The Equity Shares of the Company are listed at BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The name and address of Stock Exchange are as follows; **BSE Limited (BSE)** 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. **National Stock Exchange of India Limited (NSE)** "Exchange Plaza", C-1, Block G, Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051. The Company has paid the listing fees to these Stock Exchanges for Financial Year 2022-23 and Financial Year 2023-24
Stock code/symbol;	:	**Name of the Exchange** — **Code/Symbol** BSE Limited (BSE) — 543321 National Stock Exchange of India Limited (NSE) — TATVA
International Securities Identification Number (ISIN) in NSDL and CDSL;	:	INE0GK401011
Market price data - high, low during each month in last financial year;	:	Please find the details at **ANNEXURE – I**
Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc;	:	Please find the details at **ANNEXURE – II**
In case the securities are suspended from trading, the Directors report shall explain the reason thereof;	:	Not Applicable for the year under review
Registrar to an issue and share transfer agents;	:	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai, Maharashtra - 400 083, India SEBI registration number: INR000004058 Email: vadodara@linkintime.co.in Website: www.linkintime.co.in Telephone: +91 (22) 4918 6260 Shareholders are requested to correspond directly with the Registrar and share transfer Agent for transfer / transmission of shares, change of address, queries pertaining to their shares, dividend etc.
Share Transfer System;	:	Pursuant to Regulation 40 (1) of SEBI Listing Regulations, with effective from 01 April 2019, transfer of shares in physical mode has been discontinued and accordingly the Company has not processed transfer of shares in physical mode (except in case of request received for transmission or transposition of shares) from the time the said Regulation was applicable and all the transfer of shares would be carried out only in dematerialized form by the respective Depository Participants of the shareholders. Accordingly, shareholders holding shares in physical form are urged to have their shares dematerialized at the earliest so that they can transfer them in dematerialized form and participate in various corporate actions.
Distribution of shareholding as on 31 March 2023	:	Please find the details at **Annexure - III**
Dematerialization of shares and liquidity;	:	100% of Company's shares are held in the demat form as on 31 March 2023.
Outstanding global depository receipts (GDRs) or american depository receipts (ADRs) or warrants or any convertible instruments, conversion date and likely impact on equity;	:	The Company has not issued any GDRs or ADRs or warrants or any convertible instruments during the year under review.

Commodity price risk or foreign exchange risk and hedging activities;	:	Commodity price risk and hedging activities – The Company procures Raw Materials (mainly Chemicals) etc. The Company manages the associated price risks through commercial negotiation with customers and suppliers. Foreign Exchange risk and hedging activities – The Company has exposure to foreign exchange risks in relation with its imports, borrowings and primarily in relation with its exports denominated in foreign exchange. The Company has a robust internal control system to manage foreign exchange risks. The hedging activity is regularly carried out to mitigate the risks.
Plant locations;	:	**Ankleshwar Plant:** Plot no 502/17&18&8, GIDC Estate, Ankleshwar-393002, District: Bharuch, Gujarat, India **Dahej Plant:** Plot no Z/103/F/1&2, SEZ Area, Part-2, Dahej – 392130, District: Bharuch, Gujarat, India
Address for correspondence.	:	**Tatva Chintan Pharma Chem Limited** Plot. No. 353, Makarpura GIDC, Vadodara - 390010, Gujarat, India Tel. No. +91 7574848533/34 Email: cs@tatvachintan.com Website: https://www.tatvachintan.com
List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit (FD) programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad	:	During the financial year under review, the Long Term and Short Term rating of your Company has been reaffirmed to "A-/Stable and A2+" respectively by CRISIL.

15. Other Disclosure

a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;

All related party transactions that were entered into during FY 2022-23 were on arm's length basis and, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the SEBI Listing Regulations. 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 Company has revised the related party transaction policy in accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the same is uploaded on Company's website at https://www.tatvachintan.com.

b. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years;

Your Company has timely complied with all the requirements of the Stock Exchanges, SEBI and other Statutory Authority on all matters related to capital markets. From the date of listing, no penalties or strictures have been imposed on the Company by these authorities. None of the Company's listed securities is suspended from trading.

c. Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel have been denied access to the audit committee;

The Company has adopted a Whistle blower Policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism. No personnel/ employee of the Company has been denied access to the Chairperson of the Audit Committee.

The Whistle blower Policy as adopted by the Company is available on the Company's website at https://www.tatvachintan.com/wp-content/uploads/2022/01/Vigil-mechanism-and-Whistle-Blower-policy.pdf.

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

- **Compliance with the mandatory requirements**

  The Company complied with the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Regulations to the extent applicable.

- **Extent of compliance with the non-mandatory / discretionary requirements**

  The status of compliance with the non-mandatory / discretionary requirements as stated under Part E of Schedule II to the SEBI Listing Regulations are as under:

  a. **The Board:** The Company have regular Chairperson.

  b. **Shareholder Rights:** The quarterly/half-yearly/ financial statements/performance of the Company are published in newspapers and uploaded on NSE/BSE apart from Company's website (https://www.tatvachintan.com/investors/disclosures/).

  c. **Modified opinion(s) in Audit Report:** During the year under review, there was no audit qualification in the Company's Financial Statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.

  d. **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

e. **Web link where policy for determining 'material' subsidiaries is disclosed;**

The policy for determining 'material' subsidiaries is available on the website of the Company under the heading "Policies" in the Corporate Governance tab which can be accessed from https://www.tatvachintan.com/wp-content/uploads/2022/01/Policy-for-determining-%E2%80%98material-subsidiaries.pdf

f. **Web link where policy on dealing with related party transactions is disclosed;**

The policy on dealing with related party transactions is available on the website of the Company under the heading "policies" in the Corporate Governance tab which can be accessed from https://www.tatvachintan.com/wp-content/uploads/2022/03/Policy-on-Related-Party-Transactions.pdf.

g. **Disclosure of commodity price risks and commodity hedging activities;**

The Company procures Raw Materials (mainly Chemicals) etc. The Company manages the associated price risks through commercial negotiation with customers and suppliers

h. **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A);**

Not Applicable

i. **A certificate from a company secretary in practice that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority;**

The Company has received certificate from M/s. TNT & Associates, Practicing Company Secretaries. The copy of Certificate is enclosed at **Annexure-IV**.

j. **Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof;**

Not Applicable

k. **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part;**

₹ 30,90,000/-

l. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The details of complaints filed disposed & pending are given below:

Number of complaints filed during the financial year 2022-23 – Nil

Number of complaints disposed of during the financial year 2022-23 – Nil

Number of complaints pending as on end of the financial year 2022-23 – Nil

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace ("POSH") and the same is uploaded on the website of the Company at https://www.tatvachintan.com/wp-content/uploads/2023/05/Policy-on-Prevention-and-resolution-of-sexual-harassment-at-workplace.pdf

m. **Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans and Advances in the nature of loans to firms/ companies in which Directors are interested by name and amount;**

The Company has not given any loans or advances to any firm / company in which its Directors are interested.

n. **Details of material subsidiaries including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:**

Name of material subsidiaries	Date of incorporation / acquisition	Place of incorporation	Name of the Statutory Auditors	Date of appointment of the Statutory Auditors
Tatva Chintan USA Inc.	16 March 2015	Michigan, USA	NA	NA
Tatva Chintan Europe B.V.	01 March 2019	Amsterdam, The Netherlands	NA	NA

16. Compliance Requirements with Corporate Governance

The Company has complied with all Corporate Governance Requirements specified in Regulation 17 to 27 to the extent applicable and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations to the extent applicable.

17. Non-Compliance of Requirement of Corporate Governance Report of above sub paras

Not Applicable

18. Declaration Regarding Compliance by the members of Board of Directors and Senior Management Personnel of the Code of Conduct of Board of Directors and Senior Management

The above declaration given by Mr. Chintan N. Shah, Chairman and Managing Director is annexed at **Annexure V** of this Corporate Governance Report.

19. Compliance Certificate Regarding Compliance of Conditions of Corporate Governance

The certificate as issued by M/s. TNT & Associates, Practicing Company Secretaries is annexed at **Annexure VI**.

20. Details Regarding Demat Suspense Account/ Unclaimed Suspense Account

Not Applicable for the financial year under review.

21. Disclosure of certain types of agreements binding listed entities

Not Applicable for the financial year under review.

Annexure - I to the Corporate Governance Report

Market price data

Market price data - monthly high/low on BSE/NSE during each month in last financial year is given hereunder:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2022	2,523.05	2,250.00	2,524.80	2,257.30
May 2022	2,348.00	2,032.30	2,345.00	2,033.70
June 2022	2,414.80	2,070.75	2,440.00	2,096.50
July 2022	2,459.00	2,161.00	2,466.00	2,160.00
August 2022	2,509.00	2,275.00	2,481.00	2,281.10
September 2022	2,649.10	2,392.45	2,650.00	2,383.45
October 2022	2,551.45	2,360.00	2,560.00	2,361.00
November 2022	2,500.00	2,212.00	2,500.00	2,201.00
December 2022	2,321.00	1,953.75	2,323.00	1,955.65
January 2023	2,193.65	2,020.55	2,192.00	2,050.00
February 2023	2,099.95	1,875.00	2,104.40	1,871.00
March 2023	1,921.90	1,606.00	1,930.50	1,601.00

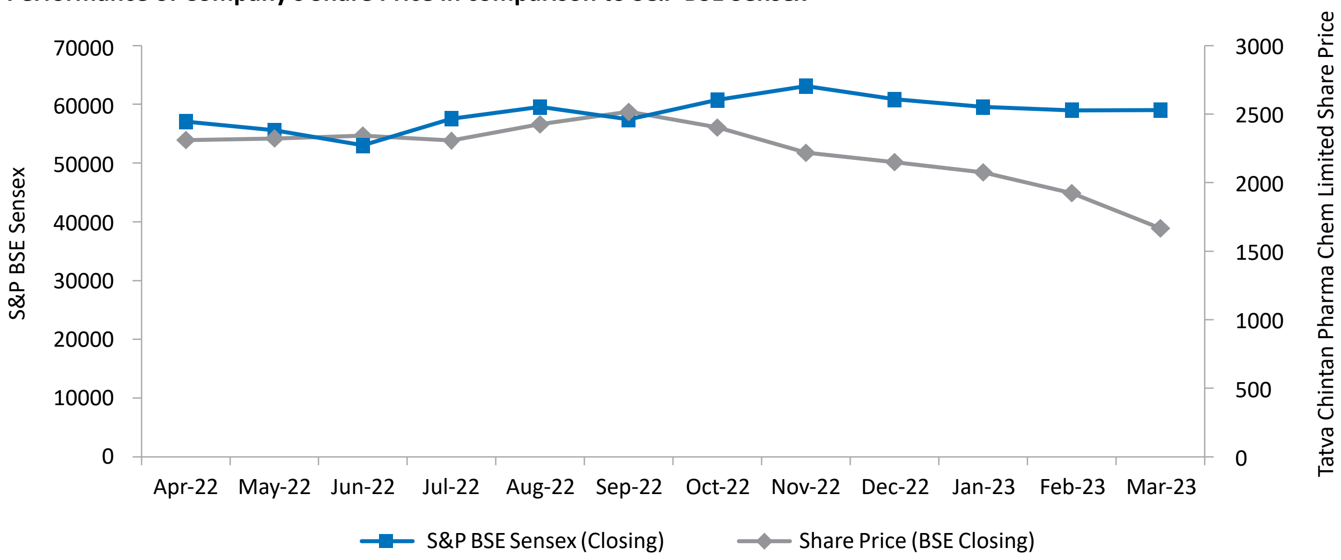
[Source: This information is compiled from the data available on the websites of BSE and NSE]

Annexure - II to the Corporate Governance Report

Performance of Company's Share Price in comparison to S&P BSE Sensex in Financial Year 2022-23:

Month	April-22	May-22	June-22	July-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Share Price (BSE Closing)	2,310.80	2,322.60	2,342.90	2,307.55	2,425.40	2,517.45	2,402.95	2,217.95	2149.10	2074.50	1923.05	1666.9
S&P BSE Sensex (Closing)	57,060.87	55,566.41	53,018.94	57,570.25	59,537.07	57,426.92	60,746.59	63,099.65	60,840.74	59,549.90	58,962.12	58,991.52

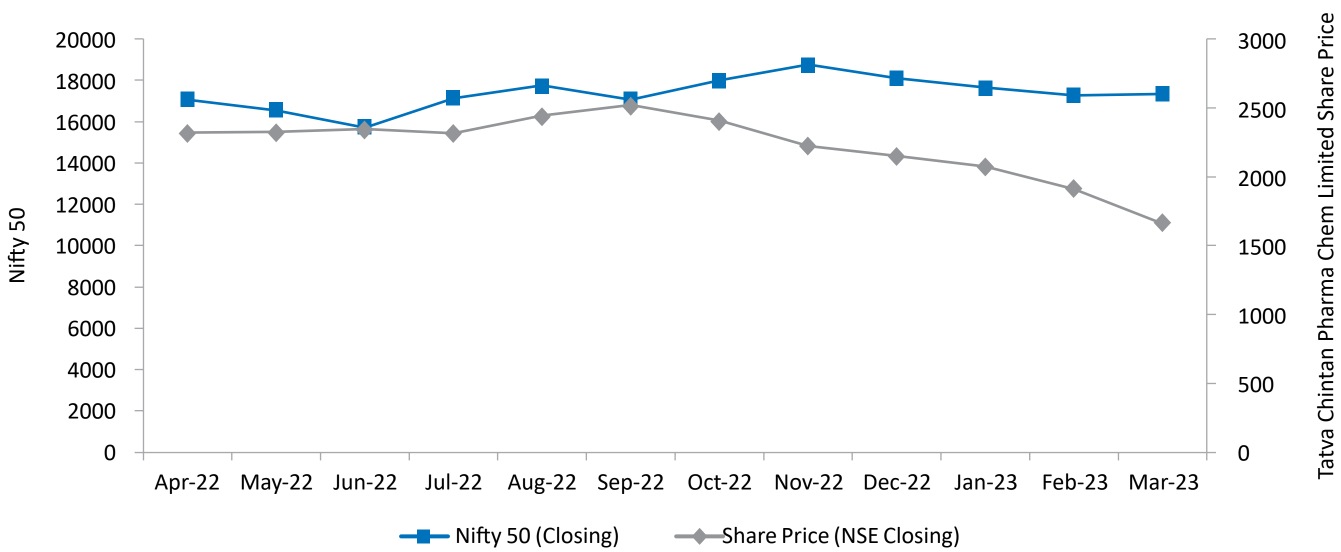
Performance of Company's Share Price in comparison to S&P BSE Sensex



Performance of Company's Share Price in comparison to Nifty 50 in Financial Year 2022-23:

Month	April-22	May-22	June-22	July-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Share Price (NSE Closing)	2,319.30	2,324.00	2,343.60	2,317.20	2,439.35	2,517.15	2,405.95	2,224.90	2,150.65	2,074.90	1,916.50	1,669.05
Nifty 50 (Closing)	17102.55	16584.55	15780.25	17158.25	17759.3	17094.35	18012.2	18758.35	18105.3	17662.15	17303.95	17359.75

Performance of Company's Share Price in comparison to Nifty 50



Annexure - III to the Corporate Governance Report

Distribution of Shareholding as on 31 March 2023:

No. of Shares Range		No. of Shareholders	% to Total Shareholders	No. of Shares	% to Total Issued Capital
From	To				
1	500	70516	99.7144	1030548	4.65
501	1000	91	0.1287	69334	0.31
1001	2000	52	0.0735	73178	0.33
2001	3000	6	0.0085	14168	0.06
3001	4000	6	0.0085	19974	0.09
4001	5000	4	0.0057	18503	0.08
5001	10000	8	0.0113	61387	0.28
10001	Above	35	0.0495	20877970	94.19
Total		**70718**	**100**	**22165062**	**100**

Category of Shareholding as on 31 March 2023:

Category	Number of Shares	Percentage (%)
Promoter and Promoter Group	17548258	79.17
Mutual Funds	2433683	10.98
Alternate Investment Funds	43561	0.20
Foreign Portfolio Investors	784274	3.54
Insurance Companies	117720	0.53
Public	1128090	5.09
Trusts	189	0.00
Hindu Undivided Family	43124	0.19
Non-Resident Indian	33734	0.15
Body Corporate	27757	0.13
Body Corporate - Ltd Liability Partnership	3700	0.02
Clearing Members	972	0.00
Total	**22165062**	**100**

Annexure - IV to the Corporate Governance Report

Certificate of Non – Disqualification of Directors

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

To,
The Members of
TATVA CHINTAN PHARMA CHEM LIMITED
(CIN: L24232GJ1996PLC029894)
Plot No. 502/17 GIDC Estate,
Ankleshwar,
Bharuch – 393 002,
Gujarat, India

Dear Sir / Madam,

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Tatva Chintan Pharma Chem Limited**, CIN: L24232GJ1996PLC029894 and having Registered Office, situated at Plot No. 502/17 GIDC Estate, Ankleshwar, Bharuch – 393 002, Gujarat, India (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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Name of the Directors	DIN	Date of Appointment in the Company *
1	Mr. Chintan Nitinkumar Shah	00183618	12/06/1996
2	Mr. Shekhar Rasiklal Somani	00183665	12/06/1996
3	Mr. Ajaykumar Mansukhlal Patel	00183745	12/06/1996
4	CA. Subhash Ambubhai Patel	00535221	27/02/2021
5	Dr. Manher Chimanlal Desai	09042598	27/02/2021
6	Dr. Avani Rajesh Umatt	09046170	27/02/2021

*** The date of appointment is as per the MCA Portal.**

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 the basis of 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, **TNT & Associates**
Practicing Company Secretaries
P. R. NO.: 3209/2023

Niraj Trivedi
Partner
FCS No.: 3844
CP No.: 3123
UDIN:- F003844E000737665

Date: 4th August, 2023
Place: Vadodara

Annexure - V to the Corporate Governance Report

Declaration - Compliance with the Code of Conduct

To,
The Members,
Tatva Chintan Pharma Chem Limited

I, Chintan N. Shah, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2023.

For Tatva Chintan Pharma Chem Limited

Mr. Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Date: 04 August 2023
Place: Vadodara

Annexure - VI to the Corporate Governance Report

Certificate on Corporate Governance

(Pursuant to Regulation 34 (3) and Schedule V Para E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
TATVA CHINTAN PHARMA CHEM LIMITED
(CIN: L24232GJ1996PLC029894)
Plot No. 502/17 GIDC Estate,
Ankleshwar,
Bharuch – 393 002,
Gujarat, India

Dear Sir / Madam,

We have examined the compliance of the conditions of Corporate Governance by **Tatva Chintan Pharma Chem Limited**, CIN: L24232GJ1996PLC029894, having Registered Office situated at Plot No. 502/17, GIDC Estate, Ankleshwar, Bharuch – 393 002, Gujarat, India (hereinafter referred to as "the Company"), for the Financial Year ended on 31 March 2023, as stipulated in Regulation 17 to 27 and clause (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of the conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the review procedures and implementation thereof, as adopted by the Company for ensuring the compliance with conditions of Corporate Governance.

It is neither an audit nor an expression of an 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 representation made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, 2015 for the year ended on 31 March 2023.

We further state that such compliance 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, **TNT & Associates**
Practicing Company Secretaries
P. R. NO.: 3209/2023

Niraj Trivedi
Partner
FCS No.: 3844
CP No.: 3123
UDIN: F003844E000737632

Date: 4th August, 2023
Place: Vadodara

Annexure - H to the Board's Report

Business Responsibility and Sustainability Report

Section A: General Disclosures

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L24232GJ1996PLC029894
2.	Name of the Listed Entity	Tatva Chintan Pharma Chem Limited
3.	Year of Incorporation	1996
4.	Registered Office Address	Plot No. 502/17 GIDC Estate, Ankleshwar, Dist. Bharuch-393002, Gujarat, India
5.	Corporate Address	Plot No. 353, Makarpura GIDC, Vadodara, Gujarat – 390010, India
6.	E-mail	cs@tatvachintan.com
7.	Telephone	+91-7574848533/ 34
8.	Website	www.tatvachintan.com
9.	Financial year for which reporting is being done	01 April 2022 to 31 March 2023
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited (BSE); and 2. National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	₹ 221.65 million
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Chintan N. Shah Chairman and Managing Director Telephone number: +91 75748 48533/34 Email ID: chintan@tatvachintan.com
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).	Standalone Basis

II. Products/Services

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

Description of main activity	Description of business activity	% of turnover of the entity
Specialty Chemicals	Manufacturing of specialty chemicals with diverse portfolio of SDA, PTC, electrolyte salts and PASC	99.32%

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

Sr. No.	Product / Service	NIC Code	% of total turnover contributed
1	Structure Directing Agents (SDA)	20119	99.32%
2	Phase Transfer Catalysts (PTC)		
3	Pharmaceutical and Agrochemical Intermediates and Other Specialty Chemicals (PASC)		
4	Electrolyte Salts (ES)		

III. Operations

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

Locations	Number of plants	Number of offices	Total
National	2	2	4
International	0	0	0

17. Markets served by the entity:

a. Number of locations:

Locations	Number
National (no. of states)	17
International (no. of countries)	30

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

70.38%

c. A brief on types of customers:

We have a wide customer base spread across major geography and across diverse sectors including:

- Agro chemicals
- Active pharmaceuticals ingredients
- Zeolites manufactures
- Specialty chemicals
- Personal care and hygiene
- Super capacitors and energy storage devices
- Resins
- Mining and metals

The Company serves customers directly as well as through agents in global market place.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	337	324	96.14%	13	3.86%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	**Total employees (D + E)**	**337**	**324**	**96.14%**	**13**	**3.86%**
WORKERS						
4.	Permanent (F)	271	271	100%	0	0%
5.	Other than Permanent (G)	279	277	99.28%	2	0.72%
6.	**Total workers (F + G)**	**550**	**548**	**99.64%**	**2**	**0.36%**

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	**Total Differently abled Employees (D + E)**	**0**	**0**	**0%**	**0**	**0%**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than Permanent (G)	0	0	0%	0	0%
6.	**Total Differently abled Workers (F + G)**	**0**	**0**	**0%**	**0**	**0%**

19. **Participation / Inclusion / Representation of women:**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.67%
Key Management Personnel	5	0	0%

20. **Turnover rate for permanent employees and workers:**

	FY 2022-23 (Turnover rate in %)			FY 2021-22 (Turnover rate in %)			FY 2020-21 (Turnover rate in %)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	26.85%	46.15%	27.60%	29.39%	46.15%	30.23%	27.43%	7.14%	26.25%
Permanent Workers	10.70%	100%	11.07%	16.51%	0.00%	16.43%	10.26%	0.00%	10.20%

V. Holding, Subsidiary and Associate Companies (Including Joint Ventures)

21. **Names of holding / subsidiary / associate companies / joint ventures:**

Sr. 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	Tatva Chintan USA Inc.	Wholly Owned Subsidiary of the Company	100%	No
2	Tatva Chintan Europe B.V.	Wholly Owned Subsidiary of the Company	100%	No

VI. CSR Details

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

ii. **Turnover (in ₹):** 4030.44 million (FY 2022-23)

iii. **Net worth (in ₹):** 5047.81 million (FY 2022-23)

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place	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	Remarks
Communities	Yes. Please refer Note A1 below	0	0	NA	0	0	NA
Investors (other than shareholders)*	Yes	0	0	NA	0	0	NA
Shareholders	Yes. As per SEBI Listing Regulations	2	0	NA	61	0	NA
Employees and workers	Yes. Please refer Note A2 below	0	0	NA	0	0	NA
Customers	Yes. Please refer Note A3 below	9	0	NA	3	0	NA
Value Chain Partners	Yes. Please refer Note A4 below	0	0	NA	0	0	NA
Other (please specify)	Not Applicable						

Notes:

A1: At all our manufacturing locations, we ensure that there is regular engagement on a pro-active basis with the local communities and their representatives. As such no complaint has been received during the year and there are no long standing grievances at any of our locations.

A2. The link to Grievance Redressal Policy for Employees is as follows:
https://www.tatvachintan.com/investors/corporate-governance/

A3: Customer complaints and feedback are received by the marketing department, and addressed/attended to by them and the team of respective manufacturing facility. Complaints are tracked till closure.

In the detailed monthly review meeting, the details of all the complaints and the resolution status is shared, and corrective actions are discussed to eliminate such issues in future.

A4: The link to Grievance Redressal Policy for Supply Chain Partner is as follows:
https://www.tatvachintan.com/investors/corporate-governance/

24. Overview of the entity's material responsible business conduct issue:

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

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Health & Safety	Risk	In chemical industry, Failure to ensure health and safety may hamper the smooth running of operations, impact people and community and disrupt the operations.	Health & Safety Management Plan, continuous Training, Process Safety & Risk Management etc. Policies (internal) and rigorous trainings for employees and workers against health and safety hazards. In addition, safety campaigns, Mock Drills, Safety Week, Safety Committee Meeting are being conducted/celebrated and communication of all significant hazards across sites, factories and offices etc. The Company minimize safety and health risks by encouraging employees or workers to report unsafe conditions or near miss events and redressal thereafter.	Negative
2.	Business Ethics	Risk	Failure to adhere to business ethics can result in significant risks for a company. If a company is found to be engaging in unethical behavior, it can damage the company's reputation and erode public trust creating a loss of customers, investors, and other stakeholders.	The Company adheres to the Tatva Code of Conduct which serves as a guide to each employee on the standards of values, ethics, and business principles. The Whistle Blower Policy of the Company provides a mechanism for the employees to approach the Chairman of Audit Committee and disclose information that may evidence unethical or improper activity concerning the Company. Framing and Adoption of Various Policies, for transparent Environment. "Value Workshops" is conducted to ensure that the linkages between values and behaviours are well understood.	Negative

Sr. 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)
3.	Employee Development	Opportunity	This may have ability to attract, develop and retain a skilled workforce, can enhance innovation, productivity, and competitiveness. This may improve employee competence, skills and knowledge which is key for organisational growth. Effective employee management can also improve employee engagement, morale and job satisfaction, leading to reduced attrition and increased employee loyalty.	NA	Positive
4.	Regulatory Issues and Compliance	Opportunity	Regulatory compliance provides: an increase in the efficiency of products; reduce risks; enables competitive advantage; and creates new business opportunities. Regulatory compliant businesses are less likely to face legal or regulatory action, and damage to reputation.	NA	Positive
5.	Customer Centricity	Opportunity	Customer centricity provides an opportunity, to develop new products that are designed with a focus on increased efficiency, safety and quality. It also helps in receiving customer feedback and understanding their needs and concerns to create products that are not only safe, but also meet the needs of customers.	NA	Positive
6.	Waste Management	Opportunity	Sustainable waste management practices and recycling can improve environmental performance and reduce dependency on virgin raw materials, while also potentially increasing financial returns.	NA	Positive
7.	Water Stewardship	Opportunity	This may help in sustainable water balance, improve availability of water, becoming water neutral / positive.	Focus on minimising consumptions, effluent generation and reuse of treated effluent. Our Ankleshwar manufacturing unit is Zero Liquid Discharge Units since January 2020. Working on water reduction projects. We have taken up multiple water conservation projects like recycling, condensate recovery and steam recovery.	Positive

Sr. 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)
8.	Reducing GHG emissions	Opportunity	Undertake GHG emissions reduction initiatives through use of fuel from renewable sources, increased use of electricity from renewable sources and implement energy efficient measures.	NA	Positive
9.	Stakeholder Engagement	Opportunity	As we move towards growing into a more sustainable business, inclusion of various stakeholders in our growth journey is very important. We take their inputs to plan our business strategy. We are continuously engaging with the employees, investors, suppliers, Service providers, customers etc. through employee engagement initiatives, Investor meet, Vendor meet, etc. on periodical basis.	NA	Positive
10.	Sustainable supply chain	Opportunity	The Company believes long term association with suppliers and consider them as long term partners in growth. Strategic partners meet are organized on regular basis.	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.

The National Guidelines on Responsible Business Conduct (NGRBC) released by the Ministry of Corporate Affairs has updated and adopted nine areas of Business Responsibility. These are briefly as under:

P1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1 (a) Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes/No)					Yes				

Disclosure questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
(b)	Has the policy been approved by the Board? (Yes/No)	Yes								
(c)	Web Link of the Policies, if available	https://www.tatvachintan.com/investors/corporate-governance/								
2	Whether the entity has translated the policy into procedures. (Yes/No)	Yes								
3	Do the enlisted policies extend to your value chain partners? (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	We have state-of-the-art facilities situated at Dahej and Ankleshwar that comply with ISO 9001 (Quality management systems), ISO 14001 (Environmental management systems), and ISO 45001 (Occupational health and safety) standards. Dahej Plant is accredited with Together for Sustainability (TfS) and Ankleshwar plant is accredited with EcoVadis.								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Yes, we have started our sustainability journey. We understand that although our operations are sustainable, we need to quantify our ESG indicators and benchmark it against the industry standards. We are progressing towards advancement in our ESG journey and set goals and targets accordingly.								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met:	As mentioned in the above para we have started our ESG journey recently and are in the process to develop methods to measure our performance against the specific commitments, goals & targets set by the Company.								

Governance, Leadership and Oversight

7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).**

The Company is committed towards sustainable development through continued and targeted efforts towards environment, social and governance aspects of our business. We are committed to contributing to the well-being of both our employees and all the stakeholders within our ecosystem. Our Company's operations are aligned with the sustainable development goals, among which the following are key priorities:

Environmental sustainability: Water is an essential resource to our business, and we ensure a sustainable approach through water conservation and wastewater treatment. We conserve water using water-efficient technologies and wastewater management systems, and we implement measures to create employee awareness. These actions have reduced water consumption across our operations. The Company emphasized on better managing natural resources, monitoring its consumption and waste generation to minimizing impacts arising from our activities on environment.

Operational sustainability: Our operational sustainability is aligned with our enterprise risk management. Focus on minimising consumptions, effluent generation and reuse of treated effluent. Our Ankleshwar manufacturing unit is Zero Liquid Discharge Unit since January 2020. Working on water reduction projects. We have taken up multiple water conservation projects like recycling, condensate recovery and steam recovery.

People/Social sustainability: We are an equal opportunity employer and abide by the principles of diversity and inclusivity. Our 'zero harm' philosophy drives our safety practices. Our Company also ensures the safety of our employees through safety audits. The Company is committed to conducting beneficial and fair business practices for labour, human capital, and the community. It provides employees and business associates with working conditions that are clean, safe, healthy and fair.

8. **Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies):**

Mr. Chintan N. Shah, Chairman and Managing Director (DIN: 00183618) under the guidance of the Board of Directors and its Committees is responsible for the implementation and oversight of the Business Responsibility policies.

9. **Does the entity have a specified committee of the Board / Director responsible for decision making on sustainability related issues? (Yes/No). If Yes, provide details.**

Yes, the Board periodically monitors the financial, environmental, and social performance of the Company while addressing key risks and opportunities. The Company also has Audit Committee, Stakeholders Grievance Committee and Corporate Social Responsibility Committee. The Risk Management Committee of the Company reviews entity wide risks including ESG risks.

10. **Details of Review of NGRBCs by the Company.**

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

		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? (Yes/No). If Yes, provide name of the agency.					No				

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

	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
a	The entity does not consider the Principles material to its business (Yes/No)					NA				
b	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				
c	The entity does not have the financial or / human and technical resources available for the task (Yes/No)					NA				
d	It is planned to be done in the next financial year (Yes/No)					NA				
e	Any other reason (please specify)					NA				

Section C: Principle Wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible. As the leadership indicators are not mandatory, the Company has not provided data / details related to leadership indicators under this report.

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

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/ principles covered Under the training and its impact	% age of persons in respective category covered by the awareness programme
Board of Directors (BoD)	4	Business operations / performance, new business initiatives, regulatory, risk indicators / mitigation plans, safety, ESG Matters, compliances, legal cases, business ethics and values, human rights, Tatva Chintan Code of Conduct ("TCCOC"), etc.	100%
Key Managerial Personnel (KMPs)	4	In addition to above referred topics / principles, updates and awareness related to regulatory changes are provided for the benefit of the KMPs. Topics covered include: Corporate Governance, Companies Act, 2013, SEBI regulations as applicable to the Company, ESG matters, TCCOC, Prevention of Sexual Harassment at Workplace (POSH), Values Workshop etc.	100%

Segment	Total number of training and awareness programmes held	Topics/ principles covered Under the training and its impact	% age of persons in respective category covered by the awareness programme
Employees other than BoD and KMPs	26	Structured Behavioural Competency Development program designed for Managers & Supervisors by expert trainer. This includes, Decision Making, Conflict Resolution, Stress Management, Time Management, Team Building etc. On the job Technical training program on various process & product manufacturing, this includes, distillation, filtration, heat transfer, mass transfer, 5S, TQM etc. Compliance Programs including POSH awareness, whistle-blower, TCCOC, ABAC and human rights.	100%
Workers	24	We regularly provide training, education and development opportunities to Company and contractor employees on topic of Technical, behavioural safety, MSDS etc. 5S housekeeping, area ownership etc. Safety culture is imbibed among employees by imparting and creating awareness about BBS (Behavioral Based Safety) and other Safety training ensuring their participation by continuously motivating them. Compliance Programs including POSH awareness, whistle-blower, TCCOC and human rights.	100%

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

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/judicial institutions**	**Amount (In INR)**	**Brief of the case**	**Has an appeal been preferred? (Yes/No)**
Penalty/Fine	Principle 1	Registrar of Companies, ("ROC") Gujarat, Dadra and Nagar Haveli	16,00,000	Refer Note 1 Below	No
Settlement	NA	NA	NA	NA	NA
Compounding Fee	Principle 1	Registrar of Companies, ("ROC") Gujarat, Dadra and Nagar Haveli	2,30,000	Refer Note 2 Below	No

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

Note:

1. Company had found that it has not complied with the provisions of section 42 of the Companies Act, 2013 w.r.t. opening of separate bank account for depositing the share application money in the year 2015. The Adjudication Application was submitted by the Company on suo-moto basis to ROC in April 2021.

   The Hon'ble RD, NWR, MCA has issued the order dated 07/07/2022, imposing penalty on the Company and its three Executive Directors/Promoters and disposed of the said matter.

   The details of penalties which has been already paid by the Company and its three Directors are as follow:

Sr. No.	Name	Amount (₹)
1	Tatva Chintan Pharma Chem Limited	10,00,000/-
2	Mr. Chintan N. Shah, Director (DIN: 00183618)	2,00,000/-
3	Mr. Shekhar R. Somani, Director (DIN: 00183665)	2,00,000/-
4	Mr. Ajaykumar M. Patel, Director (DIN: 00183745)	2,00,000/-

2. Penalty of ₹ 1,10,000 on Company and ₹ 40,000 each on Mr. Chintan N. Shah (DIN: 00183618), Mr. Shekhar R. Somani (DIN: 00183665) and Mr. Ajaykumar M. Patel (DIN: 00183745) Directors of the Company, has been imposed by Registrar of Companies, ("ROC") Gujarat, Dadra and Nagar Haveli, for not complying with the provisions of section 203 of the Companies Act, 2013 towards delay in the appointment of Company Secretary as required under the Companies Act, 2013 in fiscal 2015. Penalty imposed is paid and not contested further. At present the said matter is disposed of. The above penalty is very nominal therefore, no disclosure made in terms of Regulation 30 and also on the website of the Company.

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

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

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

   Yes. It is a part of our Code of Conduct. We ensure all our systems are operated ethically. It shows the commitment of the Company and its management for maintaining the highest ethical standards while undertaking open and fair business practices and culture, and implementing and enforcing effective systems to detect, counter and prevent bribery and other corrupt business practices.

   Web-link to the policy:

   https://www.tatvachintan.com/investors/corporate-governance/

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

	FY 2022-23	FY 2021-22
Directors	0	0
KMPs		
Employees		
Workers		

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

	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.	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs.	0	NA	0	NA

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

   Not applicable

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

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

	Current Financial Year (%)	Previous Financial Year (%)	Details of improvements in environmental and social impacts
R & D	-	-	While the Company makes significant investments in development of new sustainable and green technologies, however, we have not measured the impact specifically.
Capex	5.36%	12.95%	Employee health and safety, energy saving and effluent treatment plant.

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

Yes, the Company has formulated a standard operating procedure to encourage such vendors. The quality assurance team of the Company conducts periodic audits of the vendors, especially those who supply key materials. The core element of an audit is to assess whether the vendor's products and services for operation are ethical, sustainable, and socially conscious, and also to encourage them to achieve and improve sustainability standards.

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

The Company has sourced approximately 16.36% of its raw materials sustainably.

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.**

(a) **Plastics (including packaging)**

All our finished goods (FG) are raw materials for our customer, hence we don't require them to reclaim.

Though if any of our products are rejected at the customer's end or in transit we have a procedure in place to reclaim them and reprocess or dispose off it in a safe manner with pollution control Board's authorised recycler.

For Damaged / rejected material, we have a procedure in place to reclaim it and re-process or dispose off it in a safe manner. For exported material, customers are required to safely dispose off the product as per local regulations.

(b) **E-waste**

The e-waste is handed over to certified vendors for safe disposal through the pollution control Board's authorised recycler.

(c) **Hazardous waste**

Hazardous waste is categorised as per the Rules and is sent for proper disposal at the Pollution Control Board's authorised recycler.

(d) **Other waste**

Not Applicable

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).**

Yes

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?

No

If not, provide steps taken to address the same.

EPR registration application submitted, awaiting registration certificate.

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

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	324	324	100%	324	100%	0	0%	0	0%	0	0%
Female	13	13	100%	13	100%	13	100%	0	0%	0	0%
Total	**337**	**337**	**100%**	**337**	**100%**	**13**	**3.86%**	**0**	**0%**	**0**	**0%**
Other than Permanent employees											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	**0**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	271	271	100%	271	100%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	**271**	**271**	**100%**	**271**	**100%**	**0**	**0%**	**0**	**0%**	**0**	**0%**
Other than Permanent workers											
Male	277	277	100%	277	100%	0	0%	0	0%	0	0%
Female	2	2	100%	2	100%	2	100%	0	0%	0	0%
Total	**279**	**279**	**100%**	**279**	**100%**	**2**	**0.72%**	**0**	**0%**	**0**	**0%**

2. **Details of retirement benefits, for the current FY and previous financial year.**

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%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	11.51%	11.51%	Y	23.6%	23.6%	Y
Others please specify						

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, our office and manufacturing units are accessible to differently abled employees and workers.

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.**

Equal opportunity is covered as part of our Code of Conduct.

https://www.tatvachintan.com/investors/corporate-governance/

The Company provides equal opportunities to all its employees and to all eligible applicants for employment in the Company. It does not unfairly discriminate on any ground including race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability or any other category protected by applicable law.

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

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

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

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, the Company has a structured Grievance Redressal Mechanism procedure, Whistle blower Policy, Suggestion Box Scheme and Vigil Mechanism to provide a formal platform to employees and workers to report their concerns about resource requirement, unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against the victimisation of employees or workers who avail of these mechanisms. The Company is committed to create a healthy working environment and encourage employees and workers to share their concerns with their department head, HR or other member of the senior management. The Company has zero tolerance for sexual harassment and believes that all employees and workers of the Company have the right to be treated with dignity. The Company has formed Internal Complain Committees for each location that are accessible to all employees and workers. All the polices are the part of the induction programme and the Company on regular basis sensitises its employees and workers on the same through training, workshop and awareness programmes.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

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

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	337	0	0%	258	0	0%
Male	324	0	0%	245	0	0%
Female	13	0	0%	13	0	0%
Total Permanent Workers	271	0	0%	213	0	0%
Male	271	0	0%	212	0	0%
Female	0	0	0%	1	0	0%

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

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and Safety Measures		On Skill upgradation		Total (A)	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	324	324	100%	324	100%	245	245	100%	245	100%
Female	13	13	100%	13	100%	13	13	100%	13	100%
Total	**337**	**337**	**100%**	**337**	**100%**	**258**	**258**	**100%**	**258**	**100%**
Workers										
Male	271	271	100%	271	100%	212	212	100%	212	100%
Female	0	0	0%	0	0%	1	1	100%	1	100%
Total	**271**	**271**	**100%**	**271**	**100%**	**213**	**213**	**100%**	**213**	**100%**

9. **Details of performance and career development reviews of employees and workers:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	324	324	100%	245	245	100%
Female	13	13	100%	13	13	100%
Total	**337**	**337**	**100%**	**258**	**258**	**100%**
Workers						
Male	271	271	100%	212	212	100%
Female	0	0	0%	1	1	100%
Total	**271**	**271**	**100%**	**213**	**213**	**100%**

10. Health and safety management system:

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

Yes, occupational health and safety management system has been implemented as per ISO 45001:2018 and certified.

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

To identify routine & non-routine work related hazards, a job specific Hazard Identification & Risk Assessment ("HIRA") is prepared. The Material Safety Data Sheet ("MSDS") is followed for handling of chemical.

A HAZOP study is carried out for all the products and Pre-start up safety review ("PSSR") is carried out before operation. Third party safety audit is conducted to identify any kind of hazard at site and internal audit is also done after every six months. Organisation is having system to report all the unsafe acts, unsafe conditions, near-miss & incident at site with a reward & recognition system.

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

Yes, we encourage our employees to report near-miss incidents identified through various platforms which is analysed by senior manager in consultation with safety department officials. All sites have specific procedure for reporting of work-related hazard, injuries, unsafe condition and unsafe act. Remedial Action is taken for accidents and near miss so that the same in not occur in the future.

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

Yes, the Company is organising half yearly medical check-up for all the employees and workers. Health Awareness camps are being organised in the plants on regular basis. All employees and workers are covered under health insurance scheme / ESI scheme.

11. Details of safety related incidents:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

The Company has a thorough system in place to ensure workplace health and safety. PPEs (personal protective equipment) is ensured before any job. Permit to work system along with LOTO (lock out & tag out) is followed to identify and eliminate any non-routine work hazard at site. For all the routine activities SOPs are prepared and followed. To manage any emergency, we have ambulance and a well-equipped firefighting system with the firefighting team getting training from a third party on a regular basis. Mock drill is conducted as per schedule to check for response during any emergency for safe evacuation, rescue & firefighting. All the new joining employees, workers & visitors must go through safety induction programme and job related to functional area is arranged for all the workers & employees.

To ensure this Tatva Chintan has implemented robust safety measures across all its workplaces and facilities over the years to lay the foundation to a culture of conducive safe working environment wherein proper safety protocols are adhered to, an accident reporting system, safety equipment is given the due importance and orderly work locations are maintained. The Company's strive to achieve the same is validated by the ISO 14001:2015 certification bestowed upon the Company for its health, safety, and environment management systems. The Company also regularly conducts mock drills, safety trainings and on-the-job training sessions to create awareness of health and safety for its personnel.

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

	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	0	0	NA	0	0	NA
Health and Safety	0	0	NA	0	0	NA

14. **Assessments for the year:**

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

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

All safety-related accidents are being investigated and learnings from investigation reports are shared across organisation for deployment of corrective actions to stop recurrence of such incidents. Effectiveness of Corrective actions deployment being checked during safety Audits. Significant risks/concerns arising from assessment of Health and Safety Practices are addressed through hierarchy of risk controls.

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

Essential Indicators

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

Internal and external group of stakeholders have been identified. Presently, the given stakeholder groups have an immediate impact on the operations and workings of the Company. This includes Employees, Shareholders, Customers, Communities, Suppliers, Service Provider, Business Partners and Vendors.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and Workers	No	Meetings, Email, Posters, Slogans, Notice Board.	Ongoing	General Feedback, Grievances, to share relevant & useful information to employees, Employee Success, Legal Compliance, Motivation, Operational efficiencies, improvement areas, long-term strategy plans, training and awareness, health, safety and engagement initiatives.
Shareholders and Investors	No	Email, SMS, Newspaper advertisement, website	Quarterly / Half yearly / Annually / Periodically and as & when required	Dividends, Annual Financial statements and other related information, Corporate Governance Practice.
Customers	No	Email, meetings, website	Ongoing	Informing them about products of the Company, feedback, etc.
Suppliers	No	Emails, meetings	Ongoing	Supply of materials / services.
Community	No	Directly or through CSR implementation	Ongoing	Education, empowerment, health, infrastructure, conservation, etc.
Central, State and Local Government, Various Statutory and Regulatory Bodies	No	Email, Direct engagement	Ongoing	For Compliance & Communication
Banks and Financial Institutions	No	E-mail, letters, meetings	Ongoing	Financial requirements, Compliance and transactions.

PRINCIPLE 5: Businesses should respect and promote human rights.

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 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	337	337	100%	258	258	100%
Other than permanent	0	0	0%	0	0	0%
Total Employees	**337**	**337**	**100%**	**258**	**258**	**100%**
Workers						
Permanent	271	271	100%	213	213	100%
Other than permanent	279	279	100%	247	247	100%
Total Workers	**550**	**550**	**100%**	**460**	**460**	**100%**

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

Category	FY 2022-23					FY 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										
Male	324	0	0%	324	100%	245	0	0%	245	100%
Female	13	0	0%	13	100%	13	0	0%	13	100%
Other than permanent										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Workers										
Permanent										
Male	271	0	0%	271	100%	212	0	0%	212	100%
Female	0	0	0%	0	0%	1	0	0%	1	100%
Other than permanent										
Male	277	0	0%	277	100%	246	0	0%	246	100%
Female	2	0	0%	2	100%	1	0	0%	1	100%

3. **Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	5#	1,65,03,252	1^	1,80,000
Key Managerial Personnel	5*	1,65,03,252	0	0
Employees other than BoD and KMP	319	2,94,863	13	3,69,360
Workers	271	2,63,738	0	0

 # Out of 5 Directors, 3 are executive directors who are paid remuneration, rest are independent directors who only receive sitting fee.

^ We have only one female independent director, who is paid sitting fee. Please refer corporate governance report for details

** includes MD and WTDs.*

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 focal point is the Team-HR which takes care of human rights issues.

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

The Company has established a human rights policy that is communicated to every employee. Employees are encouraged to provide their feedback and there are anonymous reporting mechanisms set up for sharing their concerns and grievances. We have developed a Human Rights checklist to improve human rights reporting across our units. It was found that, none of the manufacturing units considered were found to have any risk for incidents of child labor, forced labor and young workers exposed to hazardous work. All hiring is done with supporting documentation and proof of age required.

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

	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	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

All major labour laws and other policies about workplace ethics are well communicated to employees through display boards, handbooks, internet and other forms of communication. These include policies such as the whistle blower policy, the sexual harassment policy and strict legal compliance observed as laid down by local and national acts and regulations. There is no discrimination in recruitment, development, promotion based on gender, age, religion or disability.

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

Yes. The business agreements and contracts do include Company's expectations to promote sustainability, fair competition and respect for human rights.

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%. Our Team HR takes a survey by randomly selecting employees and contractors for evaluation. An external auditor verifies and assesses the processes followed by our HR team. Regulatory inspectors also verify the processes being followed in our manufacturing plants.
Forced / Involuntary Labour	
Sexual Harassment	
Discrimination at Workplace	
Wages	
Others – please specify	

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

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

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

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A) in Giga Joules	45613.00	58296.91
Total fuel consumption (B) in Giga Joules	62563.61	66439.24
Energy consumption through other sources (C)* in Giga Joules	893.22	963.55
Total energy consumption (A+B+C) in Giga Joules	109069.83	125699.70
Energy intensity per rupee of turnover. (Total energy consumption/turnover in rupees)	0.0000271	0.0000294

** Other sources include diesel and petrol fuel consumption for company owned vehicles and DG set used during power cutoff or maintenance.*

Note: Indicate if any independent assessment / evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company did not carry out independent assessment by an external agency.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   Not applicable

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

Parameter	FY 2022-23	FY 21-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	69708	70702
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	69708	70702
Total volume of water consumption (in kilolitres)	69708	70702
Water intensity per rupee of turnover (Water consumed / turnover)	0.0000173	0.0000165

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company did not carry out independent assessment by an external agency.

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

   The Company's Ankleshwar unit is a zero liquid effluent discharge facility. It recovers and reuses all the wastewater generated through the use of effluent treatment plant (ETP), single-effect evaporators and reverse osmosis. The Company focuses on water conservation through optimal use, wastewater treatment and reuse.

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

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	Kg/Year	0.2	0.5
SOx	Kg/Year	700	896
Particulate matter (PM)	Kg/Year	4	6
Persistent organic pollutants (POP)	Kg/Year	0	0
Volatile organic compounds (VOC)	Kg/Year	0	0
Hazardous air pollutants (HAP)	Kg/Year	0	0
Others– please specify	Kg/Year	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company did not carry out independent assessment by an external agency.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

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)	t CO2 eq.	1055.57	1119.85
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	t CO2 eq.	10262.92	13116.80
Total Scope 1 and Scope 2 emissions per rupee of turnover	t CO2 eq./ ₹	0.00000281	0.00000333
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company did not carry out independent assessment by an external agency.

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

Yes, the Company has established a roadmap for carbon emission reductions and is working on renewable sources of energy along with technological intervention to meet its carbon reduction plan.

Energy conservation themes and GHG reduction projects have resulted in improved energy efficiency. Project description: (a) For low-carbon energy consumption project initiative includes LED lamps replacing conventional lights, Installed APFC panel (3860 KVAR) for power factor improvement, Installed VFD in brine plants & ATFD machines to reduce power consumption, improvements in recovery of steam condensate water to reuse the same in boiler; (b) For energy efficiency in production processes project initiative includes Internal consumption of byproducts, steam elimination in the last stage of the new dryer and waste heat recovery.

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

Parameter	FY 2022-23	FY 2021-22
Total waste generated (in metric tonnes)		
Plastic waste **(A)**	48.99	61.52
E-waste **(B)**	0.23	0.19
Bio-medical waste **(C)**	0.000505	0.00007
Construction and demolition waste **(D)**	0	0
Battery waste **(E)**	0	0
Radioactive waste **(F)**	0	0
Other Hazardous waste. Please specify, if any. **(G)**	4,136.22	5,195.73
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0	0
Total (A+B+C+D+E+F+G+H)	**4,185.44**	**5,257.44**
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 (Sent to recycler)	1,986.68	3,393.90
(ii) Re-used	1,035.00	591.58
(iii) Other recovery operations	0	0
Total	**3,021.68**	**3,985.48**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	313.04	442.37
(ii) Land filling	850.72	829.59
(iii) Other disposal operations	0	0
Total	**1,163.76**	**1,271.96**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company did not carry out independent assessment by an external agency.

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.

All the waste is handled as required by Consent to Operate / Hazardous Waste authorization of the individual sites. The Company has obtained Gujarat Pollution Control Board (“GPCB”) consent to operate the plant in safe manner & all the wastes are collected, stored, reused & disposed off in a safe manner as per consent (CC & A) by GPCB.

The Company adopts the strategy of Reduce, Reuse, Recycle, Recovery and Disposal methodology by optimizing and modifying the process from time to time. Continuous improvements in manufacturing process and technology is the key to reduce the generation of hazardous waste at our site.

Plastic waste generated (during packaging & production) & E- Waste is sent to GPCB approved vendor for recycling & safe disposal.

Hazardous waste is collected, stored and sent to BEIL/RSPL (GPCB approved vendor) to dispose off safely. The Company has agreement with all these agencies for hazardous waste disposal. Substitution with less hazardous chemicals also contribute positively. High calorific value waste is sent to cement kilns for use as co-fuel.

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:

Sr. No.	Location of operations/offices	Type 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.
	NA	NA	NA

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

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
NA	NA	NA	NA	NA	NA

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, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. No.	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 Board or by courts	Corrective action taken, if any
NA	NA	NA	NA	NA

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

6 (Six)

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.

Sr. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / Associations (State/National)
1	Ankleshwar Industries Association	State
2	Bharuch District Management Association	State
3	Vadodara Chamber of Commerce and Industry	State
4	Dahej Industries Association	State
5	Export Promotion Council for EOUS & SEZ Units	National
6	Basic Chemicals Cosmetics & Dyes Export Promotion Council (CHEMEXCIL)	National

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

Nil

Name of authority	Brief of the case	Corrective action taken
	Not Applicable	

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

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
Not Applicable					

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 (INR)
Not Applicable						

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

The Company works closely with the community in the identified areas for carrying out the Corporate Social Responsibility initiatives. Within the area of work, the employees of the Company work with the communities to understand the impact of the projects on the intended beneficiaries. These interactions provide the people with ample opportunities to gauge and address community concerns. Based on these interactions, we have not received any specific grievances from the community at present.

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

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	35.95%	10.97%
Sourced directly from within the district and neighbouring districts	45.22%	32.82%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has a well-established consumer complaint redressal system for its customers. Complaints are resolved within the time-bound period, depending on the nature of the complaint, and escalated to next level in case the same remains unresolved within the stipulated time frame.

To ensure customer complaints are redressed promptly and effectively, the Company has put in place a customer complaint SOP and has a Quality Assurance ("QA") team that is responsible for handling customer complaints. Complaint records are maintained by HOD-QA. The Complete record contains complaint details, an investigation report, a response to the complainant, and the closure of complaint handling process. Appropriate Corrective and Preventive actions are being taken. The procedure flow is as below:

Schematic flow chart of handling market complaints

Marketing Department forward the complaints to Quality Assurance Department

↓

QA Manager categorizes the complaint Critical / Major / Minor & assign complaint number

↓

QA Manager in coordination with the concerned department arrange investigation

↓

Record the details of Investigation in the Investigation Report, Draft the reply is prepared and forwarded to QA for approval.

↓

QA Manager shall forward the approval reply to Head Marketing with a copy to Director within 30 working days

↓

Marketing Department shall reply to the customer with a copy to QA & Director

Grievance Redressal Mechanism: Key Highlights

i. Easy upload and creation of complaints:

On receipt of communication, written or verbal, directly from any customers, regarding the Quality, defect in the purity, efficacy, safety, labeling defects, physical appearance, shortages, complaint related to adverse reaction or any other such complaints are considered as Market Complaints. All such complaints should be addressed & forwarded to the QA department through marketing department. Upon receipt of the market complaint, designee QA shall make entry of complaint details in Customer complaint register (Format no. SOP/QA/004/F1) & assign customer complaint number.

ii. Verification of customer credentials, customer information security:

Customer communicates complaint/s to Marketing Department and response to customer complaints are communicated to customer by Marketing Department.

iii. Complaint ID acknowledgement mail and advisory to customers:

The Marketing department acknowledges the customer within 24 hours of receiving the complaint. Upon receipt of the market complaint, the designated QA shall enter the complaint details in the Customer complaint register & assign a customer complaint number. A brief investigation report shall be prepared, along with corrective and preventive action. Such an investigation report shall be forwarded to customer within 30 working days, and an appropriate CAPA shall be implemented.

iv. Assignment of Complaints:

In-charge QA shall review the nature of complaint and shall define type of complaint i.e. Major or Minor. As per the customer complaint SOP, the Company has to ensure that complaints are resolved effectively and promptly. A category of complaint is assigned and responded to by the quality assurance department.

v. Monitoring and Analysing Complaints:

The quality assurance department carries out root cause analysis on a regular basis by applying problem-solving techniques. A brief investigation report shall be prepared, along with corrective and preventive action. It should be signed by concerned departmental personnel and approved by Manager QA. Such an investigation report shall be forwarded to customer within 30 working days, and appropriate CAPA shall be implemented. If response regarding the complaint from the customer is satisfactory. Designee QA shall make entry for complaint closing in Market complaint register. This visibility ensures that complaints are resolved.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 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	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	0	0	NA	0	0	NA

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	0	Not applicable
Forced recalls	0	Not applicable

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

No, the Company has various Information technology ("IT") Risk Measures in place related with E-mail Security, IT Network, Internet, data privacy, applications, computers, IT equipment, IT facilities, IT infrastructure etc. However, the same needs to be strengthened / institutionalized.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

Not Applicable, as there were no issues or concerns related to advertising, delivery of essential services, cyber security, penalties or actions initiated by regulatory authorities for safety of Company's products.

Annexure - I to the Board's Report

Management Discussion and Analysis

Global economic review

The year 2022-23 was marked by challenges such as the Russia and Ukraine war, turmoil in global banking sector, inflationary pressures, rising interest rate, and resurgence of COVID-19 in China. These factors weighed heavily on the economic growth trajectory in 2022, and is expected to continue doing so in 2023 as well. The global growth in 2022 was estimated to have slowed down to 3.4% compared to 6.2% in 2021. The emerging markets and developing economies were estimated to have grown its gross domestic product (GDP) at an average of 3.9% in 2022 compared to 6.7% in 2021. The biggest contributors to the growth of emerging economies were Saudi Arabia and India, estimated to have grown at 8.7% and 6.8% respectively in 2022. On the other hand, the advanced economies were estimated to have grown at an average of 2.7% in 2022 compared to 5.4% in 2021. The biggest contributors to the growth in advanced economies were Italy, Spain and UK, growing at 3.9%, 5.2% and 4.1% respectively in 2022.

With the escalation of Russia-Ukraine war, there was a supply chain disruption owing to less-than-normal trade at the global level. Further, prices of gas, fuel and food shot up, thereby, resulting in higher-than-anticipated inflation. The global consumer prices in 2022 were estimated to be 8.8% compared to 4.7% in 2021. Of this, the inflation for emerging economies and advanced economies were estimated at 7.3% and 9.9% in 2022, compared 3.1% and 5.9% respectively.

However, with the focus of Governments across the world on controlling global inflation, containing the resurgence of COVID-19, ensuring financial stability and restoring debt instability, the world is expected to stabilize in 2024 with a GDP growth of 3.1%, before dipping slightly in 2023 with a GDP growth rate of 2.9%. The policy initiatives are expected to stabilise the global economy in the long run, and successfully reduce global inflation to 6.6% in 2023 and further to 4.3% in 2024.

Indian economic review

The inflationary pressure across the entire world has impacted the Indian economy as well. As per its 2nd advance estimates, the Government has estimated the Indian economy to have grown at 7.2% in 2022-23 compared to 9.1% in 2021-22. The year saw rising power, fuel and food cost. The Consumer Price Index (CPI) of India was estimated at 6.7% in 2022-23, compared to 5.5% in 2021-22. The target range for inflation was fixed at 4% with an upper tolerance of 6%. However, between April and October 2022, the CPI was outside the target range set by the Centre. To bring inflation under control, RBI increased the policy repo rate under the liquidity adjustment facility (LAF) by 250 basis points from 4% to 6.50% in 2022-23.

With the increasing thrust of Government on infrastructure and capital expansion, the country is poised for a sustained growth in the foreseeable future. The Union Budget 2023-24 speaks about Government's increasing focus on infrastructure, financing new businesses, and making India more self-reliant and self-employed. The GDP growth of the country in 2023-24 is projected at 6.5%.

Global chemical industry

The global chemical sector has been one of the major contributors to the revenue of manufacturing sector in the world. The largest share of chemical production is carved by the Asia Pacific markets, followed by North America in the second place. Interest rates were low across most of the developed countries during the last 2-3 years, which ensured the growth of the chemicals market. Chemical manufacturers were encouraged to take loans owing to the low interest rates, thereby, driving market growth over the past few years.

The global chemicals market is estimated to have grown from US$ 4,241.18 billion in 2021 to US$ 4,654.14 billion in 2022, growing at 9.7% y-o-y. Amidst the challenges arising from the Russia-Ukraine war and the new waves of COVID-19, the global chemical sector has successfully achieved a short-term growth. However, the disruptions from these macro challenges are likely to continue and resulting rising inflation and supply chain disruption, thereby, impacting the global economy further in the long run, and impacting the chemical sector.

Owing to the inflation that has recently hit the world had a negative impact on the growth of the market owing to the rise in cost of fuel cost, materials cost. Increase in raw material prices, resulted in higher manufacturing costs, thereby, decreasing the investments available for research and development of new products. The world also saw a rise in cost of logistics owing to increasing freight costs.

Riding on the back of growing consumer base, increasing demand for plastics, surging consumption in the automotive industry, upswing in cosmetics manufacturing and expansion of oil drilling & refining activities, the global chemicals market is expected to grow to US$ 6,037.33 billion by 2026, growing at a CAGR of 6.7% between 2022 and 2026.

(Source: Research and Markets)

Indian chemical industry

India is leading chemical manufacturer in the world. The Indian chemical industry contributes ~7% of the country's GDP, and remains an attractive investment and opportunity hub for both domestic and international manufacturers. The Indian chemical industry stands at an estimated US$ 185 billion in 2022. The sector has seen significant growth over the last decade owing to strong participation from the industry and strong measures undertaken by the Government. Further, supported by the China Plus One Policy, which arose due to the anti-China sentiments across the world, especially post the COVID-19 pandemic, the country is expected to continue on this growth trajectory in the foreseeable future.

The opportunities arising from the China Plus One Policy coupled with the strong tailwinds from the increasing per capita income and strong demand is expected to help the Indian chemical industry grow to US$ 320 billion by 2028. The strong demand in the chemical sector is expected to arise from the incremental demand from pharmaceutical sector, rising investments in infrastructure, ever-increasing housing demand, and rising demand from agrochemical sector, among others. With 100% FDI allowed through the automatic route and tremendous headroom for growth, the Indian chemical sector is well positioned for receiving large FDIs from global MNCs in the next few years. With this strong growth, India's share in the global chemicals sector could increase significantly over the coming few years.

Growth drivers

- Population and demography: With a population of more than 1.4 billion, India stands tall as the highest populated country in the world, with a median age of 28.4 years. The huge population drives the demand of increasing amount of chemicals across various sectors with different downstream utilisation. Further, the big chunk of young population translates into increasing consumption of chemicals across automotive sector, clothing and fabric, and cosmetics market, among others

- Urbanisation: The urbanisation rate of India stood at ~35% in 2020, driving the demand of chemicals which find downstream utilisation in automotive sector, construction and real estate, among others

- Rising disposable incomes: The per capita net national income in India is estimated to have increased from ₹ 1,50,007 in 2021-22 to ₹ 1,70,620 in 2022-23, at current prices, thereby, indicating the increasing ability to spend

- Underpenetrated sector: India's per-capita chemical consumption lags far behind other developed nations, which has huge headroom for growth in the foreseeable future

- Increasing demand in construction: Despite the rising construction costs and a record hike in the repo rate (250 bps) in 2022-23, the real estate sector has seen a considerable upswing during the year. According to Anarock, the total sales in the top 7 cities in 2022 is expected to exceed 3.6 lakh units in 2022, more than the peak sales of 2014 which was pegged at 3.43 lakh units. This would drive the chemical sector across the country for the foreseeable future.

- Increasing demand in automotive sector: The total production of passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycle in 2022 stood at 2,58,51,004 units compared to 2,40,67,787 units in 2021. On the other hand, the total sales in 2022 for passenger vehicles stood at 37,92,356 units; commercial vehicles at 9,33,116 units; three wheelers at 4,18,341 units; and two wheelers at 1,56,07,991 units.

- Increasing adoption in pharmaceutical industry: With the increasing investment in R&D and India's strong position as the largest generic drug manufacturer in the world, coupled with increasing demand of medicines especially post the COVID-conundrum, India's pharmaceutical sector is expected to grow US$ 130 billion in terms of value by 2030. This would thereby drive the demand of chemicals which find downstream utilisation in the pharmaceutical sector.

- Rising agrochemical demand: Indian food and grocery market is the 6th largest in the world, and the Indian agriculture sector is expected to reach US$ 24 billion by 2025, thereby, driving the demand of agrochemicals in the country.

(Source: Anarock, Worldometers, RBI, EY FICCI, Inc42, SIAM)

Government measures through Union Budget 2023-24

Roads

- The Ministry of Road Transport and Highways (MoRTH) has set a target of completing 25,000 km road development in the Union Budget 2023-24

- MoRTH has been allocated an outlay of ₹ 2.7 lakh crore to ensure completion of its target, a 36% growth over the previous budget

Housing

- The Government has revised its allocation towards PM Awaas Yojana (PMAY) to over ₹ 79,000 crore in its Union Budget, a 66% rise over the previous budget

Infrastructure

- An investment of ₹ 75,000 crore was announced, including ₹ 15,000 crore from private sources, for 100 critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertiliser, and food grains sectors

Capital investment

- The capital expenditure earmarked by the Government saw a substantial growth of 33% to reach ₹ 10 lakh crore, forming 3.3% of GDP

- The 'Effective Capital Expenditure' of Centre was announced to be ₹ 13.7 lakh crore, forming 4.5% of GDP

Category review

Phase transfer catalysts (PTC) market

PTC are catalysts, being used in a heterogeneous multi-phase system to facilitate the migration of a reactant from one phase into another phase where the reaction takes place. PTCs also help to eliminate the need for costly and unsafe solvents that can dissolve all reactants in one phase, and costly additional raw materials, minimizing the issue of waste. The PTC market in India is expected to grow at a CAGR of ~6% till 2028, supported by increasing demand and adoption of green chemistry in organic synthesis.

Benefits

- Enables faster reactions, resulting in higher productivity
- Minimal by-product generation
- Ensures lesser energy consumption
- On few occasions, eliminates the need for expensive or dangerous solvents
- Minimizes waste generation and saves time

Demand drivers

- Demand for technologically-advanced and environment-friendly catalyst has been gaining traction
- Gradual demand for greener chemistry in organic synthesis
- The non-regenerative nature of this catalyst generates recurring demand

Performance

The Company is one of the leading manufacturers of PTCs, with the largest and the most diversified portfolio in the industry. The PTC produced by the Company finds downstream application as catalysts in the manufacturing of pharmaceutical APIs, Personal care & Disinfectants and agrochemicals, among others. Being used in many organic transitions in the pharmaceutical industry, these catalysts provide enhanced reaction rates and yields, resulting in lower cost of production, energy and waste. During 2022-23, PTC carved a share of 34% of the Company's revenues, and successfully maintained its position as the market leader. The PTC category clocked a y-o-y growth of ~46% during the year under review to reach a revenue of ₹ 1,432.06 million.

Structure Directing Agents (SDA) market

SDAs are high purity quaternary salts which are used in the formation of channels and pores during the synthesis of zeolites. These zeolites have diverse applications such as acting as catalysts and adsorbents. Zeolites find use in emission control in automotive sector owing to the fact that these zeolites when promoted with transition metals such as copper and iron, help in selective catalytic reduction, acting as one of the preferred technologies for emission control. Moreover, with increasing investment in R&D, zeolites are finding more diverse and innovative downstream application, thereby, driving the growth of SDA market.

Benefits

- Acts as a crucial ingredient in emission control systems for NOx removal
- Facilitates cracking crude to acquire various desired outputs
- Important part of continuous flow chemistry process

Demand drivers

- With rising awareness about sustainability and emission control across the globe, the Company's deep knowledge about the SDA for zeolites market has been continuously helping to gain the market position
- Stricter emission norms and increasing shift towards green environment has been pushing demand
- The sector being niche has limited global competition for the Company

Performance

The Company is engaged in the manufacturing of SDAs, which facilitate the production of high-precision zeolite. These zeolites find downstream application in automotive emission control, auto chemicals, and continuous flow chemistries, among others. During 2022-23, the SDA segment carved a revenue share of 30%. During the year under review, the Company clocked y-o-y decline of ~43% to reach revenues of ₹ 1,276.38 million from SDAs.

During the year, performance of SDA got impacted due to chip shortages, zero COVID policy in China, and geopolitical tension arising from the Russia and Ukraine war, supply challenge is gradually heading towards normalcy, and in the foreseeable future the Company is expected to register a strong demand revival.

Electrolyte salts market

Electrolyte salts find application in manufacturing super capacitor batteries, sodium and zinc batteries which are used in automobile, electronics, energy storage devices and energy grids. Super capacitors or ultra capacitors are energy storage devices that store electrical energy via electrochemical and electrostatic processes. These have an unusually high energy density when compared to common capacitors.

Benefits

- Some of the characteristics of super capacitors are fast charging ability, superior low temperature performance, long service and cycle life, and reliability. These characteristics enable super capacitors to potentially replace traditional batteries across several applications
- Battery runtime and operational life is improved extensively by using super capacitors

Demand drivers

- Solar energy storage – Helps in absorbing high voltage currents at the time of peak energy generation
- Smart grid – Enables absorbing high voltage
- Automobile – Helps the vehicles with the sudden burst of energy required during the start and while accelerating
- Other electronic devices where high burst of energy is required to be discharged or stored also cause incremental demand of electrolyte salts

Performance

The Company manufactures electrolyte salts, which are used in super-capacitor batteries. These super-capacitor batteries find application in automobile, EV vehicles, electronics and for hybrid energy storage devices. During 2021-22, this product category carved a revenue share of 4% of the Company's total revenue. The total revenue from this product category stood at ₹ 165.33 million in 2022-23, clocking a robust y-o-y growth of 191%.

The Company has also started manufacturing electrolyte salts for sodium ion batteries and zinc ion batteries. These batteries are finding large downstream application in renewable energy storage systems.

During the year under review, the Company produced new products, which would find downstream application among new customers. The Company has been seeing a steady rise in the variety of applications, owing to commercialisation of applications using supercapacitor batteries and energy storage devices. The application of super-capacitors used in electronic vehicles has been gaining traction in the recent past. Additionally, the application of energy storage devices in renewable energy storage systems has also been rising. On the back of these factors, the Company is poised for growth from this product category in the foreseeable future.

Pharma & Agro and other specialty Chemical intermediates (PASC)

This product vertical consists of various pharmaceutical and agrochemical intermediates, disinfectants, catalysts and solvents, all of which fall under the broader category of specialty chemicals.

Benefits

- Enhanced Agro commodity output
- Eliminates waste and protects crops

Demand drivers

- India is having largest population in the world, resulting in huge demand for food and pharma products
- The China plus one strategy is in play, and has been on execution stage by several large MNCs, ensuring larger opportunities for India
- A rising per capita income and improving standards of living has been driving demand for pharma and food products
- The relatively low cost of production in India, coupled with the ability to deliver consistent quality products and ensure timely delivery has been driving demand in India
- Large cultivated area, offering increasing opportunities

Performance

We are the leading producer of Glymes in India, and the third-largest in the world. The PASC category carved a share of 32% of the Company's total revenues during the year. In 2022-23, the Company's total revenues from this category stood at ₹ 1,335.13 million, registering a y-o-y growth of 31%.

The Company focuses on developing pharmaceutical and agrochemical intermediates involving green chemistry. We have been working on various products using continuous flow chemistry, electrochemistry and PTC technology. On the back of 'China plus one' policy coupled with our capability to offer sustainable solutions, we have seen the rise in the number of new opportunities to work on various potential products for multiple customers.

Company overview

The inception of the journey of Tatva Chintan Pharma Chem Limited (referred hereafter as 'the Company' or 'Tatva Chintan') can be traced back to 1996. The Company was positioned itself as an integrated specialty chemical manufacturing company over the past decade. The Company's diverse product portfolio comprises structure directing agents (SDAs), phase transfer catalysts (PTCs), electrolyte salts for super capacitor batteries, and pharmaceutical and agrochemical intermediates and other specialty chemicals (PASC). These products find downstream application across an array of sectors such as automotive, Refinery, pharmaceutical, agrochemicals, paints and coatings, dyes and pigments, personal care, and flavors and fragrances. Currently, the Company is not only a leading manufacturer of SDA, but also one of the niche player in the global PTC market.

On the back of strong and longstanding customer relations, overseas distribution network, consistent focus on R&D and efficient operations, and a capable team, the Company has successfully broadbased its presence across more than 25 countries, including the United States (US), China, Germany, Japan, South Africa and the UK. The Company also has two wholly-owned subsidiaries in the US and Netherlands, which serve its international clients.

Manufacturing facilities

The Company is among one of the frontrunners in the integrated specialty chemicals manufacturing, and manufactures specialty chemicals out of its two world-class units located in Ankleshwar and Dahej. Leveraging the superior R&D abilities, operational efficiencies and with a constant focus on growing by leaps and bounds, the Company has been consistently scaling capacities on one hand, and scaling improving capacity utilisation on the other.

Manufacturing Facility	Capacity	2022-23		2021-22		2020-21	
		Reactors	Assembly Lines	Reactors	Assembly Lines	Reactors	Assembly Lines
Ankleshwar	Installed	90 KL	3	90 KL	3	90 KL	3
	Utilised	76.58%	65.10%	91.60%	74.13%	84.22%	68.01%
Dahej	Installed	204 KL	24	204 KL	24	190 KL	14
	Utilised	78.06%	24.80%	89.90%	62.90%	61.57%	50.72%
Total	**Installed**	**294 KL**	**27**	**294 KL**	**27**	**280 KL**	**17**
	Utilised	**77.61%**	**29.28%**	**90.40%**	**64.14%**	**68.85%**	**54.50%**

Strengths

- Leading manufacturer of SDA and PTC
- Significant global presence with a vast customer base
- Diverse and comprehensive product portfolio
- Integrated and fungible manufacturing facility
- Proven track record of promoter
- Inhouse R&D capabilities

Financial Review (Consolidated)

Revenue

The Company's total income stood at ₹ 4,293.56 million in 2022-23 from ₹ 4,426.64 million in 2021-22, registering a y-o-y decline of 3.01%.

Revenue from operations

Revenue from operations stood at ₹ 4,236.12 million in 2022-23 compared to ₹ 4,336.47 million in 2021-22, registering a y-o-y decline of 2.31%. Exports contributed ₹ 3,042.33 million in 2022-23 compared to ₹ 3,404.66 million in 2021-22. There has been increase in domestic sales from ₹ 925.12 million in 2021-22 to ₹ 1,187.43 million in 2022-23. During 2021-22 and 2022-23, exports of products accounted for ~79% and ~72% of our revenue from operations, respectively.

The sale of SDAs stood at ₹ 1,276.4 million in 2022-23 compared to ₹ 2,248.3 million in 2021-22, and sale of PASCs stood at ₹ 1,335.1 million in 2022-23 compared to ₹ 1,021.5 million in 2021-22. During 2021-22 and 2022-23, the Company's share of revenue from sale of SDAs stood at 52% and 30% respectively. Similarly, during 2021-22 and 2022-23, the Company's share of revenue from sale of PASC stood at 23.6% and 31.5%, respectively.

The sale of PTC stood at ₹ 1,432.1 million in 2022-23 compared to ₹ 980.3 million in 2021-22, contributing 33.8% and 22.6% to the sales respectively.

During 2021-22 and 2022-23, the Company's revenue from sale of electrolyte salts for super capacitor batteries stood at ₹ 56.8 million and ₹ 165.3 million respectively, thereby, carving 1.3% and 3.9% of total revenue from operations, respectively.

Other income

Other income of the Company stood at ₹ 57.4 million in 2022-23 compared to ₹ 90.2 million in 2021-22, registering a y-o-y decline of 36.3%. This was primarily on account of gain of ₹ 39.19 million in 2021-22 on foreign currency transaction and translation.

Expenses

The total expenses of the Company stood at ₹ 3,809.9 million in 2022-23 compared to ₹ 3,385.4 million in 2021-22, registering a y-o-y increase of 12.5%. This increase was primarily on account of an increase in cost of goods sold, employee benefits expense, finance costs.

Cost of materials consumed

The Company's cost of materials consumed stood at ₹ 2,158.2 million in 2022-23 compared to ₹ 2,544.9 million in 2021-22.

Purchases of stock-in-trade

Purchases of stock-in-trade stood at ₹ 45.76 million in 2022-23 compared to ₹ 36.79 million in 2021-22.

Changes in inventories of work-in-progress and finished goods

Changes in inventories of work-in-progress and finished goods stood at ₹ 57.08 million in 2022-23 compared to ₹ (635.34) million in 2021-22.

Employee benefits expense

The Company's employee benefits expense stood at ₹ 386.0 million in 2022-23 compared to ₹ 308.2 million in 2021-22. This was mainly due to increase in salaries and wages from ₹ 280.7 million in 2021-22 to ₹ 348.6 million in 2022-23.

Finance costs

The Company's finance costs stood at ₹ 84.1 million in 2022-23 compared to ₹ 49.5 million in 2021-22. This was due to increase in interest on financial facilities (term loan and working capital limits) from ₹ 38.3 million in 2021-22 to ₹ 77.8 million in 2022-23. The total borrowings of the Company as on 31 March 2023 and 31 March 2022 were ₹ 1,702.6 million and ₹ 1,199.4 million, respectively.

Depreciation and amortization expense

The Company's depreciation and amortization expense stood at ₹ 95.6 million in 2022-23 compared to ₹ 81.8 million in 2021-22. The net assets of the Company as on 31 March 2023 and 31 March 2022 were ₹ 4,269.9 million and ₹ 2,111.1 million, respectively.

Other expenses

The other expenses of the Company stood at ₹ 983.3 million in 2022-23 compared to ₹ 999.6 million in 2021-22.

Tax expenses

The total tax expenses of the Company stood at ₹ (7.08) million in 2022-23 compared to ₹ 82.5 million in 2021-22. This was mainly due to lower profitability in 2022-23 compared to 2021-22.

Profitability

Profit before tax

The Company's profit before tax (before exceptional item) stood at ₹ 483.7 million in 2022-23 compared to ₹ 1,041.2 million in 2021-22.

Profit after tax

The Company's profit after tax stood at ₹ 454.9 million in 2022-23 compared to ₹ 958.7 million in 2021-22.

Total comprehensive income

The Company's total comprehensive income stood at ₹ 461.4 million in 2022-23 compared to ₹ 960.3 million in 2021-22.

Key significant ratios

Key Ratios	FY23	FY22	Explanations
Debtors Turnover Ratio	4.99	7.62	Debtors turnover ratio has deteriorated primarily due to higher sale in second half, resulting in higher Debtors at year end.
Inventory Turnover Ratio	1.58	1.79	Inventory turnover ratio has decreased due to increase in Average Inventory in FY23, despite lower Inventory at year end (FY23).
Interest Coverage Ratio	7.21	21.86	Interest Coverage ratio has deteriorated due to decrease in profitability and also due to increase in interest cost.
Current Ratio	1.33	2.54	Current ratio has decreased primarily due to decrease in cash and cash equivalents and bank balances pursuant to utilisation of deposits created out of IPO proceeds.
Debt Equity Ratio	0.33	0.25	Debt equity ratio has deteriorated primarily due to increased utilisation of working capital facilities.
Operating Margin Ratio (%)	12.12%	23.20%	Operating Margin Ratio has decreased due to decrease in profitability pursuant to prevailing geo-political conditions, slow-downs and high inflationary situation across economies.
Net Profit/(Loss) Margin (%)	10.81%	22.23%	Net profit Margin has decreased due to decrease in profitability pursuant to prevailing geo-political conditions, slow-downs and high inflationary situation across economies.
Return on Net Worth (%)	8.84%	20.27%	Return on net worth has decreased due to decrease in profitability pursuant to prevailing geo-political conditions, slow-downs and high inflationary situation across economies.

Research and Development

Research and development play an instrumental role in the chemical sector, and helps the Company reinforce its position as one of the leading players in integrated specialty chemical manufacturers not only in India but also across the world. The Company has a dedicated R&D center located at Vadodara, equipped with modern and latest technology and equipment and spearheaded by a very capable R&D team. Over the years, we have been constantly strengthening our R&D finesse by making proactive investments and constantly strengthening our R&D team's abilities. Strong R&D has helped us strengthen our process and cost efficiencies on one hand, and develop improved products on the other.

Quality Control and Services

The Company is equipped with world-class QC laboratory with modern equipment to ensure compliance with the most stringent quality standards. The Company is cognizant of the fact that failing to comply with these quality standards may impact their brand recall, which is synonymous with superior quality. In order to ensure a sharp focus on quality control, the Company has a robust team of 103 members, of which, 35 looks into quality assurance and the rest 68 members aid in quality control. The capable team is not only thorough with its pre-manufacturing checks and balances, but also diligent with in outlining a various strict quality control mechanisms at each stage of the manufacturing process, starting from initial testing of raw material to the packaging of final product. The ISO 9001:2015 certification of Company speaks volumes about the Company's adherence to stringent quality control standards.

Information and Technology

Over the past few years, IT has been playing an increasingly critical role, especially post the COVID-conundrum. Against this backdrop, the Company recognises the importance of having robust IT infrastructure in place. To lay the building blocks of this IT infrastructure, the Company has deployed a wide range of IT solutions and enterprise resource planning (ERP) software across its operations. Technology is effectively utilised throughout all stages of the manufacturing processes, spanning from customer order management and dispatches to production planning, reporting, financial accounting, and scheduling raw material purchases. In line with its constant focus on IT and technology, the Company has been consistently making proactive investment to continually enhance operational efficiency, customer service, and decision-making processes.

Health, Safety and Environment

Operating in the chemical sector, the Company recognised the importance of operating in line with the stringent environmental norms. The Company undertakes specific measures to ensure emission reduction, optimal energy usage, reduction in waste generation, and promoting sustainability across its operations. The zero liquid discharge (ZLD) status of its Ankleshwar plant speaks volumes of the Company focus on environment-centricity. Further, the ISO 14001:2015 certification validates the Company's compliance to stringent environmental norms. Additionally, the Company in the Together for Sustainability (TfS) initiatives to promote adoption of sustainability across operations among the employees and supply chain partners.

Being a specialty chemical manufacturer, the Company also understands the importance of health and safety of its employees. In achieving so, the Company provides periodic safety trainings, mock drills and on-the-job trainings to the employees.

Human Resources

The Company believes that its employees are its biggest assets, and has a capable human resource team with employee-centric policies for the holistic development of the Company which is aligned with the growth of its employees. In its endeavor to ensure inclusive growth for its employees, the Company has employee friendly policies aimed at recruiting the best talent, training people, engaging with them continuously, and ensuring strong retention. This helps the Company seed the foundation to a robust human capital. Additionally, the Company periodically also conducts programs and initiatives to strengthen talent management, capability development, and performance of its employees. As on 31 March 2023, the Company had a strong team of 608 permanent employees and 279 temporary employees.

Risk	Impact	Mitigation
Regulatory risk	Frequent changes or non-compliance with the statutory norms and regulations may impact the reputation and operations of the Company.	The ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications of the Company validate the Company's sharp focus and adheres to all stringent compliances and regulations such as quality management, environment management, and employee health and safety, among others.
Supply chain risk	Inadequate supply and fluctuations in the prices of raw materials may affect the business operations and profitability of the Company.	The Company leverages its longstanding relationships with its suppliers to ensure steady supply of raw materials and finished products. The Company also has in place a robust inventory management process to ensure availability of materials as and when needed.
Product risk	Failure to conceptualize and develop new products due to inadequate investments in R&D and delay in obtaining regulatory approvals may hinder the Company's operations.	The Company has been consistently investing in its R&D to strengthen its product pipeline, thereby, ensuring that it is catering to the ever-changing preferences and needs of customers. During the fiscal, the Company invested ₹ 109.98 million towards CAPEX and ₹ 48.88 million towards OPEX to ensure sustained progress.
Forex risk	Since a significant portion of its revenue is generated from exports, the risk of exchange rate fluctuations may cause financial loss to the Company.	The Company has a system risk by continuous and efficient monitoring of forex exposure and change in currency movements, and de-risks itself by entering into forward contracts.

Outlook

With availability of semiconductor chips gradually heading towards normalcy, and abandoning of Zero COVID policy by China, the Company anticipates increased demand for products under the SDA category during 2023-24. The future demand outlook for products under SDA category continues to remain very exciting due to implementing of Euro 7 standards starting from 2025. For the PTC category, the growth is expected to be steady in the foreseeable future. Electrolyte salts are expected to bring in significant growth, and the next fiscal is expected to be a turning point for this category for the Company. The PASC category has been making consistent progress over the year, and is projected to see stable growth in the coming years.

The global specialty chemicals market is expected to grow at a CAGR of ~7% between 2022 and 2028, on the back of increasing downstream applications across multiple sectors. Further, the 'China plus one' policy is also expected to show a positive impact on demand for products from Indian chemical industries.

The Company is poised for growth on the back of new customers addition, new products moving into commercialisation, and addition of new product categories such as flame retardants, coupled with completion of the expansion of the Dahej SEZ plant. The continuous diversification of the product mix is expected to keep driving the growth trajectory for the Company. The total employee cost for the Company is also expected to increase with the commercialisation of the Dahej plant, and the need to recruit manpower to efficiently use the increase in capacities. With the commercialisation of the Dahej plant, the installed capacity for the Company is also projected to increase from 294 KL to 500 KL, with an increase in number of assembly lines from 27 to 39. With the Company's constant focus on increasing operational efficiencies, Tatva Chintan is expected to achieve a capacity utilisation of 80% (post Dahej commercialisation) by 2024-25. The Company would continue on its endeavor to emerge as an integrated manufacturer, producing niche specialty chemicals, having leadership position across product categories, and a broad based geographical presence. Further, the Company also strives to continue on its resolute focus on green chemistry by using cutting-edge technology and in-house R&D strength. This would, in turn help reinforce the customers' confidence in the Company.

However, prolong geopolitical conflict (such as Russia-Ukraine war), global banking crisis, recession in major overseas market such as Europe, increase in financial costs, and pricing pressure remains a concern for growth.

Internal Control Systems

The Company has a robust internal control system in place to ensure the reliability of financial information through timely and accurate recording of all financial, commercial, and operational transactions, safeguarding of assets from unauthorised use or disposition and stringent adherence to the applicable regulations. Additionally, the Company's Audit Committee conducts periodic reviews to ascertain the adequacy and effectiveness of its internal controls, and reports key findings to the Board for corrective action.

Cautionary Statement

Statements in this report describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations that involve risks and uncertainties. Such statements represent the intention of the management and the efforts being put in place by them to achieve certain goals. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances. Therefore, the investors are requested to make their own independent assessments and judgments by considering all relevant factors before making any investment decision.

Managing Director (MD) and Chief Financial Officer (CFO) Certification

To,
The Board of Directors,
Tatva Chintan Pharma Chem Limited

In pursuance to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We, Chintan N. Shah, Managing Director (MD) and Ashok Bothra, Chief Financial Officer (CFO) to the best of our knowledge and belief, certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31 March 2023 and that to the best of our knowledge and belief:

    a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

    b. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. To the best of our knowledge and belief, there were no transactions entered into by the Company during the year which were fraudulent, illegal or which violated the Company's Code of Conduct.

3. We are responsible for establishing and maintaining internal controls for financial reporting and we have:

    a. evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;

    b. not found any deficiencies in the design or operation of internal controls.

4. We have indicated to the Company's Auditors and the Audit Committee of the Board of Directors that:

    a. there is no significant changes that have occurred in the internal control over financial reporting during the year;

    b. there have been no significant changes in accounting polices during the year;

    c. there have been no instances of significant fraud nor there was any involvement of the management or an employee having a significant role in the Company's internal control system over financial reporting; and

    d. there were no deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data nor there were any material weaknesses in internal controls over financial reporting nor any corrective actions with regards to deficiencies, as there were none.

5. We declare that all Board members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct for the current year.

Date: 05 May 2023
Place: Vadodara

Chintan N. Shah
Chairman and Managing Director

Ashok Bothra
Chief Financial Officer

Independent Auditor's Report

To the Members of
Tatva Chintan Pharma Chem Limited

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Tatva Chintan Pharma Chem Limited** ("*the Company*") which comprises the balance sheet as at 31 March 2023 and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended and notes to the standalone financial statements, including summary of significant accounting policies and other explanatory information. (hereinafter referred as "standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023 and total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards 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 Matters

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

Sr. No.	Key Audit Matters	Audit procedures
1.	**Cut off risk in Revenue Recognition** Due to the sales being under various contractual terms and across geographies, delivery to customers in different regions might take different time periods and may result in undelivered goods at the period end. We consider there to be a risk of misstatement of the financial statements related to transactions occurring close to the year end, as transactions could be recorded in the wrong financial period. Accordingly, cut-off risk in revenue recognition is a key audit matter.	• We have assessed the revenue recognition policies of the Company including accounting for sales returns and discounts for compliance with Ind AS. • The Company has manual and automated (information technology – IT) controls on recording revenue and accruals for sales returns and discounts. We tested the design, implementation and operating effectiveness of these controls. In respect of cut-off, we focused on controls around the timely and accurate recording of year-end sales transactions. • We have performed substantive testing on sample check basis on revenue transactions recorded during the year end. • We verified contractual terms of the invoice and tested the transit time to deliver the goods.

Sr. No.	Key Audit Matters	Audit procedures
2.	**Capital Expenditure in respect of property, plant and equipment and capital work in progress** The Company has incurred significant expenditure on capital projects, as reflected by the total value of additions in property plant and equipment and capital work in progress in notes 3 and 5 of the standalone financial statements. The Company is mainly in the process of executing project for expansion of its existing Dahej Manufacturing facility and Upgradation of R&D facility in Vadodara. These projects take a substantial period of time to get ready for intended use. We considered Capital expenditure as a Key audit matter due to: • Significance of amount incurred on such items during the year ended 31 March 2023. • Judgement and estimate required by management in assessing assets meeting the capitalization criteria set out in Ind AS 16 Property, Plant and Equipment. • Judgement involved in determining the eligibility of costs including borrowing cost and other directly attributable costs for capitalization as per the criteria set out in Ind AS 16 Property, Plant and Equipment.	• We have obtained an understanding of the Company's capitalization policy and assessed for compliance with the relevant accounting standards. • We have obtained understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure and capitalization of assets. • We have performed substantive testing on a sample check basis for each element of capitalized costs including inventory issued to contractors for the purpose of these projects and physical verification performed by management along with reconciliation and directly attributable cost, including verification of underlying supporting evidence and understanding nature of the costs capitalized. • We have obtained understanding on management assessment relating to progress of projects and their intention to bring the asset to its intended use.
3.	**Valuation, Accuracy, Completeness and disclosures pertaining to Inventories with reference to Ind AS 2** Inventories constitutes material component of financial statement. Correctness, Completeness and Valuation are critical for reflecting true and fair financial results of operations. Further due to continuous nature of plan operations and the raw materials which are basically chemicals, management has to exercise judgement in assessing stage of the product and its valuation. Also refer note 12 to the standalone financial statement.	Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • We have assessed the Company's process regarding maintenance of records, Valuation and accounting of transactions relating to Inventory as per the Indian Accounting Standard 2. • We have evaluated the design of Internal Controls relating to recording and valuation of Inventory. • We have carried out substantive audit procedures to verify the allocation of overheads to Inventory. • We have attended the physical verification of Inventories performed by the Management and also performed stock count on sample check basis. We have also checked reconciliation of inventories as per physical inventory verification and book records on a sample check basis. • For sample selected, we have also obtained confirmation of Inventories held with third parties. • We have verified the consistency in respect of valuation process and methodology followed by the Company.

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 Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, Business Responsibility and Sustainability Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance 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 financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting standards) Rules, 2015 as amended. 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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 sub-section (11) of section 143 of the Act, we give in the **"Annexure – A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of change in equity, the statement of cash flows and notes to the standalone financial statements 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 Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

   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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 46 to the standalone financial statements.

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

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

      iv. (a) The management has represented that, to the best of its knowledge and belief, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 11 to the standalone financial statements);

      iv. (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 11 to the standalone financial statements); and

      iv. (c) Based on such audit procedures that we 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 (a) and (b) above contain any material misstatement.

      v. The dividend declared and paid, if any, during the year by the Company is in compliance with Section 123 of the Act.

      vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 1 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

For **NDJ & Co.,**
Chartered Accountants
Firm's Registration Number: 136345W

CA Shirish Shah
Partner
Membership No. 035742
UDIN No: 23035742BHAATF3958

Dated: 5 May 2023
Place: Vadodara

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report to the Members of Tatva Chintan Pharma Chem Limited of even date)

1. (a) (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

   (iI) The Company is maintaining proper records showing full particulars of Intangible Assets.

   (b) The Property, Plant and Equipment are physically verified by the management in a phased programme designed to cover all items over a period of three financial years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies between the book records and the physical verification have been noticed.

   (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 4 on Right-of-use assets to the standalone financial statements, are held in the name of the Company.

   (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

   (e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.

2. (a) The physical verification of inventory excluding stocks with third parties and stock in transit has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

   (b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 Crore, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account. (Also refer Note 51 to the standalone financial statements)

3. According to information and explanations given to us, the Company has not made investments in, not provided any guarantee or security nor granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the provisions of this clause of the Order are not applicable to the company for the year ended on balance sheet date.

4. According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans granted and investments made, as applicable. The Company has not provided any guarantee or securities that are covered under the provisions of sections 185 and 186 of the Companies Act, 2013.

5. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder during the year. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company during the year.

6. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

7. (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 been generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, custom duty, cess and other material statutory dues as applicable to the appropriate authorities during the year. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding as on the last day of the financial year 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 the records of the Company examined by us, there are no dues of provident fund, employees' state insurance and cess, which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at 31 March 2023 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of dues	Amount (₹ in Millions)	Period to which the amount relates	Forum where the dispute is pending
Integrated Goods and Service Tax Act, 2017	Goods and Service Tax	0.61	2017-18	Additional Commissioner GST & Central Excise (Appeals)
Integrated Goods and Service Tax Act, 2017	Goods and Service Tax	11.38	2017-18 and 2018-19	Deputy Director General of GST Intelligence (DGGI)
Income Tax Act, 1961	Income Tax	1.00	2019-20	Commissioner of Income Tax (Appeals)

8. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

9. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer Note 17 to the standalone financial statements).

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

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary companies.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary companies.

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

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us and as represented to us by the management, there are no whistle blower complaints received by the Company during the year.

12. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

13. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as

required under Indian Accounting Standard 24, Related Party Disclosures specified under Section 133 of the Act.

14. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

    (b) The reports of the Internal Auditor for the period under audit have been considered by us.

15. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

16. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

    (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

    (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

    (d) According to the information and explanations given to us and on the basis of our examination, the Company does not belong to any group which consist Core Investment Company as part of the Group.

17. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors of the Company during the year.

19. According to the information and explanations given to us and on the basis of the financial ratios, (Also refer Note 51 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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.

20. (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 does not have any unspent amount which is require to transfer to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, paragraph 3(xx)(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 does not have any ongoing projects under provisions of the section 135 of the said Act. Accordingly, paragraph 3(xx)(b) of the Order is not applicable.

21. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number:136345W

CA Shirish Shah
Partner
Membership No. 035742
UDIN No: 23035742BHAATF3958

Date: 5 May 2023
Place: Vadodara

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under the "Report on Other Legal and Regulatory Requirements" of our report to the Members of Tatva Chintan Pharma Chem Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **Tatva Chintan Pharma Chem Limited ("the Company")** as of 31 March 2023 in conjunction with our audit of standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to standalone financial statements issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements 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 system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to 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 judgment, 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 system with reference to standalone financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 authorizations of management and directors of the Company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 standalone financial statements to further periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2023, based on the internal control over financial reporting 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.

For **NDJ & Co.**
Chartered Accountants
FRN :136345W

CA Shirish Shah
Partner
Membership No. 035742
UDIN No: 23035742BHAATF3958

Date: 5 May 2023
Place: Vadodara

Standalone Balance Sheet

as at 31 March 2023

(Currency: ₹ in Million)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	3	1,648.06	1,279.06
Right-of-use assets	4	309.42	313.90
Capital work-in-progress	5	2,307.44	514.91
Other intangible assets	6	4.76	3.17
Financial assets			
(i) Investments	7	6.67	6.67
(ii) Other financial assets	8	28.47	20.88
Deferred tax assets (net)	23	123.56	87.10
Other non-current assets	13	5.51	5.14
Total non-current assets		**4,433.89**	**2,230.83**
Current assets			
Inventories	12	1,514.48	1,606.85
Financial assets			
(i) Trade receivables	14	900.44	616.04
(ii) Cash and cash equivalents	9	211.87	607.75
(iii) Bank balances other than (ii) above	10	173.95	1,139.69
(iv) Loans	11	1.72	1.61
(v) Other financial assets	8	32.47	33.56
Current tax assets (net)	21	55.42	-
Other current assets	13	224.32	525.68
Total current assets		**3,114.67**	**4,531.18**
Total assets		**7,548.56**	**6,762.01**
Equity and liabilities			
Equity			
Equity share capital	15	221.65	221.65
Other equity	16	4,826.16	4,467.14
Total equity		**5,047.81**	**4,688.79**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	42.30	131.11
Provisions	19	11.45	6.51
Other non-current liabilities	20	-	0.08
Total non-current liabilities		**53.75**	**137.70**
Current liabilities			
Financial liabilities			
(i) Borrowings	17	1,660.27	1,068.27
(ii) Trade payables	22		
(a) Total outstanding dues of micro and small enterprises; and		164.26	111.46
(b) Total outstanding dues of creditors other than (ii)(a) above		151.87	329.12
(iii) Other financial liabilities	18	297.09	91.88
Other current liabilities	20	170.19	331.11
Provisions	19	3.32	1.79
Current tax liabilities (net)	21	-	1.89
Total current liabilities		**2,447.00**	**1,935.52**
Total equity and liabilities		**7,548.56**	**6,762.01**
Notes forming part of the standalone financial statements	1- 57		

As per our report of even date attached
For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 05 May 2023
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 05 May 2023
Place : Vadodara, Gujarat, India

Standalone Statement of Profit and Loss

for the year ended 31 March 2023

(Currency: ₹ in Million, except per share data)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	24	4,030.44	4,278.11
Other income	25	56.78	106.29
Total Income		**4,087.22**	**4,384.40**
Expenses			
Cost of materials consumed	26	2,158.17	2,544.94
Changes in inventories of finished goods and work-in-progress	27	65.07	(580.43)
Employee benefits expense	28	385.98	308.18
Finance costs	29	83.84	49.51
Depreciation and amortization expenses	30	95.54	81.80
Other expenses	31	874.44	947.74
Total expenses		**3,663.04**	**3,351.74**
Profit before exceptional items and tax		424.18	1,032.66
Exceptional items	31A	35.87	-
Profit before tax		**388.31**	**1,032.66**
Tax expense/(benefits)	32		
Current tax		19.59	180.08
Deferred tax		(35.93)	(107.29)
Total tax expense/(benefits)		**(16.34)**	**72.79**
Profit for the year		**404.65**	**959.87**
Other comprehensive income/(expense)	33		
Items that will not be reclassified to profit or loss		(1.82)	(2.05)
Income tax relating to items that will not be reclassified to profit or loss		0.53	0.60
Total other comprehensive (expense)		**(1.29)**	**(1.45)**
Total comprehensive income		**403.36**	**958.42**
Earnings per equity share	34		
(Face value of ₹ 10/- each)			
Basic		18.26	44.65
Diluted		18.26	44.65
Notes forming part of the standalone financial statements	1- 57		

As per our report of even date attached
For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 05 May 2023
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

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Chairman and Managing Director
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Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 05 May 2023
Place : Vadodara, Gujarat, India

Standalone Statement of Changes in Equity

for the year ended 31 March 2023

(Currency: ₹ in Million, except per share data)

A Equity share capital

Particulars	Number of shares	Amount
Authorised capital (Equity shares of ₹ 10 each)		
Balance as at 01 April 2021	40,000,000	400.00
Changes during the year	-	-
Balance as at 31 March 2022	40,000,000	400.00
Changes during the year	-	-
Balance as at 31 March 2023	**40,000,000**	**400.00**
Issued, subscribed and fully paid-up capital (Equity shares of ₹ 10 each)		
Balance as at 01 April 2021	20,087,500	200.88
Changes during the year		
Addition pursuant to fresh issue of shares	2,077,562	20.77
Reduction in promotor and promoter group shareholding pursuant to offer for sale	(2,539,242)	(25.39)
Addition in public shareholding pursuant to offer for sale	2,539,242	25.39
Balance as at 31 March 2022	22,165,062	221.65
Changes during the year	-	-
Balance as at 31 March 2023	**22,165,062**	**221.65**

B Other equity

Particulars	Reserves and surplus			Total
	Securities premium	Retained earnings	Remeasurement of defined benefit plans	
Balance as at 01 April 2021	-	1,418.94	(0.46)	1,418.48
Prior period errors (round off)	-	(0.01)	(0.01)	(0.02)
Restated balance as at 01 April 2021	-	1,418.93	(0.47)	1,418.46
Profit for the year	-	959.87	-	959.87
Other comprehensive income for the year	-	-	(1.45)	(1.45)
Total comprehensive income	-	2,378.80	(1.92)	2,376.88
Other changes				
Securities premium on fresh issue of shares	2,229.22	-	-	2,229.22
Share issue expenses written off (refer note 50)	(138.96)	-	-	(138.96)
Total other changes	2,090.26	-	-	2,090.26
Balance as at 31 March 2022	2,090.26	2,378.80	(1.92)	4,467.14
Prior period errors (round off)	-	(0.01)	-	(0.01)
Restated balance as at 31 March 2022	2,090.26	2,378.79	(1.92)	4,467.14
Profit for the year	-	404.65	-	404.65
Other comprehensive income for the year	-	-	(1.29)	(1.29)
Total comprehensive income	2,090.26	2,783.44	(3.21)	4,870.49
Other changes				
Dividend paid	-	(44.33)	-	(44.33)
Total other changes	-	(44.33)	-	(44.33)
Balance as at 31 March 2023	**2,090.26**	**2,739.11**	**(3.21)**	**4,826.16**

Standalone Statement of Changes in Equity *(Continued)*

for the year ended 31 March 2023

Notes:

Nature and purpose of other equity

(i) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013. During the year ended 31 March 2022, the Company has utilised the balance of securities premium for writing off expenses in relation to fresh issue of share capital.

(ii) Retained earnings

Retained earnings are the profits that the Company has earned till the reporting date, reduced by any transfers to general reserve or dividends or other distributions paid to the shareholders.

Remeasurement of defined benefit liability / (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income) and it will not be reclassified to profit or loss subsequently.

Notes forming part of the standalone financial statements	1- 57

As per our report of even date attached
For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 05 May 2023
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 05 May 2023
Place : Vadodara, Gujarat, India

TATVA CHINTAN

Standalone Statement of Cash flows

for the year ended 31 March 2023

(Currency: ₹ in Million)

Particulars		As at 31 March 2023	As at 31 March 2022
Cash flows from operating activities			
Profit before tax	(i)	388.31	1,032.66
Adjustments to reconcile profit			
Finance costs		83.84	49.51
Depreciation and amortisation expenses		95.54	81.80
Unrealised foreign exchange losses/(gains) (net)		(4.90)	14.78
Interest income		(53.25)	(46.59)
Other non-cash items		37.00	(3.12)
Total adjustments to reconcile profit	(ii)	158.24	96.38
Operating profit before working capital changes	(iii) = (i) + (ii)	**546.54**	**1,129.04**
Changes in working capital			
Decrease/(increase) in inventories		92.37	(923.20)
(Increase)/decrease in trade receivables		(278.84)	285.42
Decrease in loans		-	0.28
(Increase) in other non-current financial assets		(7.59)	(20.88)
Decrease/(increase) in other current financial assets		5.11	(14.10)
(Increase) in other non-current assets		(0.37)	(2.18)
Decrease/(increase) in other current assets		335.99	(409.24)
(Decrease) in trade payables		(126.35)	(15.71)
(Decrease)/increase in other current financial liabilities		(88.83)	77.15
(Decrease)/increase in other current liabilities		(169.79)	269.01
Increase in non-current provisions		4.94	0.99
Increase in current provisions		1.53	0.70
Total changes in working capital	**(iv)**	**(231.83)**	**(751.76)**
Cash generated from operating activities	(v) = (iii) + (iv)	**314.72**	**377.28**
Less: Taxes paid	(vi)	**(77.43)**	**(179.70)**
Net cash generated from operating activities	**(A) = (v) + (vi)**	**237.29**	**197.58**
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,030.87)	(891.57)
Proceeds from sale of property, plant and equipment		0.68	0.78
Decrease/(increase) in deposits with banks		965.74	(1,122.66)
Interest income		53.25	46.59
Cash (used in) investing activities	**(B)**	**(1,011.20)**	**(1,966.86)**
Cash flows from financing activities			
Proceeds from issue of equity share capital		-	20.77
Proceeds from securities premium (net off IPO expenses)		-	2,090.26
Dividend paid		(44.33)	-
Proceeds from long-term borrowings		8.29	-
Repayment of long-term borrowings		(139.26)	(133.83)
Net proceeds from short-term borrowings		637.40	422.85
(Decrease) in loans to employees		(0.11)	(0.43)
Finance costs		(83.84)	(49.51)
Cash generated from financing activities	**(C)**	**378.15**	**2,350.11**
Net (decrease)/increase in cash and cash equivalents before effect of exchange rate changes	**(A+B+C)**	**(395.77)**	**580.83**
Effect of exchange rate changes on cash and cash equivalents	**(D)**	**(0.11)**	**(0.34)**
Net (decrease)/increase in cash and cash equivalents	**(A+B+C+D)**	**(395.88)**	**580.49**

Standalone Statement of Cash flows *(Continued)*

for the year ended 31 March 2023

Notes :

(i) Cash and cash equivalents comprise of:

(Currency: ₹ in Million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	607.75	27.26
Cash on hand	0.82	0.82
Balances with banks		
- in current accounts	73.22	19.88
- in cash credit accounts (surplus)	12.02	3.32
- in EEFC current accounts	110.80	204.35
- in deposits with original maturity of less than 3 months	15.01	379.38
Balance at the end of the year	211.87	607.75
Net (decrease)/increase in cash and cash equivalent	(395.88)	580.49

(ii) The above "standalone cash flows statement" has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) 7 "Statement of cash flows".

(iii) Purchase of property, plant and equipment includes movements in right of use assets, other intangible assets and capital work-in-progress.

(iv) Reconciliation of movements in cash flows from borrowings (financing) activities:

Particulars	Non-current borrowings	Current borrowings	Total
Balance as at 01 April 2021	409.54	492.94	902.48
Repayment of non-current borrowings	(134.85)	-	(134.85)
Net proceeds from short-term borrowings	-	431.75	431.75
Liability related other changes			
Finance costs	(20.12)	(20.34)	(40.46)
Other borrowing costs*	-	(6.00)	(6.00)
Other interest cost#	-	(3.05)	(3.05)
Interest subvention income	-	1.19	1.19
Foreign exchange movement	1.02	(8.90)	(7.88)
Total cash flows from financing activities	(153.95)	394.65	240.70
Liability related other changes	19.10	37.10	56.20
Balance as at 31 March 2022	274.69	924.69	1,199.38
Proceeds from non-current borrowings	8.29	-	8.29
Repayment of non-current borrowings	(142.50)	-	(142.50)
Net proceeds from short-term borrowings	-	637.40	637.40
Liability related other changes			
Finance costs	(13.72)	(65.76)	(79.48)
Other borrowing costs*	-	(4.07)	(4.07)
Other interest cost#	-	(0.28)	(0.28)
Interest subvention income	-	14.87	14.87
Foreign exchange movement	3.24	-	3.24
Total cash flows from financing activities	(144.69)	582.16	437.47
Liability related other changes	10.48	55.24	65.72
Balance as at 31 March 2023	140.48	1,562.09	1,702.57

** includes other borrowing costs paid for non-fund based credit facilities.*

 # includes other interest costs paid on statutory dues and others.

(v) Disclosure of undrawn borrowing facilities (excluding non-fund based facilities):

Particulars	As at 31 March 2023	As at 31 March 2022
Undrawn borrowing facilities	637.91	125.31

Standalone Statement of Cash flows *(Continued)*

for the year ended 31 March 2023

(vi) Cash credit accounts which are having debit balances have been shown under cash and cash equivalent as per requirement of Ind AS 7, hence proceeds from borrowings under financing activity is excluding the movement in bank overdraft.

(vii) Short-term deposits are made for a period up to three months, depending on the cash requirements of the Company and to earn interest at the prevailing rates.

(viii) Balances with banks in current accounts includes ₹ 0.34 million (31 March 2022: ₹ 0.33 million) earmarked as monitoring agency account balance towards unutilized IPO proceeds.

(ix) Bank fixed deposits with original maturity of less than 3 months includes ₹ 15.01 million (including accrued interest) (31 March 2022: ₹ 367.65 million) earmarked towards unutilized IPO proceeds.

(x) Cash flows denominated in foreign currency are reported in the manner consistent with Ind AS 21.

(xi) During the years ended, the Company have not entered into any non-cash investing and non-cash financing activities.

(xii) Refer note 36 for government grants recognised in the standalone statement of profit and loss.

(xiii) The Company do not have any lease liability (refer note 38).

Notes forming part of the standalone financial statements 1- 57

As per our report of even date attached
For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 05 May 2023
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 05 May 2023
Place : Vadodara, Gujarat, India

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

1 Corporate information

Tatva Chintan Pharma Chem Limited (formerly known as Tatva Chintan Pharma Chem Private Limited) ("the Company") is public limited company domiciled in India, and incorporated under the Companies Act 2013 (erstwhile Companies Act 1956) in year 1996, having its registered office at Plot no. 502/17, GIDC Estate, Ankleshwar, Bharuch, Gujarat, India - 393002.

The equity shares of the Company are listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") in India. The Company is primarily engaged in manufacturing and selling of specialty chemicals, phase transfer catalysts (PTC), structure directing agents (SDA), electrolyte salts (ES), pharmaceutical and agrochemical intermediates and other specialty chemicals (PASC).

These standalone financial statements have been approved by the Board of Directors and authorised for issue on 05 May 2023.

2 Significant accounting policies

a) Statement of compliance, basis of preparation and presentation

Statement of compliance: The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

Basis of preparation and presentation: These standalone financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values.

The classification of assets and liabilities of the Company have been done into current and non-current based on the operating cycle of the business of the Company. The Company has ascertained its operating cycle of the business as twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

The financial statements are presented in Indian Rupees ('INR'), which is Company's functional currency and all values are rounded to the nearest "million" up to two decimals, except otherwise indicated.

Foreign currency transactions and translation: Foreign currency transactions are translated in to functional currency at the exchange rates prevailing on the date of such transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange prevailing at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss.

Non-monetary items that are measured at historical costs in a foreign currency are translated using the exchange rates at the dates of initial transactions. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on non-monetary items measured at fair value is to be reported in line with the recognition of the gain or loss on the change in the fair value of the item (i.e. FVTOCI or FVTPL). Any profit or loss arising on cancellation, maturity or renewal of forward exchange contracts is recognized as income or expenses in the statement of profit and loss and included in exchange difference.

The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13AA of Ind AS 101 "First-Time Adoption of Ind AS". Accordingly, exchange loss/ (gain) arising on all long-term monetary items financed or re-financed relating to acquisition of property, plant and equipment are added to/ adjusted from the cost of such assets/ capital work-in-progress and will be depreciated over the balance useful life of such assets.

b) Use of significant accounting estimates and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of standalone financial statements and reported amounts of revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future period, if the revision affects current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

i. Recoverability of deferred tax and other income tax assets

The Company has unabsorbed depreciation and MAT credit that are available for offset against future taxable profit. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the unused tax credits can be utilised. This involves an assessment of when those assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets. This requires assumptions regarding future profitability, which is inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets and consequential impact in the statement of profit and loss.

ii. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

iii. Defined benefit plans (gratuity benefits)

The obligation arising from defined benefit plans is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Any change in these assumptions would have a significant impact on the Company's balance sheet and the statement of profit and loss.

iv. Impairment of property, plant and equipment

For property, plant and equipment and intangibles, an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, then Company estimates recoverable amount the assets or cash generating unit (CGU). A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

v. Impairment of investment

The Company assesses impairment of investments in subsidiaries which are recorded at cost. At the time when there are any indications that such investments have suffered a loss, if any, is recognised in the statement of profit and loss. The recoverable amount requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments.

vi. Provisions and contingencies

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be

made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in notes but not recognised in the financial statements.

Contingent assets are not recognised, but disclosed in the financial statements when an inflow of economic benefit is probable. The actual outflow or inflow of resources at a future date may therefore, vary from the amount included in provisions and contingencies.

c) Fair value measurement

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all expenses and financing costs related to acquisition and construction of the concerned assets and any attributable cost of bringing the asset to the condition of its intended use.

The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13AA of Ind AS 101 "First-Time Adoption of Ind AS". Accordingly, exchange loss/ (gain) arising on all long-term monetary items financed or re-financed relating to acquisition of property, plant and equipment are added to/ adjusted from the cost of such assets/ capital work-in-progress and will be depreciated over the balance useful life of such assets.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Repair and maintenance cost are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

Gains or losses arising from the retirement or disposal of an asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the statement of profit and loss.

Capital work-in-progress: Capital work-in-progress includes cost of assets under development, all taxes and duties and other expenses to bring the asset to the Company. Cost of property, plant and equipment not ready for their intended use before such date is disclosed under capital work-in-progress.

e) Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets.

Computer software where it is expected to provide future enduring economic benefits is capitalized. The capitalized cost includes license fees and cost of implementation/system integration services.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the statement of profit and loss.

The intangible assets with a finite useful life are amortised using straight line method over their estimated useful lives. The management's estimates of the useful lives for various class of intangibles are as given below:

Class of assets	Useful lives estimated by the management (years)
Computer software	3 years
Technical know-how	10 years

f) Depreciation and amortization

Depreciation on tangible property, plant and equipment has been provided on the basis of useful life as stated in Schedule II of the Companies Act, 2013 using the straight-line method. Lease hold land is amortized over the period of lease. Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. The following are the estimated useful lives:

Class of assets	Useful lives (years)
Buildings	Factory building and Building (other than RCC frame structure) – 30 years; Building (RCC frame structure) – 60 years; Building (temporary structure) – 3 years
Plant and equipment	Special plant and machinery – 20 years; Plant and machinery other than continuous process plant – 15 years; Continuous process plant – 8 years
Computers and Data processing units	3/6 years
Motor Vehicles	8/10 years
Office equipment	5 years
Electrical installations	10 years
Furniture and fixtures	10 years

g) Impairment of tangible assets and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the assets is considered impaired and is written down to its recoverable amount and impairment loss is recognized in statement of profit and loss. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognised.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. Such reversal is recognised in statement of profit and loss unless the assets is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

h) Investments and other financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through statement of profit and loss); and
- those measured at amortized cost.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

ii) Initial measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in statement of profit and loss.

iii) Subsequent measurement – debt instruments

Subsequent measurement of the debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments in the following three categories:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not a part of the hedging relationship is recognized in the statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets where the assets cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (OCI). Movements in the carrying amount are taken through OCI, except for recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the statement of profit and loss. When financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains / losses. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not a part of hedging relationship is recognized in the statement of profit and loss. Interest income from these financial assets is included in other income.

iv) Subsequent measurement – equity instruments

The Company subsequently measures all equity instruments at fair value. When the management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognized in the statement of profit and loss as other income when the Company's right to receive payment is established. Changes in the fair value of financial assets at FVTPL are recognized in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

v) Impairment of financial assets

Expected credit losses are recognised for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

Expected credit losses is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

For financial assets other than trade receivables, the Company recognises 12 month expected credit losses as per Ind AS 109 for all originated or acquired financial assets, if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses, if the credit risk on financial asset increases significantly since its initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

vi) De-recognition of financial assets

A financial asset is de-recognized when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. When the Company has transferred an asset, it evaluates whether it has transferred substantially all the risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has neither transferred a financial asset nor retains substantially all the risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset.

vii) Investment in subsidiaries

The Company has accounted for its investments in subsidiaries at cost less impairment loss, if any. Cost includes the purchase price and other costs directly attributable to the acquisition of investments. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss. Further, under Ind AS 101, while transitioning to Ind AS from previous GAAP, the Company had elected to measure its existing investments in subsidiaries on the date of transition at cost.

i) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method. Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

Fair value measurement of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), correlation and volatility.

Derivative financial instrument

The Company holds derivative financial instruments such as foreign exchange forward contracts (not designated as cash flow hedges) to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109 Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and short term highly liquid investments with original maturities of three months or less, that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

k) Inventories

Inventories are valued at lower of cost or net realisable value. The basis of determining costs for each class of inventories are as follows:

- **Raw materials, packing materials, consumables, stores and spares**: Cost includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Costs are determined on first in, first out basis. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

- **Finished goods and work-in-progress**: Cost includes cost of direct materials, direct labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis.

- **Stock-in-trade**: Cost includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Costs are determined on first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

l) Revenue recognition

Revenue from contracts with customers

Ind AS 115 "Revenue from contracts with customers" provides a control-based revenue recognition model and provides a five-step application approach to be followed for revenue recognition i.e.: a) Identify the contract(s) with a customer; b) Identify the performance obligations; c) Determine the transaction price; d) Allocate the transaction price to the performance obligations; e) Recognize revenue when or as an entity satisfies performance obligation.

Revenue is measured based on the transaction price as specified in the contract with the customer, after the deduction of any trade discounts, volume rebates, sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST), where applicable. Discounts given include rebates, price reductions and other incentives given to customers.

As per the terms of the contract with customers, the Company expects, at the contract inception, that the period between transfers of a promised goods or services to customer and related payments for the goods or services will be less than one year or less. Accordingly, the Company has availed the practical expedient available as per paragraph 63 of Ind AS 115 and has not adjusted the promised amount of consideration for the effects of significant financing component, if any.

Revenue from sale of products is recognized when the control on the goods or services has been transferred to the customers and Revenue from sale of services is recognised on satisfaction of performance obligation towards rendering of such services. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract. The majority of the Company's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services.

Revenue is recognised in an amount that reflects the consideration, which the Company expects to receive in exchange for those products or services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. None of the Company's contracts contain variable consideration and contract modifications are generally minimal.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

Contract balances

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

Trade receivable: A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

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

Other incomes

- Claims and rebates receivables are accounted as and when settled.
- Interest income from a financial asset is recognized using the effective interest rate method when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- Dividends are recognized in statement of profit and loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.
- Incomes in respect of duty drawback or other export promotion schemes in respect of exports made during the year are accounted on accrual basis

m) Employee benefits

Employee benefits of the Company includes all forms of consideration (directly or indirectly) given by the Company in exchange for services rendered by employees or termination of employment. Where employees include their dependents and their beneficiaries and includes all categories i.e., full time, part time, casual, temporary and permanent etc. Employee benefits includes four types of benefits: A. Short-term employee benefits, B. Post-employment benefits, C. Other long-term employee benefits, and D. Termination benefits

A. Short-term employee benefits

Employee benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of reporting period. e.g.: salary and wages, social security contributions, paid leaves, maternity leave, bonus and other non-monetary benefits such as medical checkup, group insurance and subsidised services. The Company measures short-term employee benefits on an undiscounted basis and they do not involve any actuarial valuation.

The Company recognises short-term employee benefits expected to be paid:

a) as employee benefits expense in the statement of profit and loss, if it does not form part of the cost of an asset as per any other Ind AS (Ind AS 2 "Inventories" or Ind AS 16 "Property, plant and equipment"), and

b) as a current liability (employee benefits payable) or as a current asset (accrued expense) in the balance sheet, after deducting any amount already paid.

B. Post-employment benefits

Employee benefits (other than short-term employee benefits and termination benefits) that are payable after the completion of employment. e.g.: gratuity. These benefits are of two types i). Defined contribution plans, and ii). Defined benefits plans.

Defined contribution plans: Contribution to retirement benefit plans in the form of provident fund, employee state insurance scheme, pension scheme and superannuation schemes as per regulations are charged as an expense on an accrual basis when employees have rendered the service. The Company has no further payment obligations once the contributions have been paid.

Defined benefit plans: Defined benefit plan in the form of gratuity, are recognized on the basis of actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method or in compliance with the requirements of the domestic laws. Gratuity is included in employee's benefit expense in the

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

statement of profit and loss. The gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through remeasurement of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effects of any plan amendments are recognized on net basis in the statement of profit and loss.

C. Other long-term employee benefits

Employee benefits (other than short-term employee benefits, post-employment benefits and termination benefits) that are not expected to be settled wholly before 12 months after the end of reporting period. e.g.: long-term paid absences (compensated absences). They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The said obligations are presented as current liabilities in the balance sheet, if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

D. Termination benefits

Employee benefits that are provided in exchange for termination of an employee's employment as a result of either: a) the Company's decision to terminate an employee's employment before the normal retirement date; or b) an employee's decision to accept an offer of benefits in exchange for the termination of the employment. E.g.: Retrenchment compensation etc.

The Company recognises termination benefits expected to be paid:

a) as employee benefits expense in the statement of profit and loss, and

b) as a current liability (employee benefits payable) or as a current asset (accrued expense) in the balance sheet, after deducting any amount already paid.

n) Leases

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 assets are 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. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost 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, using the incremental borrowing rate.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less, leases of low-value assets and cancellable leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

o) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

takes substantial period of time to get ready for its intended use or where out of general borrowings, funds may have been used, the borrowing cost is calculated by applying weighted average cost of borrowing applicable to such general borrowing which is outstanding during the year, are capitalized up to the date by which qualifying assets are ready for its intended use and included in the carrying amount of such assets. All other borrowing costs are charged to statement of profit and loss.

Borrowing costs includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

p) Income tax

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

Current tax

The tax currently payable is based on estimated taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible.

Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and revises the provisions, if so required where consider necessary.

The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period. Current tax assets and current tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are generally recognized for all taxable temporary differences to the extent that is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/ business losses/losses under the head "capital gains" are recognized and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities. Transaction or event which is recognized outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

Minimum alternate tax (MAT)

Deferred tax assets include minimum alternate tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realized.

Current and deferred tax expense is recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

q) Provisions, contingent liabilities and contingent assets

A provision is made when there is a present obligation (legal or constructive) as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are determined based on the present value of the management's best estimate of the amount required to settle the present obligation at the end of the reporting period. The discount rate used to determine

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

present value is a pre-tax rate that reflects current market assessment of time value of money and the risks specific to the liability.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized but disclosed in the financial statements.

r) Operating segments

"Operating segments" are components of the Company whose operating results are regularly reviewed by the "chief operating decision maker (CODM)" to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. "Specialty chemical business" is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

s) Earnings per share

Earnings per share are calculated by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

a) after tax effect of interest and other financing costs associated with dilutive potential equity shares,

b) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

t) Cash flows statement

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities.

Cash flows are reported using the indirect method, whereby net profit for the period is adjusted for the effects of transactions of non-cash nature, working capital changes, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash.

u) Cost recognition

Costs and expenses are recognised in statement of profit and loss when incurred and are classified according to their nature. Revenue expenditure pertaining to research is charged to the statement of profit and loss. Development costs of products are charged to the statement of profit and loss. Development expenditure of certain nature is capitalized when the criteria for recognizing an intangible asset are met. Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes.

v) Government grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with and the grants will be received.

When the grant relates to an expense item, it is recognized as income in statement of profit and loss on a systematic basis over the periods, to match with the related costs, for which it is intended to compensate.

When the grant relates to an asset, it is recognized as deferred government grant in the balance sheet and then subsequently transferred to statement of profit or loss on a systematic basis over the expected useful life of the related asset.

w) Exceptional items

Exceptional items refer to items of income or expense, including tax items, within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

x) Events after the reporting period

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the standalone financial statements. Material non-adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' report.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

Dividend: The Company recognises a liability to make distributions of dividend to equity holders, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. After approval, a corresponding amount is recognised directly in equity.

y) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, and has made following amendments to Ind AS which are effective from 01 April 2023:

- **Ind AS 1 – Presentation of financial statements:** This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

  The Company does not expect the amendment to have any significant impact in its standalone financial statements.

- **Ind AS 8 – Accounting policies, changes in accounting estimates and errors :** This amendment clarify the distinction between "changes in accounting estimates" and "changes in accounting policies" and the "correction of errors". The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates". Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". It also clarifies how entities use measurement techniques and inputs to develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

  The Company does not expect the amendment to have any significant impact in its standalone financial statements.

- **Ind AS 12 – Income Taxes:** This amendment clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Consequential amendments have also been made in Ind AS 101.

  The Company does not expect the amendment to have any significant impact in its standalone financial statements.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

3 Property, plant and equipment*

Particulars	Buildings	Plant and equipment	Electrical installations	Office equipment	Furniture and fixtures	Motor Vehicles	Computers and Data processing units	Total
At cost								
Balance as at 01 April 2021	374.45	685.14	96.21	14.04	23.84	54.47	9.75	1,257.90
Additions	2.08	239.88	19.69	6.54	0.66	0.91	4.69	274.45
Disposals	-	(2.22)	-	(0.29)	-	(0.33)	(0.08)	(2.92)
Balance as at 31 March 2022	376.53	922.80	115.90	20.29	24.50	55.05	14.36	1,529.43
Additions	164.31	203.96	58.69	6.41	52.06	-	13.45	498.88
Disposals	(36.04)	(1.59)	(5.58)	(0.03)	(2.73)	-	0.08	(45.89)
Balance as at 31 March 2023	**504.80**	**1,125.17**	**169.01**	**26.67**	**73.83**	**55.05**	**27.89**	**1,982.42**
Accumulated depreciation								
Balance as at 01 April 2021	30.99	91.91	21.42	5.50	6.86	10.40	5.74	172.82
Additions	12.32	40.81	10.01	3.20	2.42	7.35	2.30	78.41
Disposals	-	(0.47)	-	(0.22)	-	(0.17)	-	(0.86)
Balance as at 31 March 2022	43.31	132.25	31.43	8.48	9.28	17.58	8.04	250.37
Additions	12.89	50.35	11.56	3.75	2.81	6.94	3.28	91.58
Disposals	(4.77)	0.04	(1.96)	0.37	(1.27)	-	(0.00)	(7.59)
Balance as at 31 March 2023	**51.43**	**182.64**	**41.03**	**12.60**	**10.82**	**24.52**	**11.32**	**334.36**
Carrying amounts (net)								
As at 01 April 2021	343.46	593.23	74.79	8.54	16.98	44.07	4.01	1,085.08
As at 31 March 2022	333.22	790.55	84.47	11.81	15.22	37.47	6.32	1,279.06
As at 31 March 2023	**453.37**	**942.53**	**127.98**	**14.07**	**63.01**	**30.53**	**16.57**	**1,648.06**

** On the transition to Ind AS (i.e. 01 April 2017), the Company has elected to continue with the carrying value of all property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost in accordance with paragraph D7AA of Ind AS 101 "First-Time Adoption of Ind AS".*

Notes:

(i) Security: Refer note 17 for the property, plant and equipment which has been given as security.

(ii) Commitments: Refer note 46 for capital commitments made by the Company.

(iii) Impairment: The Company has reviewed the recoverability of the assets and has concluded that no indication of impairment exists and hence, no impairment of asset is required.

(iv) During the years ended, the Company has not capitalised any borrowing costs in accordance with Ind AS 23 ' Borrowing Costs'.

(v) The Company has capitalised ₹ 0.00 (31 March 2022: Nil) million as foreign exchange loss/(gain) in accordance with the option obtained under para D13AA of Ind AS 101 "First-Time Adoption of Ind AS".

(vi) The Company has capitalised directly attributable "employee benefits expenses" of ₹ 7.55 million (31 March 2022: Nil).

(vii) During the years ended, the Company has not revalued its property, plant and equipment.

(viii) During the year ended 31 March 2023, the Company has demolished its building and other fixtures for the purpose of construction of new and upgraded facility at its Vadodara location and the carrying value of the demolished building and other fixtures has been derecognised. The difference between the net disposal proceeds and the carrying amount of the asset has been recognized as exceptional item in the standalone statement of profit and loss.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

4 Right-of-use assets

Particulars	Leasehold land
At cost	
Balance as at 01 April 2021	127.19
Additions	198.35
Disposals	-
Balance as at 31 March 2022	325.54
Additions	-
Disposals	-
Balance as at 31 March 2023	**325.54**
Accumulated depreciation	
Balance as at 01 April 2021	8.76
Additions	2.88
Disposals	-
Balance as at 31 March 2022	11.64
Additions	4.48
Disposals	-
Balance as at 31 March 2023	**16.12**
Carrying amounts (net)	
As at 01 April 2021	118.43
As at 31 March 2022	313.90
As at 31 March 2023	**309.42**

Notes:

(i) Security: Refer note 17 for the right-of-use assets (leasehold land) which has been given as security.

(ii) Commitments: Refer note 46 for capital commitments made by the Company.

(iii) The Company has acquired all the land under lease, where the Company is the "lessee" and all the lease agreements are duly executed in favour of the Company.

(iv) The Company does not have any investment property.

(v) During the years ended, the Company has not revalued its right-of-use assets.

(vi) The Company does not have any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

5 Capital work-in-progress

Particulars	Capital work-in-progress
Balance as at 01 April 2021	98.11
Additions	693.21
Transfer to assets or other adjustments	(276.41)
Balance as at 31 March 2022	514.91
Additions	2,461.75
Transfer to assets or other adjustments	(669.22)
Balance as at 31 March 2023	**2,307.44**

Notes:

(i) Commitments: Refer note 46 for capital commitments made by the Company.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

5 Capital work-in-progress *(Continued)*

(ii) Capital-work-in progress (CWIP) ageing schedule:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023					
Projects in progress	1,845.87	450.67	10.89	-	**2,307.44**
Projects temporarily suspended*	-	-	-	-	**-**
Total	**1,845.87**	**450.67**	**10.89**	**-**	**2,307.44**
As at 31 March 2022					
Projects in progress	504.02	10.89	-	-	514.91
Projects temporarily suspended*	-	-	-	-	-
Total	**504.02**	**10.89**	**-**	**-**	**514.91**

** The Company does not have any project which has been temporarily suspended.*

(iii) Capital-work-in progress whose completion is overdue or has exceeded its cost as compared to its original plan:

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023					
Expansion at Dahej unit of the Company	2,289.30	-	-	-	**2,289.30**
Total	**2,289.30**	**-**	**-**	**-**	**2,289.30**

(iv) The Company has transferred directly attributable "employee benefits expenses" of ₹ 24.43 million (31 March 2022: Nil) to capital work-in-progress.

(v) The Company has transferred directly attributable "other expenses" of ₹ 1.94 million (31 March 2022: Nil) to capital work-in-progress.

6 Other intangible assets*

Particulars	Computer software	Technical knowhow	Total
At cost			
Balance as at 01 April 2021	3.61	0.07	3.68
Additions	2.74	-	2.74
Disposals	-	-	-
Balance as at 31 March 2022	6.35	0.07	6.42
Additions	3.14	-	3.14
Disposals	-	-	-
Balance as at 31 March 2023	**9.49**	**0.07**	**9.56**
Accumulated amortisation			
Balance as at 01 April 2021	2.71	0.03	2.74
Additions	0.47	0.04	0.51
Disposals	-	-	-
Balance as at 31 March 2022	3.18	0.07	3.25
Additions	1.55	-	1.55
Disposals	-	-	-
Balance as at 31 March 2023	**4.73**	**0.07**	**4.80**
Carrying amounts (net)			
As at 01 April 2021	0.90	0.04	0.94
As at 31 March 2022	3.17	-	3.17
As at 31 March 2023	**4.76**	**-**	**4.76**

** On the transition to Ind AS (i.e. 01 April 2017), the Company has elected to continue with the carrying value of all other intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost in accordance with paragraph D7AA of Ind AS 101 "First-Time Adoption of Ind AS".*

Notes:

(i) Impairment: The Company has reviewed the recoverability of the assets and has concluded that no indication of impairment exists and hence, no impairment of asset is required.

(ii) During the years ended, the Company has not revalued its intangible assets.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

7 Investments

Particulars	As at 31 March 2023 Non-current	As at 31 March 2022 Non-current
Unquoted		
Equity investments		
- in subsidiaries		
- measured at cost		
Tatva Chintan USA Inc.	6.66	6.66
(100,000 (31 March 2022:100,000) fully paid equity shares having face value of USD 1 each)		
Tatva Chintan Europe B.V.	0.01	0.01
(120 (31 March 2022: 120) fully paid equity shares having face value of EUR 1 each)		
Total	**6.67**	**6.67**
Aggregate cost of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	6.67	6.67
Aggregate amount of impairment in value of investments	-	-

Notes:

(i) Refer note 43-44 for financial instruments, fair values and risk measurement.

(ii) The Company has carried its investments in equity instruments of subsidiaries at deemed cost less provision for impairment, if any. The Company does not have any investment in equity instruments "designated" at FVTOCI.

(iii) During the years ended, no such event has occurred, that has a detrimental impact on estimated future cash flows of above investments and the Company does not have any investment which have significant increase in credit risk.

(iv) Description of subsidiaries:

Name of entity, Place of incorporation, and Principal activity	Proportion of ownership interest and voting power held	
	As at 31 March 2023	As at 31 March 2022
1. Tatva Chintan USA Inc.	100.00%	100.00%
Michigan, USA		
Wholesale trade of specialty chemicals		
2. Tatva Chintan Europe B.V.	100.00%	100.00%
Amsterdam, The Netherlands		
Wholesale trade of specialty chemicals		

(v) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(vi) The Company does not have any fellow subsidiaries, step down subsidiaries, associates or joint ventures.

(vii) Refer note 51 for the additional regulatory information.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

8 Other financial assets

(Carried at amortised cost unless otherwise stated)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
Security deposits	28.47	26.69	20.88	26.62
Forward exchange contracts (refer sub note (iv))	-	5.16	-	1.13
Interest accrued on deposits	-	0.62	-	5.81
Total	**28.47**	**32.47**	**20.88**	**33.56**

Notes:

(i) Refer note 43-44 for financial instruments, fair values and risk measurement.

(ii) The Company does not have any financial assets which have significant increase in credit risk.

(iii) Security deposits are primarily in relation to public utility services and includes other services. During the year ended 31 March 2022, the Company has completed initial public offer and as a pre-condition of designated stock exchange, the Company has deposited 1% security deposit i.e. ₹ 50.00 million to BSE limited, out of which fifty percent i.e. ₹ 25.00 million has been provided by way of a bank guarantee and the balance i.e. ₹ 25.00 million has been tendered through other regular payment modes, which has been included in current security deposits referred above.

(iv) The Company has entered into foreign exchange forward contracts to minimise foreign exchange risk of expected transactions, these contracts are not designated as hedging instruments. (refer note 44)

9 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	0.82	0.82
Balances with banks		
- in current accounts	73.22	19.88
- in cash credit accounts (surplus)	12.02	3.32
- in EEFC current accounts	110.80	204.35
- in deposits with original maturity of less than 3 months	15.01	379.38
Total	**211.87**	**607.75**

Notes:

(i) Refer note 17 for security details of cash credit (loans repayable on demand).

(ii) Refer note 43-44 for financial instruments, fair values and risk measurement.

(iii) Balances with banks in current accounts includes ₹ 0.34 million (31 March 2022: 0.33 million) earmarked as monitoring agency account balance towards unutilized IPO proceeds.

(iv) Bank fixed deposits with original maturity of less than 3 months includes ₹ 15.01 million (including accrued interest) (31 March 2022: ₹ 367.65 million) earmarked towards unutilized IPO proceeds.

10 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with bank held as		
Deposits with original maturity over 3 months but less than 12 months	138.50	1,105.24
Margin money deposits for		
- bank guarantee	26.61	31.83
- letter of credit	8.84	2.62
Total	**173.95**	**1,139.69**

Notes:

(i) Bank fixed deposits with original maturity over 3 months but less than 12 months includes ₹123.25 (including accrued interest) (31 March 2022: ₹ 1,097.22 million) earmarked towards unutilized IPO proceeds.

(ii) Refer note 43-44 for financial instruments, fair values and risk measurement.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

11 Loans

(Carried at amortised cost unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
	Current	Current
(Unsecured, considered good unless otherwise stated)		
Loans to employees	1.72	1.61
Total	**1.72**	**1.61**

Notes:

(i) The Company does not have any loan receivables from directors or other officers of the Company or any of them either severally or jointly with any other persons and from firms respectively in which any director is a partner.

(ii) Refer note 43-44 for financial instruments, fair values and risk measurement.

(iii) Loans given to employees (repayable on demand) as per the Company's policy has not been considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

(iv) The Company has not granted any loans or advances (in the nature of loans) to promoters, directors, key managerial personnel and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are: (a) repayable on demand; or (b) without specifying any terms or period of repayment.

(v) The Company has not advanced or given loan or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(vii) Refer note 51 for the additional regulatory information.

12 Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials	299.45	463.79
Work-in-progress	589.67	439.55
Finished goods	229.83	321.84
Finished goods in transit	94.94	218.12
Packing materials	10.96	17.02
Consumables, stores and spares	289.63	146.53
Total	**1,514.48**	**1,606.85**

Notes:

(i) Refer note 17 for the inventories which has been given as security.

(ii) Refer note 2 (k) for the mode of valuation for each class of inventories.

(iii) Refer note 51 for the additional regulatory information.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

13 Other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
Prepaid expenses	5.51	36.71	5.14	21.15
Capital advances	-	34.16	-	99.69
Advance to creditors	-	5.07	-	2.82
Balance with revenue authorities	-	38.53	-	118.06
Export incentives receivable	-	1.81	-	20.62
Unbilled revenue	-	101.40	-	258.35
Gratuity fund (net) (refer note 40)	-	5.86	-	4.21
Other receivables (refer note 47)	-	0.78	-	0.78
Total	**5.51**	**224.32**	**5.14**	**525.68**

Notes:

(i) Balance with revenue authorities primarily relate to input credit entitlements in respect of Goods and Service Tax from regulatory authorities. It includes ₹ 0.06 million of duty paid under protest for appeal referred in note 46 for "Recovery of excess refund on zero rated supplies under Goods and Service Tax Act, 2017".

(ii) Refer note 51 for the additional regulatory information.

14 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Considered good - unsecured		
- from related parties	295.53	277.42
- from others	604.91	338.62
Trade receivables-credit impaired	-	0.19
	900.44	**616.23**
Less: Loss allowance	-	(0.19)
Total	**900.44**	**616.04**

Notes:

(i) The Company does not have any trade receivables from:

- any directors or other officers of the Company or any of them either severally or jointly with any other persons.
- any firms or private companies respectively in which any director is a partner or a director or a member except wholly owned subsidiaries of the Company.

(ii) Refer note 43-44 for financial instruments, fair values and risk measurement.

(iii) Refer note 17 for security details of trade receivables.

(iv) Trade receivables are non-interest bearing and are generally on credit terms of 30 to 180 days.

(v) Refer note 42 for receivables from related parties.

(vi) In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss (ECL) allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

Since the Company calculates impairment under the "Simplified approach" for trade receivables containing significant financing component and for trade receivables that do not contain significant financing component, then it is not required to separately track changes in credit risk of trade receivables, as the impairment amount represents "lifetime" expected credit loss.

Accordingly, based on a harmonious reading of Ind AS 109 and the break-up requirements under Schedule III of the Companies Act 2013, all such trade receivables are disclosed below, irrespective of whether they contain a significant financing component or not."

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

14 Trade receivables *(Continued)*

Summary of movement in loss allowance for credit losses of trade receivables:

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	0.19	3.12
Add: Loss allowance for the year	-	0.19
Less: Excess provision written back	(0.19)	(3.12)
Balance at the end of the year	-	0.19

(vii) Trade receivables ageing schedule is as follows:

Particulars	Outstanding for following period from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023							
Undisputed							
Considered good - unsecured	845.16	55.10	0.18	-	-	-	900.44
Trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed							
Considered good - unsecured	-	-	-	-	-	-	-
Trade receivables-credit impaired	-	-	-	-	-	-	-
Gross total	845.16	55.10	0.18	-	-	-	900.44
Less: Loss allowance	-	-	-	-	-	-	-
Net trade receivables	**845.16**	**55.10**	**0.18**	**-**	**-**	**-**	**900.44**
As at 31 March 2022							
Undisputed							
Considered good - unsecured	581.37	34.67	-	-	-	-	616.04
Trade receivables-credit impaired	-	0.19	-	-	-	-	0.19
Disputed							
Considered good - unsecured	-	-	-	-	-	-	-
Trade receivables-credit impaired	-	-	-	-	-	-	-
Gross total	581.37	34.86	-	-	-	-	616.23
Less: Loss allowance	-	(0.19)	-	-	-	-	(0.19)
Net trade receivables	**581.37**	**34.67**	**-**	**-**	**-**	**-**	**616.04**

(viii) Refer note 41 for segment reporting.

(ix) Refer note 35 for contract assets and contract liabilities.

(x) Refer note 51 for the additional regulatory information.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million, except per share data)

15 Equity share capital

Particulars	Number of shares	Amount
Authorised capital (Equity shares of ₹ 10 each)		
Balance as at 31 March 2021	40,000,000	400.00
Changes during the year	-	-
Balance as at 31 March 2022	40,000,000	400.00
Changes during the year	-	-
Balance as at 31 March 2023	**40,000,000**	**400.00**
Issued, subscribed and fully paid-up capital (Equity shares of ₹ 10 each)		
Balance as at 31 March 2021	20,087,500	200.88
Changes during the year		
Addition pursuant to fresh issue of shares	2,077,562	20.77
Reduction in promoter and promoter group shareholding pursuant to offer for sale	(2,539,242)	(25.39)
Addition in public shareholding pursuant to offer for sale	2,539,242	25.39
Balance as at 31 March 2022	22,165,062	221.65
Changes during the year	-	-
Balance as at 31 March 2023	**22,165,062**	**221.65**

Notes:

(i) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared and approved from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Company.

(ii) Fresh issue of shares in initial public offer (IPO)

During the year ended 31 March 2022, the Company has completed initial public offer (IPO) of 4,616,804 equity shares of the face value of ₹ 10/- each at an issue price of ₹ 1,083/- per equity share (including a premium of ₹ 1,073 per equity share) aggregating to ₹ 5,000.00 million. The offer comprises of a fresh issue of 2,077,562 equity shares aggregating to ₹ 2,250.00 million and an offer for sale of 2,539,242 equity shares aggregating to ₹ 2,750.00 million. The equity shares of the Company were allotted on 27 July 2021 vide board resolution dated 27 July 2021. The equity shares of the Company were listed on 29 July 2021 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

(iii) Dividend

During the year ended 31 March 2022, the Board of Directors has recommended final dividend of 20% (₹ 2/- per equity share of face value ₹ 10 each) amounting to ₹ 44.33 million vide board resolution dated 25 April 2022 (refer note 48), which has been passed as ordinary resolution by the shareholders in AGM held on 22 September 2022.

(iv) **Aggregate number and class of shares allotted as fully paid-up pursuant to any contract(s) without payment being received in cash or by way of bonus share or shares bought back during the period of five years immediately preceding the reporting date:**

(a) The Company has not allotted any fully paid-up equity shares pursuant to any contract without payment being received in cash.

(b) During the year ended 31 March 2021, the Company has allotted 12,052,500 numbers of equity shares of the face value of ₹10 each by way of bonus share in the ratio of 1.5:1 vide Board resolution dated 31 December 2020, which has been passed as special resolution by the shareholders in EOGM held on 27 January 2021.

(c) The Company has not bought back any fully paid-up equity shares.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million, except per share data)

15 Equity share capital *(Continued)*

(v) Details of shareholding of promoters and promoter group including all other shareholders holding more than 5% of equity shares is as below:

Name of shareholders	Shareholder category	Number of equity shares held	% of total equity shares	% change during the year
As at 31 March 2023				
Mr. Shekhar Rasiklal Somani	Promoter	5,630,628	25.40%	0.00%
Mr. Chintan Nitinkumar Shah	Promoter	4,897,219	22.09%	0.00%
Mr. Ajaykumar Mansukhlal Patel	Promoter	4,007,190	18.08%	0.00%
M/s Ajay Mansukhlal Patel HUF	Promoter group	921,711	4.16%	0.00%
Ms. Priti Ajay Patel	Promoter group	920,211	4.15%	0.00%
M/s Chintan N Shah HUF	Promoter group	447,500	2.02%	0.00%
Ms. Darshana Nitinkumar Shah	Promoter group	273,394	1.23%	0.00%
Ms. Shital Chintan Shah	Promoter group	231,000	1.04%	0.00%
Ms. Kajal Shekhar Somani	Promoter group	218,080	0.98%	0.00%
Mr. Shitalkumar Rasiklal Somani	Promoter group	843	0.00%	0.00%
Mr. Samirkumar Rasiklal Somani	Promoter group	482	0.00%	0.00%
Total		**17,548,258**	**79.17%**	**0.00%**
As at 31 March 2022				
Mr. Shekhar Rasiklal Somani	Promoter	5,630,628	25.40%	-10.69%
Mr. Chintan Nitinkumar Shah	Promoter	4,897,219	22.09%	-13.31%
Mr. Ajaykumar Mansukhlal Patel	Promoter	4,007,190	18.08%	-5.10%
M/s Ajay Mansukhlal Patel HUF	Promoter group	921,711	4.16%	-25.52%
Ms. Priti Ajay Patel	Promoter group	920,211	4.15%	-25.55%
M/s Chintan N Shah HUF	Promoter group	447,500	2.02%	0.00%
Ms. Darshana Nitinkumar Shah	Promoter group	273,394	1.23%	-25.81%
Ms. Shital Chintan Shah	Promoter group	231,000	1.04%	0.00%
Ms. Kajal Shekhar Somani	Promoter group	218,080	0.98%	-31.78%
Mr. Shitalkumar Rasiklal Somani	Promoter group	843	0.00%	-92.34%
Mr. Samirkumar Rasiklal Somani	Promoter group	482	0.00%	-99.20%
Total		**17,548,258**	**79.17%**	**-12.64%**

(vi) During the years ended, the promoters and promoter group does not have any number of shares pledged or otherwise encumbered.

(vii) All the equity shares of the Company have been held in dematerialised form.

(viii) Details of shareholding pattern of equity shares is as below:

Shareholder category	As at 31 March 2023			As at 31 March 2022		
	Numbers of shareholders	Number of equity shares held	% of total equity shares	Numbers of shareholders	Number of equity shares held	% of total equity shares
A Promoter and promoter group (refer sub note (v) above)	11	17,548,258	79.17%	11	17,548,258	79.17%
B Public						
1 Institutions						
a Mutual funds	6	2,433,683	10.98%	6	1,670,232	7.54%
b Alternate investment funds	4	43,561	0.20%	4	39,761	0.18%
c Foreign portfolio investors	20	784,274	3.54%	11	676,390	3.05%
d Insurance companies	1	117,720	0.53%	1	91,064	0.41%
Subtotal (B)(1)	**31**	**3,379,238**	**15.25%**	**22**	**2,477,447**	**11.18%**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million, except per share data)

15 Equity share capital *(Continued)*

Shareholder category	As at 31 March 2023			As at 31 March 2022		
	Numbers of shareholders	Number of equity shares held	% of total equity shares	Numbers of shareholders	Number of equity shares held	% of total equity shares
2 Non-institutions						
a Individuals holding nominal share capital						
i - up to ₹ 0.20 million	67,650	1,128,090	5.09%	87,141	1,407,909	6.35%
ii - more than ₹ 0.20 million	-	-	-	-	-	-
Subtotal (B)(2)(a)	**67,650**	**1,128,090**	**5.09%**	**87,141**	**1,407,909**	**6.35%**
b Others						
i Trusts	3	189	0.00%	3	189	0.00%
ii Hindu undivided families	1,453	43,124	0.19%	1,663	42,444	0.19%
iii Non-resident Indians	765	33,734	0.15%	885	34,573	0.16%
iv Bodies corporate	100	27,757	0.13%	144	37,746	0.17%
v Body corporate-Limited liability partnerships	8	3,700	0.02%	8	601,927	2.72%
vi Clearing members	16	972	0.00%	53	14,569	0.07%
Subtotal (B)(2)(b)	**2,345**	**109,476**	**0.49%**	**2,756**	**731,448**	**3.30%**
Subtotal (B)(2)	**69,995**	**1,237,566**	**5.58%**	**89,897**	**2,139,357**	**9.65%**
Total B	**70,026**	**4,616,804**	**20.83%**	**89,919**	**4,616,804**	**20.83%**
Total (A + B)	**70,037**	**22,165,062**	**100.00%**	**89,930**	**22,165,062**	**100.00%**

(ix) Pursuant to Regulations 14, 16 and 17 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-offer equity share capital of the Company held by the promoters shall be locked in for a period of three years as minimum promoters' contribution from the date of allotment i.e. up to 26 July 2024 ("promoters' contribution").

(x) The Company does not have any employee stock option plan.

(xi) Except three "promoter/directors" referred above in sub note (v), none of the other directors and key managerial personnel of the Company hold any equity shares in the Company.

16 Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
Securities premium (refer note A)	2,090.26	2,090.26
Retained earnings (refer note B)	2,735.90	2,376.88
Total	**4,826.16**	**4,467.14**

Notes:

Particulars	As at 31 March 2023	As at 31 March 2022
A Securities premium		
Balance at the beginning of the year	2,090.26	-
Add : Securities premium on fresh issue of shares ₹ Nil (31 March 2022: 2,077,562 equity shares @ ₹ 1,073 per share)	-	2,229.22
Less : Share issue expenses written off under section 52 of the Companies Act, 2013 against securities premium (refer note 50)	-	(138.96)
Balance at the end of the year	**2,090.26**	**2,090.26**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

16 Other equity *(Continued)*

Particulars	As at 31 March 2023	As at 31 March 2022
B Retained earnings		
(i) Retained earnings		
Balance at the beginning of the year	2,378.80	1,418.94
Prior period errors (round off)	(0.01)	(0.01)
Restated balance at the beginning of the year	2,378.79	1,418.93
Add : Profit for the year	404.65	959.87
Less: Dividend (refer note 15)	(44.33)	-
Balance at the end of the year (i)	**2,739.11**	**2,378.80**
(ii) Remeasurement of defined benefit plan, net of tax		
Balance at the beginning of the year	(1.92)	(0.46)
Prior period errors (round off)	-	(0.01)
Restated balance at the beginning of the year	(1.92)	(0.47)
Add : Other comprehensive (expense) for the year	(1.29)	(1.45)
Balance at the end of the year (ii)	(3.21)	(1.92)
Balance at the end of the year (i) + (ii)	**2,735.90**	**2,376.88**

17 Borrowings

(Secured unless otherwise stated)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Non-current				
Term loans from				
- banks in foreign currency	28.76	-	110.92	-
Vehicle loans from				
- banks	13.54	-	20.19	-
Current				
Loans repayable on demand from				
- banks in foreign currency	-	-	-	924.69
- banks in Indian rupees	-	1,562.09	-	-
Current maturities of long-term debt				
Term loans	-	91.54	-	137.91
Vehicle loans	-	6.64	-	5.67
Total	**42.30**	**1,660.27**	**131.11**	**1,068.27**

Notes:

(i) Refer note 43-44 for financial instruments, fair values and risk measurement.

(ii) The Company has not defaulted on repayment of principal and interest of any loan availed from any banks or financial institutions. The tenure of repayment of any loan availed by the Company from banks or financial institutions has not been rescheduled. The Company has not breached any covenants, terms and conditions of any loan agreement or any facility agreement.

(iii) The Company has utilised the borrowings from banks for the specific purpose for which it was taken.

(iv) The Company does not have any charges or satisfaction which are yet to be registered with Registrar of Companies (ROC) beyond statutory period.

(v) Refer note 51 for the additional regulatory information.

(vi) During the year ended 31 March 2023, the personal guarantees of promoters cum directors of the Company i.e. Mr. Ajaykumar Mansukhlal Patel, Mr. Chintan Nitinkumar Shah and Mr. Shekhar Rasiklal Somani have been released. Earlier these personal guarantees have been issued towards contractual obligations in respect of loans availed by the Company.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

17 Borrowings *(Continued)*

(vii) Terms of repayments are as follows:

A Non-current borrowings including current maturities

	Particulars	As at 31 March 2023	As at 31 March 2022
1)	**Foreign currency term loans (FCTL) from ICICI Bank Limited**		
a)	FCTL-I of USD 0.94 million i.e. ₹ 61.27 million is repayable in 72 equal monthly installments of USD 0.01 million starting from 31 May 2017 to 30 April 2023. It carries interest rate of 3M LIBOR/SOFR +3.75% p.a. (Rollover to FCTL-X)	-	12.93
b)	FCTL-II of USD 0.67 million i.e. ₹ 43.17 million is repayable in 72 equal monthly installments of USD 0.01 million starting from 31 May 2017 to 30 April 2023. It carries interest rate of 3M LIBOR/SOFR +1.45% p.a.	1.27	15.26
c)	FCTL-III of USD 1.11 million i.e. ₹ 71.16 million is repayable in 72 equal monthly installments of USD 0.02 million starting from 31 May 2017 to 30 April 2023. It carries interest rate of 3M LIBOR/SOFR +1.45% p.a.	0.76	9.11
d)	FCTL-X of USD 0.10 million i.e. ₹ 8.29 million (Rollover of FCTL-I) is repayable in 8 equal monthly installments of USD 0.01 million starting from 30 September 2022 to 30 April 2023. It carries interest rate of 3M SOFR +3.75% p.a.	1.08	-
2)	**Foreign currency term loans (FCTL) from CITI Bank N.A.**		
a)	FCTL-IV of USD 0.54 million i.e. ₹ 35.00 million is repayable in 16 equal quarterly installments of USD 0.03 million starting from 04 January 2019 to 04 October 2022 commenced after moratorium period of 1 year. It carries interest rate of 5.50% p.a.	-	7.64
b)	FCTL-V of USD 0.61 million i.e. ₹ 39.50 million is repayable in 16 equal quarterly installments of USD 0.04 million starting from 22 May 2019 to 22 February 2023 commenced after moratorium period of 1 year. It carries interest rate of 6.20% p.a.	-	11.53
c)	FCTL-VI of USD 0.29 million i.e. ₹ 20.00 million is repayable in 16 equal quarterly installments of USD 0.02 million starting from 13 October 2019 to 13 July 2023 commenced after moratorium period of 1 year. It carries interest rate of 6.20% p.a.	3.00	8.31
d)	FCTL-VII of USD 2.01 million i.e. ₹ 143.00 million is repayable in 16 equal quarterly installments of USD 0.13 million starting from 28 April 2020 to 28 January 2024 commenced after moratorium period of 1 year. It carries interest rate of 6.40% p.a.	41.34	76.22
e)	FCTL-VIII of USD 0.84 million i.e. ₹ 60.00 million is repayable in 16 equal quarterly installments of USD 0.05 million starting from 05 December 2020 to 05 September 2024 commenced after moratorium period of 1 year. It carries interest rate of 6.25% p.a.	25.85	39.72
f)	FCTL-IX of USD 1.31 million i.e. ₹ 93.50 million is repayable in 16 equal quarterly installments of USD 0.08 million starting from 28 February 2021 to 28 November 2024 commenced after moratorium period of 1 year. It carries interest rate of 6.25% p.a.	47.00	68.11
3)	**Vehicle loans from Axis Bank Limited**		
	Three vehicle loans of ₹ 11.10 million each is repayable in 60 equal monthly installments of ₹ 0.22 million starting from 01 February 2021 to 01 January 2026. It carries interest rate of 7.46% p.a.	20.18	25.86
	Total non-current borrowings including current maturities	**140.48**	**274.69**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

17 Borrowings *(Continued)*

	Particulars	As at 31 March 2023	As at 31 March 2022
B	**Current borrowings**		
1)	**Loans repayable on demand from CITI Bank N.A.**	638.65	600.38
	Facilities includes fund based facility of ₹ 850.00 million (31 March 2022: ₹ 650 million) and non-fund based facility of ₹ Nil (31 March 2022: Nil). It carries interest rates ranging from 1.65% p.a. to 11.50% p.a.		
2)	**Loans repayable on demand from ICICI Bank Limited**	379.22	324.31
	Facilities includes fund based facility of ₹ 600.00 million (31 March 2022: ₹ 400 million) and non-fund based facility of ₹ 55.00 million (31 March 2022: ₹ 55 million). It carries interest rates ranging from Repo+2.00% p.a. to 5.15% p.a.		
3)	**Loans repayable on demand from State Bank of India**	367.88	-
	Facilities includes fund based facility of ₹ 400.00 million (31 March 2022: ₹ Nil) and non-fund based facility of ₹ Nil (31 March 2022: Nil). It carries interest rates ranging from 5.25% p.a to 10.10% p.a.		
4)	**Loans repayable on demand from DBS Bank Limited**	176.35	-
	Facilities includes fund based facility of ₹ 350.00 million (31 March 2022: ₹ Nil) and non-fund based facility of ₹ Nil (31 March 2022: Nil). It carries interest rates ranging from 8.41% p.a. to 9.25% p.a.		
	Total current borrowings	**1,562.09**	**924.69**

(viii) Nature of securities are as follows:

Foreign currency term loans - I, II, III, X and working capital facilities from ICICI Bank Limited have been secured by way of first pari-passu charge on immovable and movable fixed assets of Dahej SEZ unit and movable fixed assets of Ankleshwar unit of the Company. Further, secured by pari-passu charge on current assets of the Company except current assets of Vadodara unit and lien on fixed deposit of ₹ 5.15 million.

Foreign currency term loans - IV, V, VI, VII, VIII, IX and working capital facilities from CITI Bank N.A. have been secured by way of first pari-passu charge on immovable and movable fixed assets of Dahej SEZ unit and movable fixed assets of Ankleshwar unit and exclusive charge on immovable and movable fixed assets of Vadodara unit of the Company. Further, secured by pari-passu charge on current assets of the Company.

Working capital facilities from State Bank of India have been secured by way of first pari-passu charge on immovable and movable fixed assets of Dahej SEZ unit and movable fixed assets of Ankleshwar unit of the Company. Further, secured by pari-passu charge on current assets of the Company except current assets of Vadodara unit.

Working capital facilities from DBS Bank Limited have been secured by way of first pari-passu charge on immovable and movable fixed assets of Dahej SEZ unit and movable fixed assets of Ankleshwar unit of the Company. Further, secured by pari-passu charge on current assets of the Company except current assets of Vadodara unit.

Three vehicle loans from Axis Bank Limited have been secured by way of hypothecation of respective vehicles and personal guarantees of promoters/directors of the Company.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

18 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
	Current	Current
Payables for purchase of property, plant and equipment	294.04	37.60
Payables for initial public offer related expenses	-	50.77
Interest accrued on borrowings	3.04	0.50
Dividend payable	0.01	-
Other payables to related parties (refer note 50)	-	3.01
Total	**297.09**	**91.88**

19 Provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Employee benefits				
Compensated absences (refer note 40)	11.45	3.32	6.51	1.79
Total	**11.45**	**3.32**	**6.51**	**1.79**

20 Other liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Deferred government grant (refer note 36)	-	0.09	0.08	0.09
Advances received from customers	-	8.00	-	1.54
Employee benefits payable*	-	32.63	-	24.97
Expenses payable	-	12.66	-	36.98
Statutory dues payable	-	13.38	-	9.18
Unearned revenue	-	101.40	-	258.35
Unearned income	-	2.03	-	-
Total	**-**	**170.19**	**0.08**	**331.11**

*Refer note 42 for employee benefits payable to related parties

21 Tax (assets)/liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
	Current	Current
Advance tax (net of provision for income tax)	(55.42)	-
Provision for income tax (net of advance tax)	-	1.89
Total	**(55.42)**	**1.89**

22 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Dues of micro and small enterprises	164.26	111.46
Dues of other than micro and small enterprises	151.87	329.12
Total	**316.13**	**440.58**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

22 Trade payables *(Continued)*

Notes:

(i) The amount due to micro and small enterprises (MSME) as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" (hereinafter referred to as "MSMED Act") has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to micro enterprises and small enterprises is as below:

Particulars	As at 31 March 2023	As at 31 March 2022
Dues of micro and small enterprises less than 45 days	164.26	111.46
Dues of micro and small enterprises more than 45 days:		
- Principal amount outstanding	-	-
- Interest due on principal amount outstanding as above	-	-
- Interest paid under section 16 of MSMED Act	-	-
- Interest due and payable for the period of delay	-	-
- Interest due and unpaid	-	-
- Further interest due and payable in succeeding years, until the date of actual payment for disallowance under section 23 of MSMED Act.	-	-
Total outstanding dues of micro and small enterprises	**164.26**	**111.46**

(ii) **Trade payables ageing schedule:**

Particulars	Outstanding for following period from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023						
Undisputed						
MSME	150.71	13.55	-	-	-	164.26
Others	146.13	5.74	-	-	-	151.87
Disputed						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**296.84**	**19.29**	**-**	**-**	**-**	**316.13**
As at 31 March 2022						
Undisputed						
MSME	93.28	18.18	-	-	-	111.46
Others	287.95	41.17	-	-	-	329.12
Disputed						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**381.23**	**59.35**	**-**	**-**	**-**	**440.58**

(iii) Trade payables are generally non-interest bearing and are on credit terms of 30 to 180 days.

(iv) The Company does not have any trade payables to related parties.

(v) Refer note 51 for the additional regulatory information.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

23 Deferred tax (assets)/ liabilities (net)

Particulars		As at 31 March 2023	As at 31 March 2022
Tax effect of items resulting in taxable temporary differences			
Unabsorbed depreciation		126.61	109.44
	(A)	**126.61**	**109.44**
Tax effect of items resulting in deductible temporary differences			
MAT credit entitlement		(243.11)	(195.52)
Disallowances under income tax (net)		(7.06)	(0.97)
Provision for expected credit loss		-	(0.05)
	(B)	**(250.17)**	**(196.54)**
Total (A+B)		**(123.56)**	**(87.10)**

Notes:

(i) Section 115BAA in the Income-tax Act, 1961 provides an option to the Company for paying income tax at reduced rates as per the provisions or conditions defined in the said section. The Company has opted to provide and consider the payment of income tax under old tax regime and deferred tax assets and liabilities are measured at the rates at which such deferred tax assets or liabilities are expected to be realised or settled.

(ii) The Company is required to compute tax payable, higher of (a) Tax computed as per normal provisions of Income Tax Act, 1961 or (b) Tax payable as per MAT provisions computed u/s 115JB of Income Tax Act, 1961. When the amount of minimum alternate tax (MAT) is greater than its normal tax liability, the difference between MAT and normal tax liability is recognised as assets "MAT credit entitlement".

(iii) Movements in deferred tax (assets)/liabilities (net):

Particulars	As at 31 March 2023	Charged/(credited) - to profit and loss	Charged/(credited) - to other comprehensive income	As at 31 March 2022
Unabsorbed depreciation	126.61	17.17	-	109.44
MAT credit entitlement	(243.11)	(47.59)	-	(195.52)
Disallowances under income tax (net)	(7.06)	(6.09)	-	(0.97)
Provision for expected credit loss	-	0.05	-	(0.05)
Remeasurement of defined benefits	-	0.53	(0.53)	-
Net deferred tax (assets)	**(123.56)**	**(35.93)**	**(0.53)**	**(87.10)**

Particulars	As at 31 March 2022	Charged/(credited) - to profit and loss	Charged/(credited) - to other comprehensive income	As at 31 March 2021
Unabsorbed depreciation	109.44	16.42	-	93.02
MAT credit entitlement	(195.52)	(127.62)	-	(67.90)
Disallowances under income tax (net)	(0.97)	2.73	-	(3.70)
Provision for expected credit loss	(0.05)	0.59	-	(0.64)
Remeasurement of defined benefits	-	0.60	(0.60)	-
Net deferred tax (assets)/liabilities	(87.10)	(107.29)	(0.60)	20.78

(iv) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relates to income taxes levied by the same tax authority.

(v) MAT credit entitlement

The MAT credit can be utilised by the Company in the subsequent years immediately succeeding the assessment year (A.Y.) in which such credit was generated. The credit can be adjusted in the year in which the liability of the Company as per the normal provisions is more than the MAT liability. MAT credit can be carried forward only for a period of 15 years, after which it will lapse.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

23 Deferred tax (assets)/ liabilities (net) *(Continued)*

The details of MAT credit recognised in respective A.Y., along with their expiry details are set out below:

Recognised for assessment year	Expiry assessment year	Year ended 31 March 2023	Year ended 31 March 2022
A.Y. 2020-21	A.Y. 2035-36	10.38	10.38
A.Y. 2021-22	A.Y. 2036-37	57.52	57.52
A.Y. 2022-23	A.Y. 2037-38	127.62	127.62
A.Y. 2023-24	A.Y. 2038-39	47.59	-
Balance at the end of the year		**243.11**	**195.52**

(vi) The Company has accrued significant amounts of deferred tax. The majority of the deferred tax (assets)/liability represents:

1. Taxable temporary differences:

(a) Accelerated tax relief for the depreciation on property, plant and equipment.

2. Deductible temporary differences:

(a) Unused minimum alternate tax (MAT) credit carried forward,

(b) Net disallowances under income tax includes:

(i) Other long-term employee benefits (compensated absences),

(ii) Provision for expected credit loss,

(iii) Forward exchange contracts (not designated as hedge), and

(iv) Defined benefit obligation-gratuity fund

(vii) Recognition of deferred tax assets on MAT credit entitlement is based on the Company's present estimates and business plans as per which the same is expected to be utilized within the stipulated fifteen-year period from the date of origination.

(viii) During the years ended, the Company has not charged or credited current tax or deferred tax directly to equity.

24 Revenue from operations

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from contract with customers		
Sale of products		
Export	2,836.65	3,346.30
Domestic	1,166.58	908.27
	4,003.23	**4,254.57**
Other operating revenue		
Export incentives (refer note 36)	6.36	6.70
Sale of scrap	20.85	16.84
	27.21	**23.54**
Total	**4,030.44**	**4,278.11**

Notes:

(i) Refer note 35 for revenue from contract with customers as per Ind AS 115.

(ii) Refer note 41 for information about operating segment as per Ind AS 108.

(iii) Refer note 42 for related party transactions as per Ind AS 24.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

25 Other income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest income		
- on deposits with banks	36.48	45.13
- on deposits with others	0.67	0.26
- on others	1.23	0.01
Income from government grants (refer note 36)		
- interest subsidy under interest equalisation scheme	14.87	1.19
- interest subsidy on deferred government grant	0.09	0.09
- provident fund subsidy under aatmanirbhar bharat rojgar yojana	0.23	0.04
Income tax refund (refer note 32)	1.52	-
Refund of reach charges	1.10	0.03
Net gain on foreign currency transaction and translation (refer note 37)	-	55.78
Provisions for doubtful debts written back (net) (refer note 14)	0.19	2.93
Liabilities no longer required written back	0.40	0.73
Miscellaneous income	0.00	0.10
Total	**56.78**	**106.29**

Notes:

(i) Interest income includes income on financial assets carried at amortised cost.

(ii) Interest income on deposits with bank includes interest income amounting to ₹ 34.47 million (31 March 2022: ₹ 42.45 million) received from fixed deposits made out of initial public offer (IPO) proceeds.

26 Cost of materials consumed

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Inventories of raw materials at the beginning of the year	463.79	208.70
Add: Purchases of imported raw materials	546.93	1,453.51
Add: Purchases of indigenous raw materials	1,446.90	1,346.52
Less: Inventories of raw materials at the end of the year	299.45	463.79
Total	**2,158.17**	**2,544.94**

27 Changes in inventories of finished goods and work-in-progress

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Inventories at the beginning of the year		
- Work-in-progress	439.55	267.40
- Finished goods	321.84	65.97
- Finished goods in transit	218.12	65.71
Subtotal (i)	**979.51**	**399.08**
Inventories at the end of the year		
- Work-in-progress	589.67	439.55
- Finished goods	229.83	321.84
- Finished goods in transit	94.94	218.12
Subtotal (ii)	**914.44**	**979.51**
Total (i) - (ii)	**65.07**	**(580.43)**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

28 Employee benefits expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages (refer note 42)	348.59	280.68
Contribution to provident and other funds (refer note 40)	14.53	12.25
Contribution to gratuity fund (refer note 40)	2.46	2.07
Staff welfare expenses	20.40	13.18
Total	**385.98**	**308.18**

Notes:

(i) Refer note 3 and 5 for directly attributable 'employee benefits expenses' capitalised as property plant and equipment and transferred to capital work-in-progress.

29 Finance costs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest expenses*		
- on term loans	12.01	17.96
- on working capital loans	65.76	20.34
- on car loans	1.72	2.16
- on late payment of statutory dues	0.22	2.89
- on others	0.06	0.16
Other borrowing costs	4.07	6.00
Total	**83.84**	**49.51**

**Interest expenses includes interest on financial liabilities carried at amortised cost*

30 Depreciation and amortization expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment (refer note 3)	91.60	78.41
Amortization on right of use asset (refer note 4)	2.39	2.88
Amortization on other intangible assets (refer note 6)	1.55	0.51
Total	**95.54**	**81.80**

31 Other expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Consumables, stores and spares	84.90	130.39
Electricity, power and fuel	236.12	226.17
Rent (refer note 38)	16.10	9.18
Repairs and maintenance of:		
- Buildings	2.72	3.75
- Plant and equipment	41.32	43.70
- Others	21.58	21.17
Packing expenses	83.34	95.51
Effluent treatment expenses	43.58	87.90
Labour and service charges	16.35	28.69
Laboratory expenses	13.44	11.84

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

31 Other expenses *(Continued)*

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Insurance	18.27	16.96
Security expenses	8.57	5.03
Safety expenses	7.57	6.27
Sitting fees (refer note 42)	0.66	1.12
Printing and stationery expenses	5.04	4.38
Legal and professional fees	23.77	18.30
Audit fees (refer note (ii) below)	3.09	2.30
Rates and taxes	3.11	7.60
Membership fees and subscription expenses	2.48	1.95
Communication expenses	1.81	2.18
Bank commission and other charges	1.38	2.37
Travelling and conveyance expenses	38.91	15.68
Selling and business promotion expenses	4.52	0.92
Freight clearing and forwarding expenses	146.38	190.61
Commission and brokerage	5.22	3.63
Bad debts	0.03	-
CSR expenditure (refer note (iii) below)	13.41	7.92
Net loss on foreign currency transaction and translation (refer note 37)	27.71	-
Loss on sale of property, plant and equipment (net)	0.01	0.51
Sundry balances written-off	1.77	0.12
Miscellaneous expenses	1.28	1.58
Total	**874.44**	**947.74**

Notes:

(i) Refer note 5 for directly attributable 'other expenses' capitalised as property plant and equipment and transferred to capital work-in-progress.

(ii) Payment to auditors

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Recognised in the standalone statement of profit and loss		
Payment to auditors (exclusive of goods and service tax)		
As auditor	1.65	1.65
For other services	1.44	0.65
Total	**3.09**	**2.30**
Recognised in the standalone balance sheet		
Other current assets		
- IPO related expenses (certification services, etc.)	-	1.73
Total	**-**	**1.73**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

31 Other expenses *(Continued)*

(iii) **Corporate social responsibility (CSR) expenditure**

As per provisions of section 135 of the Companies Act, 2013, the Company shall incur at least 2% of average net profits of the preceding three financial years towards corporate social responsibility ("CSR"). The Company has formed a CSR committee for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. Summary of CSR expenditure is as under:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a) Amount required to be spent by the Company during the year	13.41	7.92
b) Amount available for set-off from preceeding financial years	(0.98)	(0.36)
c) Net CSR obligation for FY 2022-23 [a) + b)]	12.43	7.56
d) Amount of expenditure incurred		
(i) For construction or acquisition of any assets	-	-
(ii) On purposes other than (i) above	12.89	8.54
e) Shortfall at the end of the year	Not applicable	Not applicable
f) Total of previous year's shortfall	Not applicable	Not applicable
g) Reason for shortfall	Not applicable	Not applicable
h) Nature of CSR activities*	Refer below	Refer below
i) Details of related party transactions#	Refer below	Refer below
j) Provision movement^	Refer below	Refer below
k) Excess amount spent, available for set-off in succeeding financial years	0.46	0.98

** Nature of CSR activities includes skill development, eradicating hunger, poverty & malnutrition, educational promotion, healthcare, safety, hygiene, environmental sustainability, rural development and wellness for communities and relief work associated with the national emergencies such as COVID-19 pandemic.*

 # The Company does not have any related party transactions in relation to corporate social responsibility.

^The Company does not carry any provisions for corporate social responsibility expenses for current year and previous year.

31A Exceptional items

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Loss on demolition of property, plant and equipment (refer note 3)		
Loss on demolition of building	30.80	-
Loss on demolition of furniture and fixture	1.45	-
Loss on demolition of electrical installation	3.62	-
Total	**35.87**	**-**

32 Tax expense/(benefits)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax		
- on profit for the year	18.82	179.84
- on short provision of tax relating to earlier years	0.77	0.24
	19.59	**180.08**
Deferred tax		
- on decrease in deferred tax assets	11.13	19.74
- on MAT credit entitlement	(47.59)	(127.62)
- on remeasurement of defined benefit liability/(asset)	0.53	0.60
	(35.93)	**(107.29)**
Total	**(16.34)**	**72.79**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

32 Tax expense/(benefits) *(Continued)*

Notes:

(i) Reconciliation of effective tax rate

The reconciliation between estimated income tax expense at statutory income tax rate and tax expense reported in the standalone statement of profit and loss is given below:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax (a)	388.31	1,032.66
Tax using the statutory tax rate @ 29.12% (31 March 2022: 29.12%)	113.07	300.70
Effect of:		
Non-allowable expenses	48.18	28.30
Allowable expenses	(56.94)	(56.49)
Tax holidays	(105.66)	(212.80)
Other deductions	(27.42)	(2.94)
Deferred tax	11.66	20.34
Tax in respect of earlier years	0.77	0.24
Others	-	(4.56)
Net tax expense (b)	**(16.34)**	**72.79**
Effective tax rate (b)/(a)	**-**	**7.05%**

(ii) The Company continues to pay income tax under older tax regime and has not opted for lower tax rate as per provisions of section 115BAA of the Income Tax Act, 1961. The Company is computing current tax on the basis of tax laws that have been enacted.

(iii) Refer note 23 for deferred tax.

(iv) The Company is eligible for specified tax incentives which is included in the table above as tax holidays or exemptions. These are briefly described as under:

a) Location based exemption: Special economic zone (SEZ) operations

The Dahej unit of the Company located in Dahej SEZ, Bharuch, Gujarat, India enjoy certain benefits under section 10AA of the Income Tax Act, 1961, which allows 100% of the taxable profit (derived from the export turnover from a SEZ unit) to be exempted till 31 March 2022, provided certain conditions are met.

Subsequent to this date, 50% of the taxable profit will be allowed to be exempted till 31 March 2027.

Subsequent to 31 March 2027, 50% of the taxable profits will be allowed to be exempted for further five years, provided the amount allowable in respect of deduction is credited to Special Economic Zone Re-Investment Reserve account and the amount credited should be utilised for acquiring new plant and machinery and provided certain other conditions are met. There can be no assurance that the Company will continue to enjoy the tax benefits under section 10AA of the Income Tax Act, 1961 in future.

b) Other exemption: Research and development (R&D) operations

The R&D division of the Company located at Vadodara, Gujarat, India enjoys certain benefits under section 35(2AB) of the Income Tax Act, 1961, which allows 150% deduction of any expenditure on scientific research (not being expenditure in the nature of cost of any land or building) on in-house research and development facility as approved by the prescribed authority, provided certain conditions stipulated by Department of Scientific and Industrial Research ("DSIR") are met, up to 31 March 2020.

Subsequent to this date, 100% of any expenditure as specified above will be allowed as deduction.

Approval of DSIR to the in-house R&D unit is valid till 31 March 2024. However, for subsequent period, deduction will be subject to approval of DSIR for the recognition of in-house R&D unit for respective period.

(v) The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation for its international transactions as well as specified domestic transactions. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have any impact on the standalone financial statement, particularly on the amount of tax expense and provision for taxation.

(vi) The Company does not have any transaction which is not recorded in the books of accounts, that has been surrendered or disclosed as income during the year in the assessment under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

33 Other comprehensive income/(expense)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Items that will not be reclassified to profit or loss		
Remeasurement gain/(loss) of defined benefit plan obligations*	(1.82)	(2.05)
Income tax relating to items that will not be reclassified to profit or loss	0.53	0.60
Total	**(1.29)**	**(1.45)**

**Refer note 40 for employee benefits.*

34 Earnings per equity share (EPS)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Face value per equity share (in ₹)	10	10
(a) Profit for the year attributable to equity shareholders (numerator)	404.65	959.87
(b) Number of equity shares at the beginning of the year	22,165,062	20,087,500
(c) Equity shares issued/allotted during the year	-	2,077,562
(d) Number of equity shares at the end of the year	22,165,062	22,165,062
(e) Date of allotment	Not applicable	27 July 2021
(f) Weighted average number of equity shares for calculating basic earnings per equity share (denominator)	22,165,062	21,499,104
(g) Weighted average number of equity shares for calculating diluted earnings per equity share (denominator)	22,165,062	21,499,104
Earnings per equity share (in ₹)		
- Basic	18.26	44.65
- Diluted	18.26	44.65

Notes:

(i) During the years ended, the Company has presented earning per equity share for continuing operations attributable to the ordinary equity shareholders of the Company. The Company does not have any discontinued operations.

The Company has only one class of equity shares having a par value of ₹ 10 per share. Accordingly, all equity shares rank equally with regard to their right to share profit for the year.

The Company does not have any instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future.

(ii) The earnings per equity share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year.

(iii) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued/allotted during the year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

(iv) During the year ended 31 March 2022, the Company has completed initial public offer (IPO) and allotted 2,077,562 equity shares of the face value of ₹ 10/- each at an issue price of ₹ 1,083/- per equity share (including a premium of ₹ 1,073 per equity share).

35 Revenue from contract with customers

Revenue from sale of products is recognized when the control on the goods has been transferred to the customers. Revenue from sale of services is recognised on satisfaction of performance obligation towards rendering of such services. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

The management has identified that "specialty chemical business" as "single operating segment" for the purpose of making decision on allocation of resources and assessing its performance.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

35 Revenue from contract with customers *(Continued)*

Although to meet the disclosure objective with respect to disaggregation of revenue under "Ind AS 115 Revenue from contract with Customers", the Company believes that disaggregation on the basis of "product categories" best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A	**Revenue from contract with customers recognised in the standalone statement of profit and loss**		
	Sale of products		
	Export	2,836.65	3,346.30
	Domestic	1,166.58	908.27
	Total	**4,003.23**	**4,254.57**
B	**Provision/(reversal) of expected credit loss on trade receivables recognised in the standalone statement of profit and loss**		
	Other (income)/expenses		
	Provisions for doubtful debts/ (written back) (net)	(0.19)	(2.93)
	(Reversal)/provision	**(0.19)**	**(2.93)**
C	**Disaggregation of revenue**		
(i)	**Revenue based on type/nature of goods or services**		
	Phase transfer catalysts (PTC)	1,333.86	941.44
	Structure directing agents (SDA)	1,264.05	2,261.97
	Electrolyte salts (ES)	146.25	35.15
	Pharmaceutical and agrochemical intermediates and others (PASC)	1,259.07	1,016.01
	Total	**4,003.23**	**4,254.57**
(ii)	**Revenue based on its timing of recognition**		
	Goods or services transferred over a period of time	-	-
	Goods or services transferred over a point of time	4,003.23	4,254.57
	Total	**4,003.23**	**4,254.57**
(iii)	**Revenue based on geographical location**		
	Outside India	2,836.65	3,346.30
	In India	1,166.58	908.27
	Total	**4,003.23**	**4,254.57**
(iv)	**Revenue based on contract duration**		
	Long-term contracts	-	-
	Short-term contracts	4,003.23	4,254.57
	Total	**4,003.23**	**4,254.57**
(v)	**Revenue based on relationship with the customers**		
	Related parties (refer note 42)	1,324.78	984.89
	Non-related parties	2,678.45	3,269.68
	Total	**4,003.23**	**4,254.57**
D	**Reconciliation of the amount of revenue recognised in the standalone statement of profit and loss with the contracted price**		
	Revenue as per contracted price	3,856.94	4,375.82
	Adjustments		
	Sales returns or credits or reversals	(10.65)	(2.28)
	Deferment of revenue during the year	(101.40)	(258.35)
	Deferred revenue of previous year, recognised as revenue during the year	258.35	139.38
	Revenue from contract with customers	**4,003.23**	**4,254.57**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

35 Revenue from contract with customers *(Continued)*

E Contract assets and liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Current contract assets		
Trade receivables (refer note 14)	900.44	616.04
Unbilled revenue (refer note 13)	101.40	258.35
Contract assets (net trade receivables)	1,001.84	874.39
Current contract liabilities		
Advances received from customers (refer note 20)	8.00	1.54
Unearned revenue (refer note 20)	101.40	258.35
Contract liabilities (advance from trade receivables)	**109.40**	**259.89**

Notes:

(i) Amounts received in advance from customers i.e. before the related performance obligation is satisfied, are included in the balance sheet (Contract liability) as "Advances received from customers" in "Other current liabilities" (refer note 20). Amounts invoiced/ billed for performance obligation satisfied but not yet paid by the customers are included in the balance sheet under (Contract assets) as "Trade receivables" (refer note 14).

(ii) There were no significant changes in the composition of the contract liabilities and contract assets during the years reported, other than on account of routine invoicing and revenue recognition.

(iii) Amounts previously recorded as contract liabilities have been increased due to further advances received from customers during the years and decreased due to revenue recognised on satisfaction of performance obligation during the years.

(iv) Amounts previously recorded as trade receivables have been increased due to revenue recognised on satisfaction of performance obligation during the years and decreased on account of amount received from customers during the years.

(v) As per the terms of the contract with customers, either all performance obligations are to be completed within one year from the date of such contracts or the Company has a right to receive consideration from its customers for all completed performance obligations. Accordingly, the Company has availed the practical expedient available as per paragraph 121 of Ind AS 115 and dispensed with the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the balance sheet date. Further, since the terms of the contracts directly identify the transaction price for each of the completed performance obligations, in all material respects, all the elements of transaction price have been included in the revenue recognised in the standalone financial statements. Further, there is no material difference between the contract price and the revenue from contract with customers.

(vi) As per the terms of the contract with customers, the Company expects, at the contract inception, that the period between transfer of a promised goods or services to customer and related payments for the goods or services will be less than one year or less. Accordingly, the Company has availed the practical expedient available as per paragraph 63 of Ind AS 115 and has not adjusted the promised amount of consideration for the effects of significant financing component, if any.

36 Government grants

A Government grants recognised as deferred government grant in the standalone balance sheet:

Particulars	As at 31 March 2023	As at 31 March 2022
Other liabilities (non-current and current)		
Deferred government grant (refer note 20)		
Balance at the beginning of the year	0.17	0.26
Add : Received during the year	-	-
Less: Charged to the standalone statement of profit and loss	(0.09)	(0.09)
Balance at the end of the year	0.09	0.17
Non-current	-	0.08
Current	0.09	0.09
Total	**0.09**	**0.17**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

36 Government grants *(Continued)*

B Government grants recognised in the standalone statement of profit and loss:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations		
Other operating revenue (refer note 24)		
Grants related to income		
Export incentives	6.36	6.70
	6.36	**6.70**
Other income		
Income on government grants (refer note 25)		
Grant related to assets	0.09	0.09
Grants related to expenses	15.10	1.23
	15.19	**1.32**
Total	**21.55**	**8.02**

Notes:

(i) Grants related to income or expenses includes:

1. Government assistance (export incentives):

   (a) The Company has recognised ₹ 5.53 million (31 March 2022: ₹ 6.68 million) as duty drawback of duty paid on export of goods, under section 75 of The Custom Act, 1962.

   (b) The Company has recognised ₹ Nil (31 March 2022: ₹ 0.02 million) as duty credit scrips under Merchandise Export from India Scheme (“MEIS”) as extended till 30.04.2022 covered in Foreign Trade Policy.

   (c) The Company has recognised ₹ 0.83 million (31 March 2022: ₹ Nil) as duty credit scrips under Remission of Duties or Taxes on Export Products Scheme (“RODTEP”) covered in Foreign Trade Policy.

2. Government grants:

   (a) The Company has recognised ₹ 0.09 million (31 March 2022: ₹ 0.09 million) as interest subsidy on deferred government grant as per Ind AS 20 under technology upgradation fund scheme (TUFS) of State Government.

   (b) The Company has recognised ₹ 14.87 million (31 March 2022: ₹ 1.19 million) as interest subsidy under "Interest Equalisation Scheme" of Central Government.

   (c) The Company has recognised ₹ 0.23 million (31 March 2022: ₹ 0.04 million) as provident fund subsidy under "Aatmanirbhar Bharat Rojgar Yojana" of Central Government.

(ii) The Company has not recognised any government grants whose conditions are not fulfilled and to which other contingencies are attached.

37 Foreign currency transactions and translation

(i) Foreign exchange loss/(gain) recognised in the standalone statement of profit and loss:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Realised foreign exchange loss/(gain)	32.61	(70.56)
Unrealised foreign exchange (gain)/loss	(4.90)	14.78
Net foreign exchange loss/(gain)	**27.71**	**(55.78)**

(ii) The Company has capitalised ₹ 0.00 million (31 March 2022: Nil) as foreign exchange loss/(gain) in accordance with the option obtained under para D13AA of Ind AS 101 "First-Time Adoption of Ind AS".

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

37 Foreign currency transactions and translation *(Continued)*

(iii) Foreign exchange used or earned in terms of actual inflows and outflows is as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Foreign exchange taken or earned (actual inflow)	3,228.93	3,642.02
Foreign exchange used or expenditures (actual outflow)	(2,409.30)	(1,643.91)
Net inflow	**819.63**	**1,998.11**

(iv) During the years ended, the Company has repatriated to India, all due trade receivable from both the overseas wholly owned subsidiaries (WOS) and from other overseas non-related parties within 60 days of its falling due or as prescribed by Reserve Bank of India from time to time.

38 Leases

Company as lessee:

Short-term leases: The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less (short-term lease), leases of low-value assets and cancellable leases. The Company recognizes the lease payments associated with these leases as an expense in the statement of profit and loss.

The Company has taken "leasehold land" on long-term lease, these leases are entirely prepaid by the Company and does not have any future lease liability towards the same. (refer note 4)

Amounts recognised in the standalone statement of profit and loss:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Other expenses		
Rent		
Short-term or cancellable leases	16.10	9.18
Total	**16.10**	**9.18**

39 Research and development expenditure

The Company has obtained a registration from the Department of Scientific and Industrial Research (DSIR) for its research and development unit which is approved under section 35(2AB) of the Income Tax Act, 1961 by the prescribed authority. The summary of gross research and development expenditure (capital and revenue) incurred and admissible under section 35(2AB) is as under:

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Gross amount	Admissible	Gross amount	Admissible
Capital expenditure	195.52	109.98	32.67	32.67
Revenue expenditure	60.39	48.88	37.03	37.03
Total	**255.91**	**158.86**	**69.70**	**69.70**

40 Employee benefits

Employee benefits of the Company includes all forms of consideration (directly or indirectly) given by the Company in exchange for services rendered by its employees or on termination of employment.

A Short-term employee benefits:

Measurement and recognition:

The Company measures short-term employee benefits on an undiscounted basis and they do not involve any actuarial valuation.

The Company has recognised short-term employee benefits expected to be paid:

a) as employee benefits expense in the statement of profit and loss, if it does not form part of the cost of an asset as per any other Ind AS (Ind AS 2 ""Inventories"" or Ind AS 16 ""Property, plant and equipment"") (refer note 28), and

b) as a current liability (employee benefits payable) or as a current asset (accrued expense) in the balance sheet, after deducting any amount already paid. (refer note 20)

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

40 Employee benefits *(Continued)*

B Post-employment benefits:

1 Defined contribution plans:

a) Description of plan:

The Company makes defined contribution to the recognised employee provident fund (EPF) as per provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and to employee state insurance corporation (ESIC) as per provisions of the Employees' State Insurance Act, 1948 for qualifying employees, which are recognised as employee benefits expense in the standalone statement of profit and loss, on accrual basis when an employee renders the related service. The Company does not have any further contractual or constructive obligation, other than the contribution payable to the provident fund.

b) Measurement and recognition:

Under these contributions, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the provisions and rules of the related laws.

The Company has recognised defined contribution plans as follows:

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
(i)	**Amount recognised in the standalone statement of profit and loss:**		
	Employee benefits expense		
	Contribution to statutory funds		
	Employers' contribution to EPF	13.99	11.50
	Employers' contribution to ESIC	0.54	0.75
	Total	**14.53**	**12.25**
(ii)	**Amount recognised in the standalone balance sheet:**		
	Other current liabilities		
	Statutory dues payable		
	Employers' provident fund payable	1.26	0.97
	Employers' state insurance corporation payable	0.05	0.07
	Total	**1.31**	**1.04**

2 Defined benefit plans:

i) Gratuity (funded):

a) Description of plan:

The Company makes annual contributions to defined benefit gratuity plan (funded) to finance the plan liability for qualifying employees. The gratuity fund is separately managed and administered by a trust (approved under the Income tax Act, 1961) and is legally separate from the Company. The plan is funded with Life Insurance Corporation of India (LIC) in the form of qualified insurance policy. The contribution towards the trust fund is done as per rule 103 of Income Tax Rules, 1962. The plan is governed under provisions of the Payment of Gratuity Act, 1972:

The eligible employees are entitled to post-retirement benefit at the rate of 15 days last drawn salary (monthly salary is calculated for 26 days) for each completed year of service until the retirement age of 58 years, subject to ceiling of ₹ 2 million (i) On termination of employment due to superannuation or early retirement or resignation: with vesting period of 5 years of service. (ii) On death or permanent disablement in service: without any vesting period.

Where employees leave the Company prior to full vesting of the contributions, the contribution payable by the Company is reduced by the amount of forfeited contributions.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

40 Employee benefits *(Continued)*

Governance of plan

The fund is managed by a trust which is governed by the Board of trustees. The Board of trustees are responsible for the administration, for overall governance of the plan assets, for the definition of the investment strategy and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They do periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

Investment strategy

The investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The plan exposes the Company to various actuarial risks such as:

(i)	Interest rate risk:	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
(ii)	Salary inflation risk:	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.
(iii)	Investment risk:	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently, the plan has a relatively balanced investment in government securities and other debt instruments.
(iv)	Asset liability matching (ALM) risk:	The plan faces the ALM risk, as to the matching cash flows. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
(v)	Longevity (mortality) risk:	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
(vi)	Concentration risk:	The plan is having a concentration risk, as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

b) Measurement and recognition:

The present value of the defined benefit obligation and the related current service cost and past service cost is determined based on actuarial valuation as at the reporting date and is measured using the "projected unit credit method", which recognizes each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to build-up the final obligation.

The obligations are measured at the present value of the estimated future cash flows by applying various valuation assumptions (referred below). The discount rate used for determining the present value of the obligation is based on the market yields on Government bonds as at the date of actuarial valuation. "

For the purpose of calculation, past service is rounded to the nearest integer. Suitable application of the ₹ 2 million ceiling has been considered while conducting the valuation and during the years ended, there were no plan amendments, curtailments and settlements.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2023 and this valuation has been done in conformity with the Actuarial Practice Standard 27 (APS 27) and the relevant guidance notes issued by Institute of Actuaries of India.

The Company has recognised actuarial gains or losses (net of tax) immediately in the other comprehensive income (OCI).

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

40 Employee benefits *(Continued)*

The principal assumptions used for the purposes of actuarial valuation of defined benefit plans were as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Demographic assumptions:		
Mortality rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Retirement age	58 years	58 years
Attrition rate	For service 4 years and below 25.00% p.a. For service 5 years and above 5.00% p.a.	For service 4 years and below 25.00% p.a. For service 5 years and above 5.00% p.a.
Financial assumptions:		
Salary escalation rate	8%	8%
Discount rate and expected return on plan assets	7.41% p.a. (Indicative G.Sec referenced as on 31 March 2023) for the tenure of 8 years	6.90% p.a. (Indicative G.Sec referenced as on 31 March 2022) for the tenure of 8 years
Average expected future service	8 years	8 years

The Company has recognised defined benefits plans as follows:

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i)	**Amount recognised in the standalone statement of profit and loss:**		
	Employee benefits expense		
	Current service cost	2.75	2.37
	Past service cost and (gain)/loss on settlements	-	-
	Net interest cost	(0.29)	(0.30)
	Total	**2.46**	**2.07**
(ii)	**Amount of actuarial gains or losses recognised in other comprehensive income (OCI):**		
	Remeasurement of net defined benefit liability		
	Return on plan assets (excluding amounts included in net interest cost)	0.20	0.21
	Actuarial (gains)/losses arising from changes in financial assumptions	(1.16)	1.65
	Actuarial (gains)/losses arising from change in demographic assumptions	-	(1.08)
	Actuarial (gains)/losses arising from experience adjustments	2.78	1.27
	Total	**1.82**	**2.05**
(iii)	**Amount recognised in the standalone balance sheet:**		
	Present value of funded defined benefit obligation (increased by 44.95%)	(20.92)	(15.83)
	Fair value of plan assets	26.78	20.03

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

40 Employee benefits *(Continued)*

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
	Net asset arising from defined benefit obligation	5.86	4.21
	Non-current	-	-
	Current	5.86	4.21
	Total	**5.86**	**4.21**
(iv)	**Reconciliation of net (asset)/liability recognised in the standalone balance sheet:**		
	Net (asset)/liability at the beginning	(4.21)	(4.37)
	Expenses recognised in statement of profit and loss	2.46	2.07
	Expenses recognised in other comprehensive income (OCI)	1.82	2.05
	Benefits paid directly by employer	-	-
	Employers' contribution	(5.93)	(3.95)
	Net (asset)/liability at the end	**(5.86)**	**(4.21)**
(v)	**Movement in the present value of the defined benefit obligation:**		
	Defined benefit obligation at the beginning	15.83	10.92
	Current service cost	2.75	2.37
	Interest cost	1.09	0.74
	Remeasurement (gains)/losses		
	Actuarial (gains)/losses arising from changes in financial assumptions	(1.16)	1.65
	Actuarial (gains)/losses arising from change in demographic assumptions	-	(1.08)
	Actuarial (gains)/losses arising from experience adjustments	2.78	1.27
	Past service cost	-	-
	Benefits paid from the fund	(0.36)	(0.05)
	Defined benefit obligation at the end	**20.92**	**15.83**
(vi)	**Movement in the fair value of the plan assets:**		
	Fair value of plan assets at the beginning	20.03	15.29
	Interest income	1.38	1.04
	Return on plan assets (excluding amounts included in interest income)	(0.20)	(0.21)
	Contributions from the employer	5.93	3.95
	Benefits paid from the fund	(0.36)	(0.05)
	Fair value of plan assets at the end	**26.78**	**20.03**
(vii)	**Composition of the plan assets**		
	Qualified insurance policy	100%	100%
	Total	**100%**	**100%**
(viii)	**Net interest (income)/expenses:**		
	Present value of the defined benefit obligation at the beginning	15.83	10.92
	Fair value of the plan assets at the beginning	(20.03)	(15.29)
	Net (asset)/liability at the beginning	(4.21)	(4.37)
	Interest cost	1.09	0.74
	Interest income	(1.38)	(1.04)
	Net interest (income)/expenses:	**(0.29)**	**(0.30)**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

40 Employee benefits *(Continued)*

c) Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.00)	2.37	(1.58)	1.88
Withdrawal rate (1% movement)	(0.21)	0.23	(0.23)	0.26
Future salary growth (1% movement)	2.27	(2.00)	1.84	(1.58)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation, as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Each year an asset liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study.

d) Past service analysis:

The distribution of liability on defined benefit plans over different ranges of past service intervals is as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Less than 4 years	18.40%	19.54%
5 years and above	81.60%	80.46%
Total	**100.00%**	**100.00%**

e) Analysis of discontinuance liability:

The liability on discontinuance basis is the amount the Company has to pay if the Company discontinues its business on the valuation date. The discontinuance liability ignoring vesting criterion, if any on the valuation date works out as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Discontinuance liability (undiscounted accrued benefits) (increased by 39.63%)	23.00	16.37
Total	**23.00**	**16.37**

The distribution of the discontinuance liability for vested and non-vested employees is as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Vested employees	70.25%	69.92%
Non-vested employees	29.75%	30.08%
Total	**100.00%**	**100.00%**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

40 Employee benefits *(Continued)*

f) ***Maturity analysis:***

The expected effect of defined benefit payments on the Company's cash flows is as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Less than 1 year	0.86	0.61
Between 1-2 years	0.96	0.68
Between 2-5 years	5.19	3.63
Over 5 years	49.51	35.95

C Other long-term employee benefits:

Compensated absences (non-funded):

a) ***Description of plan:***

The plan is non-funded and non-contributory defined benefits and cover the Company's liability for privilege leave. Under the compensated absences plan, leave encashment is payable to eligible employees on separation from the Company due to death, retirement, superannuation or resignation, at the rate of daily last drawn salary (monthly salary is calculated for 26 days), as per current accumulation of leave days. Other provisions of the plan are:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Encashment on separation	Yes	Yes
Encashment while in service	Yes	Yes
Availment while in service	Yes	Yes
Maximum accumulations (in days)	30	30
Maximum encashment (in days)	30	30
Excess over maximum accumulations	Lapse	Lapse
Vesting criteria	No	No

Accumulating paid absences may be either vesting (in other words, employees are entitled to a cash payment for unused entitlement on superannuation or resignation or retirement) or non-vesting (when employees are not entitled to a cash payment for unused entitlement on superannuation or resignation or retirement). An obligation arises, when employees render service that increases their entitlement to future paid absences. The obligation exists and is recognised, even if the paid absences are non-vesting, although the possibility that employees may leave before they use an accumulated non-vesting entitlement affects the measurement of that obligation.

b) ***Measurement and recognition:***

The present value of the other long-term employee benefit and the related current service cost and past service cost is determined based on actuarial valuation as at the reporting date and is measured using the "projected unit credit method", which recognizes each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to build-up the final obligation.

The obligations are measured at the present value of the estimated future cash flows by applying various valuation assumptions (referred below). The discount rate used for determining the present value of the obligation is based on the market yields on Government bonds as at the date of actuarial valuation.

Based on the Company's past experience, the leave balances are split up into three proportions; leaves for while in service availment, leaves for while in service encashment and leaves for encashment on exit. This proportion is considered to follow the last in first out (LIFO) approach as guided in the Ind AS 19. During the years ended, there were no plan amendments, curtailments and settlements.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

40 Employee benefits *(Continued)*

The most recent actuarial valuation of the present value of the other long-term employee benefits were carried out at 31 March 2023 and this valuation has been done in conformity with the Actuarial Practice Standard 27 (APS 27) and the relevant guidance notes issued by Institute of Actuaries of India.

The principal assumptions used for the purposes of actuarial valuation of other long-term employee benefits are same assumptions that are used in actuarial valuation of defined benefit plan (gratuity) (referred above), except two additional demographic assumptions which were as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Demographic assumptions:		
While in service availment rate (for compensated absences)	3% of the total leave (for all future years)	3% of the total leave (for all future years)
While in service encashment rate (for compensated absences)	5.00% of the leave balance (for the next year)	5.00% of the leave balance (for the next year)

The Company has recognised actuarial gains or losses on other long-term employee benefits as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i) Amount recognised in the standalone statement of profit and loss:		
Employee benefits expense		
Salaries and wages		
Compensated absences	10.82	3.75
Total	**10.82**	**3.75**
(ii) Amount recognised in the standalone balance sheet:		
Present value of unfunded other long-term employee benefits (increased by 77.85%)	14.77	8.30
Total liability arising from other long-term employee benefits	14.77	8.30
Non-current	11.45	6.51
Current	3.32	1.79
Total	**14.77**	**8.30**

c) Sensitivity analysis:

Significant actuarial assumptions for the determination of the other long-term benefits obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.83)	0.97	(0.53)	0.62
Employee turnover rate (1% movement)	(0.07)	0.08	(0.08)	0.09
Future salary growth rate (1% movement)	0.95	(0.84)	0.60	(0.53)

The sensitivity analysis presented above may not be representative of the actual change in the other long-term employee benefits obligation, as it is unlikely that the change in assumptions would occur in isolation of one another, as some of the assumptions may be correlated.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

40 Employee benefits *(Continued)*

Furthermore, in presenting the above sensitivity analysis, the present value of the other long-term benefits obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

d) ***Past service analysis:***

The distribution of liability on compensated absences over different ranges of past service intervals is as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Less than 9 years	87.84%	84.21%
Between 10-19 years	10.77%	15.29%
Between 20-29 years	1.39%	0.50%
Over 30 years	0.00%	0.00%
Total	**100.00%**	**100.00%**

e) ***Analysis of discontinuance liability:***

The liability on discontinuance basis is the amount the Company has to pay if the Company discontinues its business on the valuation date. The discontinuance liability ignoring vesting criterion, if any on the valuation date works out as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Discontinuance liability (undiscounted accrued benefits) (increased by 89.04%)	13.85	7.32
Total	**13.85**	**7.32**

During the year ended 31 March 2022, the discontinuance liability and other long-term employee benefits includes the due but not paid liability amount of ₹ 0.08 million.

D Termination benefits:

Measurement and recognition:

The Company measures termination benefits on initial recognition and will further measure and recognise subsequent changes, in accordance with the nature of employee benefits, provided that:

- if the termination benefits are an enhancement of post-employment benefits, then the Company will apply all the requirements of post-employment benefits,

- if the termination benefits are expected to be settled wholly before 12 months after the end of reporting period, then the Company will apply all the requirements of short-term employee benefits, and

- if the termination benefits are not expected to be settled wholly before 12 months after the end of reporting period, then the Company will apply all the requirements of long-term employee benefits.

The Company has recognised termination benefits expected to be paid:

a) as employee benefits expense in the statement of profit and loss, and

b) as a current liability (employee benefits payable) or as a current asset (accrued expense) in the balance sheet, after deducting any amount already paid.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

40 Employee benefits *(Continued)*

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Amount recognised in the standalone statement of profit and loss:		
Employee benefits expense		
Salaries and wages		
Retrenchment compensation	0.28	0.10
Total	**0.28**	**0.10**

During the years ended, the Company does not have any current liabilities and current assets related to termination benefits.

41 Segment reporting

"Operating segments" are components of the Company whose operating results are regularly reviewed by the "Chief Operating Decision Maker (CODM)" to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

"Specialty chemical business" has been identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance."

A Information about geographical areas

(i) Revenue from contract with customers*

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
India	1,166.58	908.27
Outside India	2,836.65	3,346.30
Total	**4,003.23**	**4,254.58**

**Revenue from contract with customers has been allocated on the basis of the location of customers.*

(ii) Non - current assets*

Particulars	As at 31 March 2023	As at 31 March 2022
India	4,427.22	2,224.16
Outside India		
USA	6.66	6.66
The Netherlands	0.01	0.01
Total	**4,433.89**	**2,230.83**

**Non-current assets have been allocated on the basis of the geographic location of the respective assets.*

B Information about major customers

(i) Customers contributing more than 10% of the total revenue from contract with customers

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Customer 1	26%	35%
Tatva Chintan USA Inc.	19%	13%
Tatva Chintan Europe B.V.	14%	10%

(ii) Customers contributing more than 10% of the outstanding trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Customer 1	35%	24%
Tatva Chintan USA Inc.	18%	21%
Tatva Chintan Europe B.V.	15%	24%
Customer 2	12%	-

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

42 Related party disclosures

A Related parties

The Company does not have any holding company, fellow subsidiaries, step down subsidiaries, associates or joint ventures. As per the Ind AS 24 on "Related Party Disclosures", list of related parties identified in the Company are as follows:

1 Subsidiary Companies

Tatva Chintan USA Inc.

Tatva Chintan Europe B.V.

2 Key managerial personnel (KMP) and relatives of key managerial personnel

(a) **Key managerial personnel (KMP)**

Executive directors	**Designation**
Mr. Chintan Nitinkumar Shah	Chairman and Managing Director
Mr. Ajaykumar Mansukhlal Patel	Whole Time Director
Mr. Shekhar Rasiklal Somani	Whole Time Director
Non-executive directors	
Dr. Manher Chimanlal Desai	Independent Director
CA Subhash Ambubhai Patel	Independent Director
Dr. Avani Rajesh Umatt	Independent Director
Other key managerial personnel	
Mr. Ashok Bothra (w.e.f. 03 December 2021)	Chief Financial Officer
Mr. Mahesh Tanna (up to 31 August 2021)	Chief Financial Officer
Mr. Ishwar Nayi (w.e.f. 17 January 2022)	Company Secretary and Compliance officer
Ms. Apurva Dubey (up to 17 January 2022)	Company Secretary and Compliance officer

(b) **Relatives of key managerial personnel**

Ms. Darshana Nitinkumar Shah	
Ms. Shital Chintan Shah	Executive (up to 31 December 2021)
Ms. Priti Ajay Patel	Executive (up to 31 December 2021)
Ms. Kajal Shekhar Somani	Executive (up to 31 December 2021)
Ms. Shimoni Chintan Shah	Management Trainee- Marketing (w.e.f. 01 October 2022)
Mr. Samirkumar Rasiklal Somani	
Mr. Shitalkumar Rasiklal Somani	

3 Enterprises over which key managerial personnel and their relatives are able to exercise significant influence or control

M/s Ajay Mansukhlal Patel HUF

Arete Virtue Jewels

Bakia Laboratories

M/s Chintan N Shah HUF

Kirit H. Shah HUF

Marvel Indenting Private Limited

Premier Solution Private Limited

Samir Rasiklal HUF Somani

Shekhar Rasiklal Somani Ancestral

Tatva Chintan Pharma Chem Private Limited Employees Group Gratuity Scheme

Shital R Somani HUF

Shree Sai Baba Petroleum

Star Enterprise

Sardar Medical

Unigroup Resources LLP

Universal Distributors

Universal House

Voltajar Technology Private Limited

D. J. Shah Investment Finance Private Limited

B Transactions with related parties:

The Company's related parties primarily consist of its wholly owned subsidiaries and all the contracts/ arrangements/ transactions entered into by the Company with the related parties were in the ordinary course of business and on arm's length basis and were in compliance with the provisions of the Companies Act and Listing Regulations and are approved by Audit committee.

The terms and conditions of the transactions with key management personnel and their relatives were not favourable than those transaction available or those transaction which might reasonably be expected to be available, in respect of similar transactions with non-key management personnel and their relatives on an arm's length basis.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

42 Related party disclosures *(Continued)*

The aggregate value of the Company's transactions with related parties are as follows:

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
1	**Subsidiaries**		
(i)	**Revenue from contract with customers**		
	Sale of products		
	Tatva Chintan USA Inc.	760.59	566.20
	Tatva Chintan Europe B.V.	564.19	418.69
	Subtotal	**1,324.78**	**984.89**
(ii)	**Reimbursement of incorporation expenses**		
	Other receivables from related party		
	Tatva Chintan Europe B.V.	-	0.28
	Subtotal	**-**	**0.28**
	Total subsidiaries	**1,324.78**	**985.17**
2	**Key managerial personnel (KMP) and relatives of key managerial personnel**		
(i)	**Employee benefits expense**		
	Managerial remuneration		
	Mr. Chintan Nitinkumar Shah	16.50	16.50
	Mr. Ajaykumar Mansukhlal Patel	16.50	16.50
	Mr. Shekhar Rasiklal Somani	16.50	16.50
	Other key managerial personnel		
	Mr. Ashok Bothra	5.16	1.56
	Mr. Ishwar Nayi	0.86	0.17
	Mr. Mahesh Tanna	-	2.04
	Ms. Apurva Dubey	-	0.35
	Relatives of key managerial personnel		
	Ms. Shital Chintan Shah	-	0.45
	Ms. Priti Ajay Patel	-	0.45
	Ms. Kajal Shekhar Somani	-	0.45
	Ms. Shimoni Chintan Shah	0.15	-
	Subtotal	**55.67**	**54.97**
(ii)	**Other expenses**		
	Sitting fees		
	CA Subhash Ambubhai Patel	0.25	0.41
	Dr. Manher Chimanlal Desai	0.23	0.37
	Dr. Avani Rajesh Umatt	0.18	0.34
	Subtotal	**0.66**	**1.12**
	Reimbursement of expenses		
	Mr. Chintan Nitinkumar Shah	0.14	0.02
	Mr. Ajaykumar Mansukhlal Patel	0.23	0.00
	Mr. Shekhar Rasiklal Somani	0.38	0.42
	Mr. Ashok Bothra	0.01	0.01
	Mr. Ishwar Nayi	-	0.00
	Mr. Mahesh Tanna	-	0.01
	Subtotal	**0.76**	**0.46**
(iii)	**Other current financial liabilities**		
	Reimbursement of initial public offer expenses		
	Mr. Chintan Nitinkumar Shah	-	59.26
	Mr. Shekhar Rasiklal Somani	-	53.15
	M/s Ajay Mansukhlal Patel HUF	-	24.90

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

42 Related party disclosures *(Continued)*

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
Ms. Priti Ajay Patel		-	24.90
Mr. Ajaykumar Mansukhlal Patel		-	16.96
Ms. Kajal Shekhar Somani		-	8.01
Ms. Darshana Nitinkumar Shah		-	7.50
Mr. Samirkumar Rasiklal Somani		-	4.73
Mr. Shitalkumar Rasiklal Somani		-	0.80
	Subtotal	-	200.21
(iv) **Other equity**			
Dividend paid			
Mr. Shekhar Rasiklal Somani		11.26	-
Mr. Chintan Nitinkumar Shah		9.80	-
Mr. Ajaykumar Mansukhlal Patel		8.01	-
M/s Ajay Mansukhlal Patel HUF		1.84	-
Ms. Priti Ajay Patel		1.84	-
M/s Chintan N Shah HUF		0.90	-
Ms. Darshana Nitinkumar Shah		0.55	-
Ms. Kajal Shekhar Somani		0.44	-
Ms. Shital Chintan Shah		0.46	-
Mr. Samirkumar Rasiklal Somani		0.00	-
Mr. Shitalkumar Rasiklal Somani		0.00	-
	Subtotal	35.10	-
Total KMP and relatives of KMP		92.19	256.76

C Balances with related parties

The aggregate value of the Company's outstanding balances with related parties are as follows:

Particulars		Maximum outstanding	As at 31 March 2023	As at 31 March 2022
1 **Subsidiaries**				
(i) **Non-current financial assets**				
Investments				
Tatva Chintan USA Inc.		6.66	6.66	6.66
Tatva Chintan Europe B.V.		0.01	0.01	0.01
	Subtotal		6.67	6.67
(ii) **Current financial assets**				
Trade receivables				
Tatva Chintan USA Inc.		237.79	159.46	130.16
Tatva Chintan Europe B.V.		207.48	136.07	147.26
	Subtotal		295.53	277.42
Total subsidiaries			302.20	284.09
2 **Key managerial personnel (KMP) and relatives of key managerial personnel**				
(i) **Other current liabilities**				
(a) Employee benefits Payable				
Managerial remuneration				
Mr. Chintan Nitinkumar Shah		0.76	0.76	0.76
Mr. Ajaykumar Mansukhlal Patel		0.76	0.76	0.76

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

42 Related party disclosures *(Continued)*

Particulars	Maximum outstanding	As at 31 March 2023	As at 31 March 2022
Mr. Shekhar Rasiklal Somani	0.77	0.77	0.77
Other key managerial personnel			
Mr. Ashok Bothra	0.40	0.40	0.28
Mr. Ishwar Nayi	0.07	0.06	0.07
Relatives of key managerial personnel			
Ms. Shimoni Chintan Shah	0.02	0.02	-
Subtotal		**2.77**	**2.64**
(b) Expenses payable			
Reimbursement of expenses			
Mr. Chintan Nitinkumar Shah	0.12	-	0.00
Mr. Shekhar Rasiklal Somani	0.04	0.03	0.03
Mr. Ashok Bothra	0.01	-	0.00
Subtotal		**0.03**	**0.03**
(ii) **Other current financial liabilities**			
Other payables to related parties			
Mr. Chintan Nitinkumar Shah	0.89	-	0.89
Mr. Shekhar Rasiklal Somani	0.80	-	0.80
M/s Ajay Mansukhlal Patel HUF	0.38	-	0.38
Ms. Priti Ajay Patel	0.38	-	0.38
Mr. Ajaykumar Mansukhlal Patel	0.25	-	0.25
Ms. Kajal Shekhar Somani	0.12	-	0.12
Ms. Darshana Nitinkumar Shah	0.11	-	0.11
Mr. Samirkumar Rasiklal Somani	0.07	-	0.07
Mr. Shitalkumar Rasiklal Somani	0.01	-	0.01
Subtotal		**-**	**3.01**
Total KMP and relatives of KMP		**2.80**	**5.68**

Note:

(i) None of the Company's director is related to each other or to any other key managerial personnel or senior management personnel.

(ii) The Company has not entered into any service contracts with its directors, key managerial personnel and senior management personnel which include termination or retirement benefits. Except statutory benefits upon termination of their employment in the Company or superannuation or otherwise, none of the key managerial personnel or senior management personnel is entitled to any benefits upon termination of employment or superannuation.

(iii) The Company does not have any contingent or deferred compensation payable to its directors, key managerial personnel or senior management personnel which does not form part of their remuneration.

(iv) The Company does not have any profit-sharing plan in which its directors, key managerial personnel or senior management personnel have participated.

(v) All the key managerial personnel and senior management personnel (other than executive directors) are interested in the Company only to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

(vi) All the key managerial personnel and senior management personnel except its executive directors, are permanent employees of the Company.

(vii) The directors of the Company have not been paid any kind of remuneration from any of its subsidiaries.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

43 Financial instruments

A Categories of financial assets and financial liabilities

The Company's financial assets and financial liabilities can be categorised as follows:

(i) The Company has carried its investments in equity instruments of subsidiaries at deemed cost less provision for impairment, if any as per paragraph D15 of Ind AS 101 "First-time adoption of Indian accounting standards". The Company does not have any investment in equity instruments "designated" at FVTOCI.

(ii) The Company does not have any financial assets measured at FVTOCI.

(iii) During the years ended, the Company has not reclassified any financial assets and financial liabilities.

(iv) During the years ended, the Company has not off-settled any financial assets and financial liabilities.

(v) Refer note 14 for movement in loss allowance for credit losses of trade receivables.

(vi) The Company does not have any type of compound financial instruments.

(vii) Refer note 17 for security details of financial assets and for no default and breach related to borrowings.

(viii) The Company has disclosed carried amount, net gains or losses if any, interests' income and interest expenses of all the categories of financial assets and liabilities in respective notes forming part of the standalone financial statements.

B Hedge accounting

Derivatives not designated as hedging instruments: The Company uses foreign currency denominated borrowings and foreign exchange forward contract to manage its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 4 to 6 months.

The Company does not use cash flow hedges, fair value hedges, hedging of net investment in foreign operations and embedded derivatives.

C Fair values

The Company's management have assessed that the "carrying amounts" of financial assets and liabilities other than those valued at Level 1 and Level 2 are considered to be reasonable approximation of their "fair values" due to their current and short-term nature. Accordingly, the Company has not separately disclosed fair values as per paragraph 29 of Ind AS 107 "Financial instruments: disclosures".

D Fair value hierarchy

The fair value of financial instruments has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1 quoted prices in an active market: This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual funds. It has been valued using the closing price as at the reporting period on the stock exchanges.

Level 2 valuation techniques with observable inputs: This level of hierarchy includes financial assets and liabilities, measured using 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). The fair value of these instruments is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 valuation techniques with significant unobservable inputs: This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor based on available market data.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

43 Financial instruments *(Continued)*

E Measurement of fair values

The Company's management have used its best judgement in estimating the fair value of its financial instruments. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

F Recognition and classification

Particulars	FVTPL	FVTOCI	Amortised cost	Total	Fair value hierarchy		
					Level 1	Level 2	Level 3
As at 31 March 2023							
Financial assets (non-current and current)							
Investments	-	-	6.67	6.67	-	-	-
Trade receivables	-	-	900.44	900.44	-	-	-
Cash and cash equivalents	-	-	211.87	211.87	-	-	-
Other bank balances	-	-	173.95	173.95	-	-	-
Loans	-	-	1.72	1.72	-	-	-
Other financial assets	5.16	-	55.78	60.94	-	5.16	-
Total	**5.16**	**-**	**1,350.43**	**1,355.59**	**-**	**5.16**	**-**
Financial liabilities (non-current and current)							
Borrowings	-	-	1,702.57	1,702.57	-	-	-
Trade payables	-	-	316.13	316.13	-	-	-
Other financial liabilities	-	-	297.09	297.09	-	-	-
Total	**-**	**-**	**2,315.79**	**2,315.79**	**-**	**-**	**-**
As at 31 March 2022							
Financial assets (non-current and current)							
Investments	-	-	6.67	6.67	-	-	-
Trade receivables	-	-	616.04	616.04	-	-	-
Cash and cash equivalents	-	-	607.75	607.75	-	-	-
Other bank balances	-	-	1,139.69	1,139.69	-	-	-
Loans	-	-	1.61	1.61	-	-	-
Other financial assets	1.13	-	53.31	54.44	-	1.13	-
Total	**1.13**	**-**	**2,425.07**	**2,426.20**	**-**	**1.13**	**-**
Financial liabilities (non-current and current)							
Borrowings	-	-	1,199.38	1,199.38	-	-	-
Trade payables	-	-	440.58	440.58	-	-	-
Other financial liabilities	-	-	91.88	91.88	-	-	-
Total	**-**	**-**	**1,731.84**	**1,731.84**	**-**	**-**	**-**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

44 Financial instruments-risk management

The Board of Directors has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions have also been placed before the Audit Committee of the Company. This note explains the nature, extent and sources of risks arising from financial instruments to which the Company is exposed at the end of the reporting years and how the entity manages the risk and the related impact in the standalone financial statements.

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other bank balances, loans, trade receivables and other receivables. The Company's business activities are exposed to a variety of financial risks namely: A. Credit risk, B. Liquidity risk and C. Market risk

A Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual and performance obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Company's credit risks principally arises from trade receivables and other receivables, from cash and cash equivalents, from forward exchange contracts and from security deposits or other deposits. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the Company along with relevant mitigation procedures adopted have been enumerated below:

Trade and other receivables

Customer credit risk has been managed by the Company and is subject to established policy, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring the credit worthiness of the customers to which the Company extends the credit in the normal course of the business. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings (if available) of its counterparties are continuously monitored. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Refer note 14, 35 and 41 for other disclosures related to trade receivables.

Other financial assets

Other financial assets include security deposits, forward exchange contracts, cash and cash equivalents, loans, other bank balance and other receivables.

- Security deposits have been given to various government authorities including other counterparties. Being government authorities, the Company believe that it does not has any exposure to credit risk. Security deposits to others are subject to established policy, procedures and controls relating to counterparty credit risk management by monitoring their credit worthiness, etc.
- Foreign exchange forward contracts (not designated as hedging instruments) have been taken with the intention of reducing foreign exchange risk of expected transactions. The Company attempts to limit the credit risk by only dealing with reputable banks having high credit-ratings assigned by credit-rating agencies.
- Cash and cash equivalents and fixed deposits are placed with banks having good reputation and having high credit-ratings assigned by international credit-rating agencies.

  Refer note 7- 11 and for other disclosures related to other financial assets.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

44 Financial instruments-risk management *(Continued)*

B Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company has maintained a cautious liquidity strategy, with a positive cash balance throughout the years ended. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities. The Company also manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Exposure to liquidity risk

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows, along with its carrying value as at the balance sheet date. It includes principal, estimated interest payments and exclude the impact of netting agreements. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Carrying amount	Contractual maturities		Total
		Less than 1 year	More than 1 year	
Non-derivative financial liabilities				
As at 31 March 2023				
Borrowings	1,702.57	1,660.27	42.30	1,702.58
Trade payables	316.13	316.13	-	316.13
Other financial liabilities	297.09	297.09	-	297.09
Total	**2,315.79**	**2,273.49**	**42.30**	**2,315.80**
As at 31 March 2022				
Borrowings	1,199.38	1,068.27	131.11	1,199.38
Trade payables	440.58	440.58	-	440.58
Other financial liabilities	91.88	91.88	-	91.88
Total	**1,731.84**	**1,600.73**	**131.11**	**1,731.84**

C Market risk

Market risk is the risk, that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates and interest rates.

(i) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's functional currency is Indian Rupees (INR). The Company has exposure to foreign currency by way of trade receivables, borrowings and trade payables (primarily USD and EUR) and is therefore exposed to foreign exchange risk. Volatility in exchange rates affects the Company's revenue from exports markets and the costs of imports, primarily in relation to exports with respect to the US-dollar. Adverse movements in the exchange rate between the Rupee and the relevant foreign currency results in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt. In order to minimize adverse effects on the financial performance, the Company has entered into foreign exchange forward contracts (not designated as hedging instruments) to hedge foreign currency exchange risk. All hedging activities are carried out in accordance with the Company's internal risk management policy, as approved by the Board, and in accordance with the applicable regulations where the Company operates. Such decisions are taken after considering many factors such as upside potential, cost of structure and the downside risks etc. Weekly reports are submitted to management on the covered and open positions and mark

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

44 Financial instruments-risk management *(Continued)*

to market (MTM valuation). The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities (Unhedged foreign currency exposure) at the end of the reporting period are as follows:

Particulars	As at 31 March 2023			As at 31 March 2022		
	USD	EUR	Total	USD	EUR	Total
Financial assets						
Investments	6.66	0.01	6.67	6.66	0.01	6.67
Trade receivables	669.65	-	669.65	462.36	-	462.36
Cash and cash equivalents	110.80	-	110.80	204.35	-	204.35
Loans	-	-	-	-	-	-
Other financial assets	5.16	-	5.16	1.13	-	1.13
Total Financial assets	**792.27**	**0.01**	**792.28**	**674.50**	**0.01**	**674.51**
Financial liabilities						
Borrowings	120.30	-	120.30	1,173.52	-	1,173.52
Trade payables	57.62	0.01	57.63	100.19	0.86	101.05
Other financial liabilities	0.17	-	0.17	0.50	-	0.50
Total Financial liabilities	**178.09**	**0.01**	**178.10**	**1,274.21**	**0.86**	**1,275.07**
Net foreign currency exposure	**(614.18)**	**-**	**(614.18)**	**599.71**	**0.85**	**600.56**

At the end of the reporting period the total notional amount of outstanding foreign currency contracts that the Company has committed to are as below :

Particulars	As at 31 March 2023		As at 31 March 2022	
	in USD	in INR	in USD	in INR
Foreign currency forwards-sell	9.42	774.81	12.13	919.54

The following significant exchange rates have been applied during the years:

Particulars	As at 31 March 2023		As at 31 March 2022	
	1 USD	1 EUR	1 USD	1 EUR
Opening rate as at 01 April	75.81	84.66	73.50	86.10
Average rate	80.33	83.67	74.51	86.59
Closing rate as at 31 March	82.22	89.61	75.81	84.66

Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity of "profit before tax" to a reasonably possible change of 2% in USD and EUR rates to the functional currency of the Company, with all other variables held constant:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Impact on profit before tax if exchange rates			
	increase by 2%	decrease by 2%	increase by 2%	decrease by 2%
USD	(12.28)	12.28	11.99	(11.99)
EUR	0.00	0.00	0.02	(0.02)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. The Company's fixed rate borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Company has exposure to variable interest rate risk, arising principally on changes in repo rate, MCLR, LIBOR and SOFR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day-to-day operations like short-term loans. The Company manages this risk by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. The Company also has financial assets i.e. fixed deposits with fix rate of interest, therefore, they are not subject to interest rate risk.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

44 Financial instruments-risk management *(Continued)*

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instrument is as follows:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Fix rate	Variable rate	Fix rate	Variable rate
Financial assets	188.96	-	1,519.07	-
Financial liabilities	137.37	1,565.20	237.38	962.00

Interest rate sensitivity analysis

The following tables demonstrate the sensitivity of "profit before tax" to a reasonably possible change of 100 basis points in variable interest rates for borrowings of the Company, assuming the amount of the liability outstanding at the end of the reporting year was outstanding for the whole year with all other variables held constant:

Particulars	As at 31 March 2023	As at 31 March 2022
Impact on profit before tax if interest rates		
- increase by 100 basis points	(15.65)	(9.62)
- decrease by 100 basis points	15.65	9.62

45 Capital management

The primary objective of the Company’s capital management is to ensure that it maintains a strong capital base so as to maintain investor, creditor and market confidence, to sustain future development of the business and to be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. For the purpose of the Company’s capital management, capital includes paid-up equity capital and all other equity reserves attributable to the equity holders of the Company. The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The table below summarises the capital, net debt and net debt to equity ratio of the Company:

Particulars	As at 31 March 2023	As at 31 March 2022
Equity		
Equity share capital	221.65	221.65
Other equity		
Securities premium	2,090.26	2,090.26
Retained earnings	2,735.90	2,376.88
Total equity (A)	**5,047.81**	**4,688.79**
Liabilities		
Non-current borrowings	42.30	131.11
Current borrowings	1,660.27	1,068.27
Gross debt	**1,702.57**	**1,199.38**
Less: Cash and cash equivalents	(211.87)	(607.75)
Less: Other bank balances (including deposit with banks with original maturity of more than 12 month)	(173.95)	(1,139.69)
Adjusted net debt (B)	**1,316.75**	**(548.06)**
Adjusted net debt to equity ratio	0.26	-

Notes:

(i) During the years ended, no changes were made in the objectives, policies or processes for managing capital.

(ii) Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including unutilised IPO proceeds held in deposits with banks)

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

46 Contingent liabilities and commitments

(to the extent not provided for)

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
A	**Claims against the Company not acknowledged as debts for**		
	(i) Indirect tax matters (refer note (iii) below)	13.56	13.40
	(ii) Registrar of companies matters (refer note (iv) below)	-	20.00
	(iii) Direct tax matters (refer note (v) below)	1.00	-
B	**Commitments**		
	Estimated amount of contracts (capital) remaining to be executed	177.33	767.12
	Total	191.89	800.52

Notes:

(i) The Company does not have any classes of liabilities which have been identified as provisions as per Ind AS 37 "Provisions, Contingent liabilities and contingent assets" except provisions covered under Ind AS 109, Ind AS 19 and Ind AS 12.

(ii) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/decisions pending with various forums/authorities. 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 the standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

(iii) **Indirect tax matters**

(a) The Company has received show cause cum demand notice dated 29 March 2022 from Deputy Director General of GST Intelligence (DGGI), for recovery of erroneous refund on zero rated supplies under Integrated Goods and Service Tax Act, 2017 (IGST) amounting to ₹ 11.38 million pertaining to financial year 2017-18 and 2018-19, apart from interest and penalty under section 74 (1) of The Central Goods and Service Tax Act, 2017 (CGST) r.w. regulation 20 of IGST Act, 2017. The Company has filed application against the same. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

(b) The Company has received order dated 3 March 2021 from Superintendent, CGST for recovery of erroneous refund on zero rated supplies under IGST Act, 2017 amounting to ₹ 0.56 million pertaining to financial year 2017-18, apart from interest and penalty. The Company has filed appeal against the same. The Company expects the outcome of this proceeding in its favour.

(c) The Company has received notice from DGGI, for payment of IGST on imports under advance licenses for the period after 09 October 2018 till the date of notice. The matter was being contested by the Company on similar lines as many other companies. In the opinion of the Company and its tax counsels, there was a possibility of reassessment of bill of entries and IGST may be payable, which would then be available again as a credit to the Company. During the year ended 31 March 2022, the Company has paid ₹ 14.02 million on reassessment of bill of entries and taken input credit of the same and also paid ₹ 5.17 million as interest on the same which was recognised in the standalone statement of profit and loss as "rates and taxes" under "other expenses".

(d) The Company has received consultive notice dated 14 March 2022 from Assistant Commissioner of Customs, for recovery of duty drawback already granted, owing to non-realisation/short-realisation of export proceeds within prescribed time limit in terms of Foreign Exchange Management act, 1999 (as amended) amounting to ₹ 1.41 million pertaining to shipping bill filed from 01 April 2014 to 31 August 2018. The Company expects the outcome of this proceeding in its favour.

(e) The Company has received demand cum show cause notice dated 31 March 2023 from Assistant Commissioner of Customs, for recovery of duty drawback already granted, owing to non-realisation/short-realisation of export proceeds within prescribed time limit in terms of Foreign Exchange Management act, 1999 (as amended) amounting to ₹ 0.16 million pertaining to shipping bill filed from 01 April 2014 to 30 June 2019. The Company expects the outcome of this proceeding in its favour.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

46 Contingent liabilities and commitments *(Continued)*

(iv) **Registrar of companies matters**

(a) The Company has received an order from Registrar of Companies (ROC) dated 31 December 2021, for non-compliance of section 42 of the Companies Act, 2013, against an Suo-moto application filed by the Company pursuant to section 454 of the Companies Act, 2013, which imposes penalty of ₹ 10.00 million on the Company and ₹ 2.00 million each to its three directors and two key managerial personnel. The Company has filed Appeal to the Regional Director, Ministry of Corporate Affairs against the said order. Regional Director, NWR, MCA has issued the order dated 07 July 2022 and set aside the penalty imposed earlier by ROC on the two key managerial personnel and levied the final penalty on the Company amounting to ₹ 1.00 million and on its three directors ₹ 0.20 million each and disposed off the said matter. The Company and three directors have paid the same and the Company has recognised ₹ 1.00 million in the standalone statement of profit and loss as "rates and taxes" under "other expenses".

(b) The Company has received an order from Regional Director, NWR, MCA dated 07 July 2022, for delay in the appointment of its company secretary in F.Y. 2015-16 under section 203(1) of the Companies Act, 2013, against an Suo-moto Compounding application filed by the Company pursuant to section 454 of the Companies Act, 2013, which imposes compounding fees of ₹ 0.11 million on the Company and ₹ 0.40 million each to its three directors. The Company and three directors have paid the same and the Company has recognised ₹ 0.11 million in the standalone statement of profit and loss as "rates and taxes" under "other expenses".

(v) **Direct tax matters**

The Company has received show cause notice dated 22 September 2022 from Income tax assessment unit under section 274 read with secion 270A of the Income Tax Act, 1961 amounting to ₹ 1.00 million pertaining to assessment year 2020-21 (financial year 2019-20). The Company has filed appeal against the same. The Company expects the outcome of this proceeding in its favour.

47 Other disputed matters

The Company has filed two criminal complaints against M/s Kaveri Engineering Works (“Accused”), before the Chief Judicial Magistrate under the provisions of sections 138 and 141 of the Negotiable Instruments Act, 1881, wherein it is alleged that two cheques amounting ₹ 0.78 million was issued by the Accused to the Company (in respect of certain advance payments made to the Accused, that was to be reimbursed to the Company, in light of the failure of the Accused to deliver certain goods to the Company) was subsequently dishonoured. The matter is currently pending and the Company expects the outcome of this proceeding in its favour.

48 Subsequent events

In preparing these standalone financial statements, the Company has evaluated events and transactions that occur during the period subsequent to 31 March 2023 for potential recognition or disclosure in the standalone financial statements. These subsequent events have been considered through 05 May 2023, which is the date, the standalone financial statements were available to be issued. Except proposed dividend, no significant items were identified, which may require an adjustment to the standalone financial statements.

The Board of Directors has recommended a final dividend of 20% (₹ 2/- per equity share of face value ₹ 10 each) for the financial year ended 31 March 2023, which is subject to the approval of shareholders at the ensuing Annual General Meeting. If approved, the dividend would result in a cash outflow of approximately ₹ 44.33 million.

Summary of dividend:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Dividend declared		
Final dividend @ ₹ 2 per equity share for financial year 2021-22	-	44.33
Proposed dividend not recognised as liability		
Final dividend @ ₹ 2 per equity share for financial year 2022-23	44.33	-

Notes forming part of the Standalone Financial Statements

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(Currency: ₹ in Million)

49 Statement of utilization of initial public offer (IPO) proceeds

During the year ended 31 March 2022, the Company has completed Initial Public Offer (IPO) of 4,616,804 equity shares of the face value of ₹ 10/- each at an issue price of ₹ 1,083/- per equity share (including a premium of ₹ 1,073 per equity share) aggregating to ₹ 5,000.00 million. The offer comprises of a fresh issue of 2,077,562 equity shares aggregating to ₹ 2,250.00 million and an offer for sale of 2,539,242 equity shares aggregating to ₹ 2,750.00 million. The equity shares of the Company were allotted on 27 July 2021 vide board resolution dated 27 July 2021. The equity shares of the Company were listed on 29 July 2021 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The details of the proceeds of the fresh issue are summarised in the table below:

Particulars	Amount
Gross proceeds from fresh issue of equity shares	2,250.00
Less: Estimated offer related expenses in relation to the fresh issue	(177.19)
Net proceeds	**2,072.81**

Details of statement of utilization of IPO proceeds till 31 March 2023 as per Regulation 32(1) and 32(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, are as under:

Objects of the offer	Amount as per "Offer document"	Unutilised amount as at 31 March 2022	Utilised during the year 31 March 2023	Unutilised amount as at 31 March 2023
Expansion at Dahej unit	1,471.00	1,210.53	1,206.21	4.32
Upgradation at R&D unit	239.71	221.31	106.19	115.12
General corporate purposes	362.10	-	-	-
Total	**2,072.81**	**1,431.84**	**1,312.40**	**119.44**

Notes:

(i) The Company has appointed ICICI Bank Limited as the "Monitoring agency" in terms of regulation 41(2) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, to monitor the utilization of IPO proceeds.

(ii) Company has obtained a monitoring agency report on quarterly basis from the "Monitoring agency" and filed the same with both BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) where equity shares of the Company are listed and uploaded the same on Company's website.

(iii) The above statement of utilization of IPO proceeds has been reviewed by the Audit Committee and approved by the Board of directors at their meeting held on 05 May 2023.

(iv) The unutilised amount of the net proceeds for the purposes described above, as at 31 March 2023 were held in monitoring agency account and in deposits with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended and was approved by the Board.

(v) In accordance with section 27 of the Companies Act, 2013, the Company has not used the net proceeds for buying, trading or otherwise dealing in shares of any other listed Company or for any investment in the equity markets and will comply the same in future.

(vi) The Company has not entered in any proposal whereby any portion of the net proceeds will be paid to our promoters, promoter group, directors, key managerial personnel, or senior management personnel, except in the ordinary course of business. Further, there are no existing or anticipated transactions in relation to the utilisation of the net proceeds entered into or to be entered into by the Company with the promoters, promoter group, directors, key managerial personnel and / or senior management personnel.

(vii) The Company has deployed net proceeds towards general corporate purposes, in accordance with Regulation 7(2) of the SEBI ICDR Regulations, to drive business growth, including, amongst other things, meeting any expenses incurred in the ordinary course of business, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties, servicing of borrowings including payment of interest and any other purpose as permitted by applicable laws and as approved by the Board.

Notes forming part of the Standalone Financial Statements

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(Currency: ₹ in Million)

50 Offer expenses (IPO)

As per clause 18.2 of the "Offer agreement" dated 31 March 2021, "The Company" and "the Selling Shareholders" agree to share the costs and expenses (including all applicable taxes) directly attributable to "the Offer" (excluding listing fees) based on the proportion of equity shares included in "the Offer" for sale and the equity shares allotted by the Company respectively, as a percentage the total equity shares in "the Offer". The Company agrees to advance the cost and expenses of the Offer and will be reimbursed by the Selling Shareholders for their respective proportion of such costs and expenses only upon the successful consummation of the Offer".

Summary of the offer:

Particulars	Proportion	Amount
Fresh issue of equity shares	45%	2,250.00
Offer for sale by selling shareholders	55%	2,750.00
Total	**100%**	**5,000.00**

Calculation of offer expenses :

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	-	16.90
Add : Costs and expenses (including all applicable taxes) directly attributable to "the Offer" (excluding listing fees)	-	341.64
	-	358.54
Less: Costs and expenses (including all applicable taxes) recoverable from selling shareholders in their proportion (55%)	-	(197.20)
Less: Input tax credit of Goods and service tax on costs and expenses related to the Company in its proportion (45%)	-	(22.38)
Less: Costs and expenses related to the Company in its proportion (45%), which have been written off under section 52 of the Companies Act, 2013 against securities premium	-	(138.96)
Balance at the end of the year	-	-

Notes:

(i) Other payables to related parties (selling shareholders)

During the year ended 31 March 2022, the Company has recovered estimated offer costs and expenses (including all applicable taxes) from selling shareholders in the proportion of offer for sale (55%). On the basis of calculation of actual offer expenses as referred above, full and final settlement between the selling shareholders and the Company stands as follows:

Particulars	Estimated expenses in proportion to selling shareholders	Actual expenses in proportion to selling shareholders	(Payables) as at 31 March 2023	(Payables) as at 31 March 2022
Mr. Chintan Nitinkumar Shah	59.26	58.37	-	(0.89)
Mr. Shekhar Rasiklal Somani	53.15	52.35	-	(0.80)
M/s Ajay Mansukhlal Patel HUF	24.90	24.52	-	(0.38)
Ms. Priti Ajay Patel	24.90	24.52	-	(0.38)
Mr. Ajaykumar Mansukhlal Patel	16.96	16.71	-	(0.25)
Ms. Darshana Nitinkumar Shah	7.50	7.39	-	(0.11)
Ms. Kajal Shekhar Somani	8.01	7.89	-	(0.12)
Mr. Shitalkumar Rasiklal Somani	0.80	0.79	-	(0.01)
Mr. Samirkumar Rasiklal Somani	4.73	4.66	-	(0.07)
Total	**200.21**	**197.20**	-	**(3.01)**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

51 Additional regulatory information

(a) Ratio analysis and reasons of variance:

	Name of ratio	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	Variance
1)	Current ratio (times)	Current assets	Current liabilities	1.27	2.34	-46%
2)	Debt-equity ratio (times)	Non-current and current borrowing	Total equity	0.34	0.26	32%
3)	Debt service coverage ratio (times)	Earnings before interest, depreciation and taxes (excluding other income) (EBIDTA)	Interest expense on total borrowings plus principal repayments of non-current borrowings	2.51	5.81	-57%
4)	Return on equity ratio (%)	Net profit after tax	Average shareholder's equity	8.31%	30.43%	-73%
5)	Inventory turnover ratio (times)	Cost of goods sold	Average inventory	1.67	1.92	-13%
6)	Trade receivables turnover ratio (times)	Revenue from operations	Average trade receivables	5.32	5.63	-6%
7)	Trade payables turnover ratio (times)	Purchases	Average trade payables	5.27	6.15	-14%
8)	Net capital turnover ratio (times)	Revenue from operations	Working capital (current assets minus current liabilities)	6.04	1.65	266%
9)	Net profit ratio (%)	Net profit after tax	Revenue from operations	10.04%	22.44%	-55%
10)	Return on capital employed (%)	Earnings before interest and taxes (excluding other income) (EBIT)	Capital employed (total equity + total debt + deferred tax liability)	6.68%	16.57%	-60%
11)	Return on equity investments in wholly owned subsidiaries (WOS) (%)	Net profit after tax of WOS	Average shareholder's equity of WOS	25.71%	39.26%	-34%

Explanation for variance in ratios by more than 25%:

1) Current ratio has decreased primarily due to decrease in cash and cash equivalents and bank balances pursuant to utilisation of deposits created out of IPO proceeds.

2) Debt equity ratio has detoriated primarily due to increased utilisation of working capital facilities.

3) Debt service coverage ratio has decreased primarily due to decrease in profitability and increase in finance costs.

4) Return on equity ratio has decreased due to decrease in profitability.

5) Net capital turnover ratio has increased primarily due to decrease in cash and cash equivalents and bank balances pursuant to utilisation of deposits created out of IPO proceeds.

6) Net profit ratio has decreased due to decrease in profitability pursuant to prevailing geo-political conditions, slow-downs and high inflationary situation across economies.

7) Return on capital employed has decreased due to decrease in profitability pursuant to prevailing geo-political conditions, slow-downs and high inflationary situation across economies.

8) Return on equity investments in wholly owned subsidiaries (WOS) has been decreased due to decrease in profitability pursuant to prevailing geo-political conditions, slow-downs and high inflationary situation across economies.

Notes forming part of the Standalone Financial Statements

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51 Additional regulatory information *(Continued)*

(b) Borrowings secured against current and non-current assets

The Company has been availing borrowings facilities from ICICI Bank Limited, CITI Bank N.A, State Bank of India and DBS Bank Limited on the basis of security of current and fixed assets. The Company has filed monthly statements or returns including quarterly statements of current assets with both the banks, which are in agreement with the books of accounts except few cases which are not material and majority of differences were on account of:

a) Inclusion of Goods and service tax on the basic value of indigenously procured inventories in quarterly statements while the same is not included in books of accounts.

b) Non-inclusion of goods in transit in quarterly statements while the same is included in books of accounts.

c) Non-inclusion of inventory of stores and spares (except material consumables) in quarterly statements while the same is included in books of accounts.

d) Non-inclusion of provision for sales return in quarterly statements while the same is included in books of accounts.

e) Inclusion of net trade receivables in quarterly statements while the same is classified separately as "advance from customers" and "trade receivables" in books of accounts.

f) Non-inclusion of provision for expected credit loss or doubtful debts in quarterly statements while the same is included in books of accounts.

g) Non-inclusion of unrealised foreign exchange (gain)/loss on trade receivables and trade payables in quarterly statements while the same is included in books of accounts.

h) Inclusion of net trade payables in quarterly statements while the same is classified separately as "advance to creditors" and "trade payables" in books of accounts.

(c) The Company does not have any transaction and/or balance that need to be disclosed under clause 34(3) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and section 186 of the Companies Act, 2013 i.e. the Company has not directly or indirectly given any loan to any person or other body corporate, given any guarantee or provided security in connection with a loan to any other body corporate or person and have not acquired by way of subscription, purchased or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

(d) The Company has not entered into any subsisting material agreement, including with strategic partners, joint venture partners or financial partners, other than in the ordinary course of business.

(e) During the years ended, the Company has not been party to any merger or amalgamation and there have been no material acquisitions or divestments of business or undertakings by the Company.

(f) Neither the promoters, nor any of the key managerial personnel, senior management personnel, directors or employees of the Company has entered into an agreement, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of the Company.

(g) None of the director is or was a director of any listed company, whose shares are or were suspended from being traded on any stock exchanges, during the term of their directorship in such company. Further, none of the directors is, or was, a director of any listed company, which has been or was delisted from any stock exchange during the term of their directorship in such company.

(h) None of the director has been nominated, appointed or selected pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others of the Company.

(i) The Company, its promoters, its directors, persons in control of the Company and the members of the promoter group have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority or court.

(j) The Company does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(k) The Company has disclosed other additional regulatory information in respective notes forming part of the standalone financial statements.

Notes forming part of the Standalone Financial Statements

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(Currency: ₹ in Million)

52 Indirect taxes

In the opinion of the Board and to the best of their knowledge and belief, the Company has properly complied provisions of Goods and Service Tax Act, 2017, The Customs Acts, 1962 and any other indirect taxes, to the extent applicable to the Company. Difference, if any, between the figures as per books of account and the respective returns, have been reconciled and would be corrected in next periodic returns and in annual returns. The said differences, if any, do not have any material impact on the standalone financial statements.

53 Social security

The Code of Social Security 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules or interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code becomes effective.

54 Cost audit records

The Company has maintained adequate cost records as per the provisions of the Companies (Cost Records and Audit) Rules, 2014, as amended.

55 Risks and economic uncertainties

The past three years have witnessed a series of global mega events, having a long-lasting impact on economies and businesses. The fiscal year 2022-23 was also influenced by major events. The ongoing war between Russia and Ukraine has further aggravated the global geopolitical stability and macroeconomy leading to energy crisis in Europe and a high inflationary situation across economies and rising interest rates. Meanwhile the lockdowns in China as a part of government's zero COVID strategy, resulted in sustained lockdowns throughout most part of the fiscal year and impacted supply chain globally including semiconductor chip shortage and slowdown in global demand.

56 Approval of financial statements

In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, this standalone financial statements for the year ended 31 March 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on 05 May 2023.

57 General

(a) All the amounts disclosed in the standalone financial statements and notes forming part of the standalone financial statements have been rounded off to the nearest million up to two decimals.

(b) All the amounts less than ₹ 4,999 have been disclosed as 0.00 million in the standalone financial statements and notes forming part of standalone financial statements.

(c) Figures for the previous year have been re-classified/re-arranged/re-grouped to conform to classification of current period, wherever necessary.

Notes forming part of the standalone financial statements 1- 57

As per our report of even date attached

For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 05 May 2023
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 05 May 2023
Place : Vadodara, Gujarat, India

Independent Auditor's Report

Independent Auditor's Report
To the Members of Tatva Chintan Pharma Chem Limited

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Tatva Chintan Pharma Chem Limited ("TCPCL" or "the Company" or "Holding Company" or "Parent's Company")** and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprises the Consolidated Balance Sheet as at 31 March 2023 and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of change in equity and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including summary of significant accounting policies and other explanatory information. (hereinafter referred as "consolidated financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, and consolidated total comprehensive income (comprising of profit and other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards 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 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 consolidated 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 consolidated financial statements.

Key Audit Matters

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

Sr. No.	Key Audit Matters	Audit procedures
1.	**Cut off risk in Revenue Recognition** Due to the sales being under various contractual terms and across geographies, delivery to customers in different regions might take different time periods and may result in undelivered goods at the period end. We consider there to be a risk of misstatement of the financial statements related to transactions occurring close to the year end, as transactions could be recorded in the wrong financial period. Accordingly, cut-off risk in revenue recognition is a key audit matter.	• We have assessed the revenue recognition policies of the Group including accounting for sales returns and discounts for compliance with Ind AS. • The Group has manual and automated (information technology – IT) controls on recording revenue and accruals for sales returns and discounts. We tested the design, implementation and operating effectiveness of these controls. In respect of cut-off, we focused on controls around the timely and accurate recording of year-end sales transactions. • We have performed substantive testing on sample check basis on revenue transactions recorded during the year end. • We verified contractual terms of the invoice and tested the transit time to deliver the goods.

Sr. No.	Key Audit Matters	Audit procedures
2.	**Capital Expenditure in respect of property, plant and equipment and capital work in progress** The Group has incurred significant expenditure on capital projects, as reflected by the total value of additions in property plant and equipment and capital work in progress in notes 3 and 5 of the consolidated financial statements. The Holding Company is mainly in the process of executing project for expansion of its existing Dahej Manufacturing facility and upgradation of R&D facility in Vadodara. These projects take a substantial period of time to get ready for intended use. We considered Capital expenditure as a Key audit matter due to: • Significance of amount incurred on such items during the year ended 31 March 2023. • Judgement and estimate required by management in assessing assets meeting the capitalization criteria set out in Ind AS 16 Property, Plant and Equipment. • Judgement involved in determining the eligibility of costs including borrowing cost and other directly attributable costs for capitalization as per the criteria set out in Ind AS 16 Property, Plant and Equipment.	• We have obtained an understanding of the Groups capitalization policy and assessed for compliance with the relevant accounting standards. • We have obtained understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure and capitalization of assets. • We have performed substantive testing on a sample check basis for each element of capitalized costs including inventory issued to contractors for the purpose of these projects and physical verification performed by management along with reconciliation and directly attributable cost, including verification of underlying supporting evidence and understanding nature of the costs capitalized. • We have obtained understanding on management assessment relating to progress of projects and their intention to bring the asset to its intended use.
3.	**Valuation, Accuracy, Completeness and disclosures pertaining to Inventories with reference to Ind AS 2** Inventories constitutes material component of financial statement. Correctness, Completeness and Valuation are critical for reflecting true and fair financial results of operations. Further due to continuous nature of plan operations and the raw materials which are basically chemicals, management has to exercise judgement in assessing stage of the product and its valuation. Also refer note 11 to the consolidated financial statement.	Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • We have assessed the Group's process regarding maintenance of records, Valuation and accounting of transactions relating to Inventory as per the Indian Accounting Standard 2. • We have evaluated the design of Internal Controls relating to recording and valuation of Inventory. • We have carried out substantive audit procedures to verify the allocation of overheads to Inventory. • We have attended the physical verification of Inventories performed by the Management and also performed stock count on sample check basis. We have also checked reconciliation of inventories as per physical inventory verification and book records on a sample check basis. • For sample selected, we have also obtained confirmation of Inventories held with third parties. • We have verified the consistency in respect of valuation process and methodology followed by the Group.

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 Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, Business Responsibility and Sustainability Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements do not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group 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 is responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors.

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

We communicate with those charged with governance 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.

Report on Other Legal and Regulatory Requirements

1. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

2. As required by Section 143(3) of the Act, Based on our audit and consideration of the reports, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of change in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the 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 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 consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A".**

   g) The Group has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

      i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 46 to the consolidated financial statements.

      ii. The Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to Investor Education and protection fund by the Group.

      iv. (a) The respective Managements of the Company and its subsidiaries whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other persons or entities, 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 or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      iv. (b) The respective Managements of the Company and its subsidiaries whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries and associate company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      iv. (c) Based on audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

      v. The dividend declared and paid, if any, during the year by the Holding Company is in compliance with Section 123 of the Act.

For **NDJ & Co.,**
Chartered Accountants
Firm's Registration Number: 136345W

CA Shirish Shah
Partner
Membership No. 035742
UDIN No : 23035742BHAATE6060

Date: 5 May 2023
Place: Vadodara

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under the "Report on Other Legal and Regulatory Requirements" of our report to the Members of Tatva Chintan Pharma Chem Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to consolidated financial statements of **Tatva Chintan Pharma Chem Limited** ("the Holding Company") as of 31 March 2023 in conjunction with our audit of consolidated financial statements of the Company for the year ended on that date. Reporting on internal financial controls over financial reporting is not applicable to the subsidiaries as per the standalone financial statements of the said subsidiaries.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiaries which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding company and its subsidiaries, which are incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective entity'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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 judgements, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system with reference to financial statements of the Holding Company and its subsidiaries which are incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 authorizations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting 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 over financial reporting to further periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiaries which are incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023, based on the internal control with reference to financial statements criteria established by the Holding Company and its subsidiaries which are incorporated in India, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **NDJ & Co.**
Chartered Accountants
FRN: 136345W

CA Shirish Shah
Partner
Membership No. 035742
UDIN No: 23035742BHAATE6060

Date: 5 May 2023
Place: Vadodara

Consolidated Balance Sheet

as at 31 March 2023

(Currency: ₹ in Million)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	3	1,648.29	1,279.06
Right-of-use assets	4	309.42	313.90
Capital work-in-progress	5	2,307.44	514.91
Other intangible assets	6	4.76	3.17
Financial assets			
(i) Other financial assets	7	28.47	20.88
Deferred tax assets (net)	22	123.56	87.10
Other non-current assets	12	5.51	5.14
Total non current assets		**4,427.45**	**2,224.16**
Current assets			
Inventories	11	1,624.98	1,699.58
Financial assets			
(i) Trade receivables	13	844.03	565.98
(ii) Cash and cash equivalents	8	273.66	630.17
(iii) Bank balances other than (ii) above	9	173.95	1,139.69
(iv) Loans	10	1.72	1.61
(v) Other financial assets	7	32.47	33.56
Current tax assets (net)	20	55.42	-
Other current assets	12	129.32	285.80
Total current assets		**3,135.55**	**4,356.39**
Total assets		**7,563.00**	**6,580.55**
Equity and liabilities			
Equity			
Equity share capital	14	221.65	221.65
Other equity	15	4,926.26	4,509.24
Equity attributable to owners		**5,147.91**	**4,730.89**
Non-controlling interests		-	-
Total equity		**5,147.91**	**4,730.89**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16	42.30	131.11
Provisions	18	11.45	6.51
Other non-current liabilities	19	-	0.08
Total non current liabilities		**53.75**	**137.70**
Current liabilities			
Financial liabilities			
(i) Borrowings	16	1,660.27	1,068.27
(ii) Trade payables	21		
(a) Total outstanding dues of micro and small enterprises		164.26	111.46
(b) Total outstanding dues of creditors other than (ii)(a) above		157.62	333.67
(iii) Other financial liabilities	17	297.09	91.88
Other current liabilities	19	76.65	94.66
Provisions	18	3.32	1.79
Current tax liabilities (net)	20	2.13	10.23
Total current liabilities		**2,361.34**	**1,711.96**
Total equity and liabilities		**7,563.00**	**6,580.55**
Notes forming part of the consolidated financial statements	1- 57		

As per our report of even date attached
For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 05 May 2023
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 05 May 2023
Place : Vadodara, Gujarat, India

Consolidated Statement of Profit and Loss

for the year ended 31 March 2023

(Currency: ₹ in Million, except per share data)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	23	4,236.12	4,336.47
Other income	24	57.44	90.17
Total Income		**4,293.56**	**4,426.64**
Expenses			
Cost of materials consumed	25	2,158.17	2,544.94
Purchases of stock-in-trade	26	45.76	36.79
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	57.08	(635.34)
Employee benefits expense	28	385.98	308.18
Finance costs	29	84.04	49.51
Depreciation and amortization expenses	30	95.55	81.80
Other expenses	31	983.32	999.55
Total expenses		**3,809.90**	**3,385.43**
Profit before exceptional items and tax		483.66	1,041.21
Exceptional items	31A	35.87	-
Profit before tax		**447.79**	**1,041.21**
Tax expense/(benefits)	32		
Current tax		28.85	189.76
Deferred tax		(35.93)	(107.29)
Total tax expense/(benefits)		**(7.08)**	**82.47**
Profit for the year		**454.87**	**958.74**
Other comprehensive income/(expenses)	33		
Items that will not be reclassified to profit or loss		(1.82)	(2.05)
Income tax relating to items that will not be reclassified to profit or loss		0.53	0.60
Items that will be reclassified to profit or loss		7.77	2.98
Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income		**6.48**	**1.53**
Total comprehensive income		**461.35**	**960.27**
Profit attributable to:			
Owners of the group		454.87	958.74
Non-controlling interests		-	-
		454.87	**958.74**
Other comprehensive income attributable to:			
Owners of the group		6.48	1.53
Non-controlling interests		-	-
		6.48	**1.53**
Total comprehensive income attributable to:			
Owners of the group		461.35	960.27
Non-controlling interests		-	-
		461.35	**960.27**
Earnings per equity share	34		
(Face value of ₹ 10/- each)			
Basic		20.52	44.59
Diluted		20.52	44.59
Notes forming part of the consolidated financial statements	1- 57		

As per our report of even date attached
For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 05 May 2023
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 05 May 2023
Place : Vadodara, Gujarat, India

Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

(Currency: ₹ in Million, except per share data)

A Equity share capital

Particulars	Number of shares	Amount
Authorised capital (Equity shares of ₹ 10 each)		
Balance as at 01 April 2021	40,000,000	400
Changes during the year	-	-
Balance as at 31 March 2022	**40,000,000**	**400**
Changes during the year	-	-
Balance as at 31 March 2023	**40,000,000**	**400**
Issued, subscribed and fully paid up capital (Equity shares of ₹ 10 each)		
Balance as at 01 April 2021	20,087,500	200.88
Changes during the year		
Addition pursuant to fresh issue of shares	2,077,562	20.78
Reduction in promotor and promoter group shareholding pursuant to offer for sale	(2,539,242)	(25.39)
Addition in public shareholding pursuant to offer for sale	2,539,242	25.39
Balance as at 31 March 2022	**22,165,062**	**221.65**
Changes during the year	-	-
Balance as at 31 March 2023	**22,165,062**	**221.65**

B Other equity

Particulars	Attributable to owners of the parent				Total attributable to owners of the parent	Attributable to Non controlling interests	Total
	Reserves and surplus			Items of other comprehensive income (OCI)			
	Securities premium	Retained earnings	Remeasurement of defined benefit plans	Foreign currency translation reserve			
Balance as at 01 April 2021	-	1,456.01	(0.46)	3.21	1,458.76	-	1,458.76
Prior period errors (round off)	-	0.01	(0.01)	-	-	-	-
Restated balance as at 01 April 2021	**-**	**1,456.02**	**(0.47)**	**3.21**	**1,458.76**	**-**	**1,458.76**
Profit for the year	-	958.74	-	-	958.74	-	958.74
Round off	-	(0.05)	-	-	(0.05)	-	(0.05)
Other comprehensive income for the year	-	-	(1.45)	2.98	1.53	-	1.53
Total comprehensive income	**-**	**2,414.71**	**(1.92)**	**6.19**	**2,418.98**	**-**	**2,418.98**
Other changes							
Securities premium on fresh issue of shares	2,229.22	-	-	-	2,229.22	-	2,229.22
Share issue expenses written off (refer note 50)	(138.96)	-	-	-	(138.96)	-	(138.96)
Total other changes	**2,090.26**	**-**	**-**	**-**	**2,090.26**	**-**	**2,090.26**
Balance as at 31 March 2022	2,090.26	2,414.71	(1.92)	6.19	4,509.24	-	4,509.24
Profit for the year	-	454.87	-	-	454.87	-	454.87
Other comprehensive income for the year	-	-	(1.29)	7.77	6.48	-	6.48
Total comprehensive income	**2,090.26**	**2,869.58**	**(3.21)**	**13.96**	**4,970.59**	**-**	**4,970.59**
Other changes							
Dividend	-	(44.33)	-	-	(44.33)	-	(44.33)
Total other changes	**-**	**(44.33)**	**-**	**-**	**(44.33)**	**-**	**(44.33)**
Balance as at 31 March 2023	**2,090.26**	**2,825.25**	**(3.21)**	**13.96**	**4,926.26**	**-**	**4,926.26**

Consolidated Statement of Changes in Equity *(Continued)*

for the year ended 31 March 2023

Notes:

Nature and purpose of other equity

(i) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013. During the year ended 31 March 2022, the Holding Company has utilised the balance of securities premium for writing off expenses in relation to fresh issue of share capital.

(ii) Retained earnings

Retained earnings are the profits that the Group has earned till the reporting date, reduced by any transfers to general reserve or dividends or other distributions paid to the shareholders.

Remeasurement of defined benefit liability / (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income) and it will not be reclassified to profit or loss subsequently.

(iii) Foreign currency translation reserve

The assets and liabilities of foreign operations are translated to the reporting currency at exchange rates prevailing at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates during the year. Resulting foreign currency differences are recognised in other comprehensive income/ (expense) (OCI) and presented within equity as part of foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is reclassified to statement of profit or loss as a part of gain or loss on disposal.

Notes forming part of the consolidated financial statements 1- 57

As per our report of even date attached
For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 05 May 2023
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 05 May 2023
Place : Vadodara, Gujarat, India

Consolidated Statement of Cash flows

for the year ended 31 March 2023

(Currency: ₹ in Million)

Particulars		As at 31 March 2023	As at 31 March 2022
Cash flows from operating activities			
Profit before tax	(i)	447.79	1,041.21
Adjustments to reconcile profit			
Finance costs		84.04	49.52
Depreciation and amortisation expenses		95.55	81.80
Unrealised foreign exchange losses/(gains) (net)		36.02	31.42
Interest income		(53.25)	(46.59)
Other non-cash items		44.73	0.16
Total adjustments to reconcile profit	(ii)	207.09	116.31
Operating profit before working capital changes	(iii) = (i) + (ii)	**654.88**	**1,157.52**
Changes in working capital			
Decrease/(increase) in inventories		74.59	(979.38)
(Increase)/decrease in trade receivables		(314.40)	322.99
(Increase) in loans		-	(0.01)
(Increase) in other non-current financial assets		(7.59)	(20.88)
Decrease/(increase) in other current financial assets		5.11	(14.10)
(Increase) in other non-current assets		(0.37)	(2.18)
Decrease/(increase) in other current assets		194.31	(154.85)
(Decrease) in trade payables		(126.56)	(30.63)
(Decrease)/increase in other current financial liabilities		(88.83)	77.15
(Decrease)/increase in other current liabilities		(26.88)	29.05
Increase in non-current provisions		4.94	0.99
Increase in current provisions		1.53	0.70
Total changes in working capital	**(iv)**	**(284.15)**	**(771.15)**
Cash generated from operating activities	(v) = (iii) + (iv)	**370.73**	**386.37**
Less: Taxes paid	(vi)	**(92.90)**	**(184.07)**
Net cash generated from operating activities	**(A) = (v) + (vi)**	**277.83**	**202.30**
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,031.10)	(891.57)
Proceeds from sale of property, plant and equipment		0.68	0.78
Decrease/(increase) in deposits with banks		965.74	(1,122.66)
Interest income		53.25	46.59
Cash (used in) investing activities	**(B)**	**(1,011.43)**	**(1,966.86)**
Cash flows from financing activities			
Proceeds from issue of equity share capital		-	20.77
Proceeds from securities premium (net off IPO expenses)		-	2,090.26
Dividend paid		(44.33)	-
Proceeds from long-term borrowings		8.29	-
Repayment of long-term borrowings		(139.26)	(133.83)
Net proceeds from short-term borrowings		637.40	422.85
(Decrease) in loans to employees		(0.11)	(0.43)
Finance costs		(84.04)	(49.52)
Cash generated from financing activities	**(C)**	**377.95**	**2,350.10**
Net (decrease)/increase in cash and cash equivalents before effect of exchange rate changes	**(A+B+C)**	**(355.65)**	**585.54**
Effect of exchange rate changes on cash and cash equivalents	**(D)**	**(0.86)**	**(0.18)**
Net (decrease)/increase in cash and cash equivalents	**(A+B+C+D)**	**(356.51)**	**585.36**

Consolidated Statement of Cash flows *(Continued)*

for the year ended 31 March 2023

Notes:

(i) Cash and cash equivalents comprise of:

(Currency: ₹ in Million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	630.17	44.81
Cash on hand	0.82	0.82
Balances with banks		
- in current accounts	73.22	19.88
- in current accounts (foreign currency)	61.79	22.42
- in cash credit accounts (surplus)	12.02	3.32
- in EEFC current accounts	110.80	204.35
- in deposits with original maturity of less than 3 months	15.01	379.38
Balance at the end of the year	**273.66**	**630.17**
Net (decrease)/increase in cash and cash equivalent	**(356.51)**	**585.36**

(ii) The above "consolidated cash flows statement" has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard (Ind AS) 7 "Statement of cash flows".

(iii) Purchase of property, plant and equipment includes movements in right of use assets, other intangible assets and capital work-in-progress.

(iv) Reconciliation of movements in cash flows from borrowings (financing) activities:

Particulars	Non-current borrowings	Current borrowings	Total
Balance as at 01 April 2021	409.54	492.94	902.48
Repayment of non-current borrowings	(134.85)	-	(134.85)
Net proceeds from short-term borrowings	-	431.75	431.75
Liability related other changes			
Finance costs	(20.12)	(20.34)	(40.46)
Other borrowing costs*	-	(6.00)	(6.00)
Other interest cost#	-	(3.05)	(3.05)
Interest subvention income	-	1.19	1.19
Foreign exchange movement	1.02	(8.90)	(7.88)
Total cash flows from financing activities	**(153.95)**	**394.65**	**240.70**
Liability related other changes	**19.10**	**37.10**	**56.20**
Balance as at 31 March 2022	**274.69**	**924.69**	**1,199.38**
Proceeds from non-current borrowings	8.29	-	8.29
Repayment of non-current borrowings	(142.50)	-	(142.50)
Net proceeds from short-term borrowings	-	637.40	637.40
Liability related other changes			
Finance costs	(13.72)	(65.76)	(79.48)
Other borrowing costs*	-	(4.07)	(4.07)
Other interest cost#	-	(0.48)	(0.48)
Interest subvention income	-	14.87	14.87
Foreign exchange movement	3.24	-	3.24
Total cash flows from financing activities	**(144.69)**	**581.96**	**437.27**
Liability related other changes	**10.48**	**55.44**	**65.92**
Balance as at 31 March 2023	**140.48**	**1,562.09**	**1,702.57**

** includes other borrowing costs paid for non-fund based credit limits.*

 # includes other interest costs paid on statutory dues and others.

Consolidated Statement of Cash flows *(Continued)*

for the year ended 31 March 2023

(v) Disclosure of undrawn borrowing facilities (excluding non-fund based facilities):

(Currency: ₹ in Million)

Particulars	As at 31 March 2023	As at 31 March 2022
Undrawn borrowing facilities	637.91	125.31

(vi) Cash credit accounts which are having debit balances have been shown under cash and cash equivalent as per requirement of Ind AS 7, hence proceeds from borrowings under financing activity is excluding the movement in bank overdraft.

(vii) Short-term deposits are made for a period up to three months, depending on the cash requirements of the Group and to earn interest at the prevailing rates.

(viii) Balances with banks in current accounts includes ₹ 0.34 million (31 March 2022: ₹ 0.33 million) earmarked as monitoring agency account balance towards unutilized IPO proceeds.

(ix) Bank fixed deposits with original maturity of less than 3 months includes ₹ 15.01 million (including accrued interest) (31 March 2022: ₹ 367.65 million) earmarked towards unutilized IPO proceeds.

(x) Cash flows denominated in foreign currency are reported in the manner consistent with Ind AS 21.

(xi) During the years ended, the Group have not entered into any non-cash investing and non-cash financing activities.

(xii) Refer note 36 for government grants recognised in the consolidated statement of profit and loss.

(xiii) The Group do not have any lease liability (refer note 38).

Notes forming part of the consolidated financial statements 1- 57

As per our report of even date attached
For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 05 May 2023
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 05 May 2023
Place : Vadodara, Gujarat, India

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

1 Corporate information

The consolidated financial statements comprise financial statements of Tatva Chintan Pharma Chem Limited ("the Company" or "the Holding Company" or "the Parent") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") for the year ended 31 March 2023.

The Holding Company is a public limited company domiciled in India, and incorporated under the Companies Act 2013 (erstwhile Companies Act 1956) in year 1996, having its registered office at Plot no. 502/17, GIDC Estate, Ankleshwar, Bharuch, Gujarat, India - 393002.

The equity shares of the Holding Company are listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") in India.

The Group is primarily engaged in manufacturing and selling of specialty chemicals, phase transfer catalysts (PTC), structure directing agents (SDA), electrolyte salts (ES), pharmaceutical and agrochemical intermediates and other specialty chemicals (PASC). Information on the Group's structure has been provided in note 39.

These consolidated financial statements have been approved by the Board of Directors and authorised for issue on 05 May 2023.

2 Significant accounting policies

a) Statement of compliance, basis of preparation and presentation

Statement of compliance: The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

Basis of preparation and presentation: These consolidated financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values.

The classification of assets and liabilities of the Group have been done into current and non-current based on the operating cycle of the business of the Group. The Group has ascertained its operating cycle of the business as twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

The financial statements are presented in Indian Rupees ('INR'), which is Group's functional currency and all values are rounded to the nearest "million" up to two decimals, except otherwise indicated.

Principles of consolidation: The consolidated financial statements incorporate the financial statements of the Group. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to affect those returns through its power over the investee.

  The Group reassesses 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 listed above. When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

  The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements;
- voting rights and potential voting rights held by the Group;
- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other votingright holders;
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Specifically, assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31 March 2023. When the end of reporting period of Parent is different from that of subsidiary, the subsidiary prepares, for consolidation purposes, additional information as of the same date as the financial statements of the Parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

In preparing the consolidated financial statements, the Group has used the following key consolidation procedures:

- Combination of like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in consolidated financial statements at acquisition date.
- Elimination of the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary.
- Elimination of intragroup assets and liabilities, equity, income and expenses and cash flows relating to transactions between entities of the Group.
- Elimination of unrealised gain or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixes assets.
- the excess of the aggregate cost of the Parent's investment in the group entities over its portion of equity in the group entities is recognized in the financial statements as 'goodwill'. The excess of Parent's portion of equity in group entities over the aggregate cost of the Parent's investment in the group entities is recognized in the financial statements as 'capital reserve'.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Foreign currency transactions and translation: The Group's consolidated financial statements are prepared in Indian Rupee (INR), which is also Parent Company's functional currency. For each entity the Group determines the functional currency and the items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arise from using this method.

Transactions and balances: Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date of transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate exchange of the functional currency spot rates prevailing during the reporting periods.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange prevailing at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss.

Non-monetary items that are measured at historical costs in a foreign currency are translated using the exchange rates at the dates of initial transactions. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on non-monetary items measured at fair value is to be reported in line with the recognition of the gain or loss on the change in the fair value of the item (i.e. FVTOCI or FVTPL). Any profit or loss arising on cancellation, maturity or renewal of forward exchange contracts is recognized as income or expenses in the statement of profit and loss and included in exchange difference.

In determining the spot exchange rate to use on initial recognition of the related assets, expense or income (or part of it) on the derecognition of non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary assets or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

The Group has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13AA of Ind AS 101 "First-Time Adoption of Ind AS". Accordingly, exchange loss/ (gain) arising on all long-term monetary items financed or re-financed relating to acquisition of property, plant and equipment are added to/ adjusted from the cost of such assets/ capital work-in-progress and will be depreciated over the balance useful life of such assets.

Group companies: On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statement of profit and loss are translated at the average rate of exchange prevailing during the reporting periods. The exchange difference arising on translation for consolidation are recognised in other comprehensive income (OCI). On disposal of a foreign operation, the same is recognised in statement of profit and loss.

b) Use of significant accounting estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of consolidated financial statements and reported amounts of revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future period, if the revision affects current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i. Recoverability of deferred tax and other income tax assets

The Group has unabsorbed depreciation and MAT credit that are available for offset against future taxable profit. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the unused tax credits can be utilised. This involves an assessment of when those assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets. This requires assumptions regarding future profitability, which is inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets and consequential impact in the statement of profit and loss.

ii. Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

iii. Defined benefit plans (gratuity benefits)

The obligation arising from defined benefit plans is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Any change in these assumptions would have a significant impact on the Group's balance sheet and the statement of profit and loss.

iv. Impairment of property, plant and equipment

For property, plant and equipment and intangibles, an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, then Group estimates recoverable amount the assets or cash generating unit (CGU). A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

v. Impairment of investment

The Group assesses impairment of investments in subsidiaries which are recorded at cost. At the time when there are any indications that such investments have suffered a loss, if any, is recognised in the statement of profit and loss. The recoverable amount requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

best estimate. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments.

vi. Provisions and contingencies

A provision is recognised when the Group has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in notes but not recognised in the financial statements.

Contingent assets are not recognised, but disclosed in the financial statements when an inflow of economic benefit is probable. The actual outflow or inflow of resources at a future date may therefore, vary from the amount included in provisions and contingencies.

c) Fair value measurement

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all expenses and financing costs related to acquisition and construction of the

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

concerned assets and any attributable cost of bringing the asset to the condition of its intended use.

The Group has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13AA of Ind AS 101 "First-Time Adoption of Ind AS". Accordingly, exchange loss/ (gain) arising on all long-term monetary items financed or re-financed relating to acquisition of property, plant and equipment are added to/ adjusted from the cost of such assets/ capital work-in-progress and will be depreciated over the balance useful life of such assets.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

Repair and maintenance cost are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

Gains or losses arising from the retirement or disposal of an asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the statement of profit and loss.

Capital work-in-progress: Capital work-in-progress includes cost of assets under development, all taxes and duties and other expenses to bring the asset to the Group. Cost of property, plant and equipment not ready for their intended use before such date is disclosed under capital work-in-progress.

e) Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment.

Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets.

Computer software where it is expected to provide future enduring economic benefits is capitalized. The capitalized cost includes license fees and cost of implementation/system integration services.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the statement of profit and loss.

The intangible assets with a finite useful life are amortised using straight line method over their estimated useful lives. The management's estimates of the useful lives for various class of intangibles are as given below:

Class of assets	Useful lives estimated by the management (years)
Computer software	3 years
Technical know-how	10 years

f) Depreciation and amortization

Depreciation on tangible property, plant and equipment has been provided on the basis of useful life as stated in Schedule II of the Companies Act, 2013 using the straight-line method. Lease hold land is amortized over the period of lease. Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. The following are the estimated useful lives:

Class of assets	Useful lives (years)
Buildings	Factory building and Building (other than RCC frame structure) – 30 years; Building (RCC frame structure) – 60 years; Building (temporary structure) – 3 years
Plant and equipment	Special plant and machinery – 20 years; Plant and machinery other than continuous process plant – 15 years; Continuous process plant – 8 years
Computers and Data processing units	3/6 years
Motor Vehicles	8/10 years
Office equipment	5 years
Electrical installations	10 years
Furniture and fixtures	10 years

Notes forming part of the Consolidated Financial Statements

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(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

g) Impairment of tangible assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the assets is considered impaired and is written down to its recoverable amount and impairment loss is recognized in statement of profit and loss. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognised.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. Such reversal is recognised in statement of profit and loss unless the assets is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

h) Investments and other financial assets:

i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through statement of profit and loss); and
- those measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

ii) Initial measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in statement of profit and loss.

iii) Subsequent measurement – debt instruments

Subsequent measurement of the debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments in the following three categories:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not a part of the hedging relationship is recognized in the statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets where the assets cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (OCI). Movements in the carrying amount are taken through OCI, except for recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the statement of profit and loss. When financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains / losses. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FTVPL): Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

loss on a debt investment that is subsequently measured at fair value through profit or loss and is not a part of hedging relationship is recognized in the statement of profit and loss. Interest income from these financial assets is included in other income.

iv) Subsequent measurement – equity instruments

The Group subsequently measures all equity instruments at fair value. When the management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognized in the statement of profit and loss as other income when the Group's right to receive payment is established. Changes in the fair value of financial assets at FVTPL are recognized in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

v) Impairment of financial assets

Expected credit losses are recognised for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

Expected credit losses is the weighted-average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

For financial assets other than trade receivables, the Group recognises 12 month expected credit losses as per Ind AS 109 for all originated or acquired financial assets, if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses, if the credit risk on financial asset increases significantly since its initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

vi) De-recognition of financial assets

A financial asset is de-recognized when the Group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. When the Group has transferred an asset, it evaluates whether it has transferred substantially all the risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Group has neither transferred a financial asset nor retains substantially all the risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset.

vii) Investment in subsidiaries

The Group has accounted for its investments in subsidiaries at cost less impairment loss, if any. Cost includes the purchase price and other costs directly attributable to the acquisition of investments. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss. Further, under Ind AS 101, while transitioning to Ind AS from previous GAAP, the Group had elected to measure its existing investments in subsidiaries on the date of transition at cost.

i) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method. Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Fair value measurement of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), correlation and volatility.

Derivative financial instrument

The Group holds derivative financial instruments such as foreign exchange forward contracts (not designated as cash flow hedges) to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109 Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and short term highly liquid investments with original maturities of three months or less, that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

k) Inventories

Inventories are valued at lower of cost or net realisable value. The basis of determining costs for each class of inventories are as follows:

- **Raw materials, packing materials, consumables, stores and spares**: Cost includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Costs are determined on first in, first out basis. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

- **Finished goods and work-in-progress**: Cost includes cost of direct materials, direct labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis.

- **Stock-in-trade**: Cost includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Costs are determined on first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

l) Revenue recognition

Revenue from contracts with customers

Ind AS 115 "Revenue from contracts with customers" provides a control-based revenue recognition model and provides a five-step application approach to be followed for revenue recognition i.e.: a) Identify the contract(s) with a customer; b) Identify the performance obligations; c) Determine the transaction price; d) Allocate the transaction price to the performance obligations; e) Recognize revenue when or as an entity satisfies performance obligation.

Revenue is measured based on the transaction price as specified in the contract with the customer, after the deduction of any trade discounts, volume rebates, sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST), where applicable. Discounts given include rebates, price reductions and other incentives given to customers.

As per the terms of the contract with customers, the Group expects, at the contract inception, that the period between transfers of a promised goods or services to customer and related payments for the goods or services will be less than one year or less. Accordingly, the Group has availed the practical expedient available as per paragraph 63 of Ind AS 115 and has not adjusted the promised amount of consideration for the effects of significant financing component, if any.

Revenue from sale of products is recognized when the control on the goods or services has been transferred to the customers and Revenue from sale of services is recognised on satisfaction of performance obligation towards rendering of such services. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract. The majority of the Group's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services.

Revenue is recognised in an amount that reflects the consideration, which the Group expects to receive in exchange for those products or services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. None of the Group's contracts contain variable consideration and contract modifications are generally minimal.

Contract balances

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivable: A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

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

Other incomes

- Claims and rebates receivables are accounted as and when settled.
- Interest income from a financial asset is recognized using the effective interest rate method when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- Dividends are recognized in statement of profit and loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.
- Incomes in respect of duty drawback or other export promotion schemes in respect of exports made during the year are accounted on accrual basis

m) Employee benefits

Employee benefits of the Group includes all forms of consideration (directly or indirectly) given by the Group in exchange for services rendered by employees or termination of employment. Where employees include their dependents

Notes forming part of the Consolidated Financial Statements

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(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

and their beneficiaries and includes all categories i.e., full time, part time, casual, temporary and permanent etc. Employee benefits includes four types of benefits: A. Short-term employee benefits, B. Post-employment benefits, C. Other long-term employee benefits, and D. Termination benefits

A. Short-term employee benefits

Employee benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of reporting period. e.g.: salary and wages, social security contributions, paid leaves, maternity leave, bonus and other non-monetary benefits such as medical checkup, group insurance and subsidised services. The Group measures short-term employee benefits on an undiscounted basis and they do not involve any actuarial valuation.

The Group recognises short-term employee benefits expected to be paid:

a) as employee benefits expense in the statement of profit and loss, if it does not form part of the cost of an asset as per any other Ind AS (Ind AS 2 "Inventories" or Ind AS 16 "Property, plant and equipment"), and

b) as a current liability (employee benefits payable) or as a current asset (accrued expense) in the balance sheet, after deducting any amount already paid.

B. Post-employment benefits

Employee benefits (other than short-term employee benefits and termination benefits) that are payable after the completion of employment. e.g.: gratuity. These benefits are of two types i). Defined contribution plans, and ii). Defined benefits plans.

Defined contribution plans: Contribution to retirement benefit plans in the form of provident fund, employee state insurance scheme, pension scheme and superannuation schemes as per regulations are charged as an expense on an accrual basis when employees have rendered the service. The Group has no further payment obligations once the contributions have been paid.

Defined benefit plans: Defined benefit plan in the form of gratuity, are recognized on the basis of actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method or in compliance with the requirements of the domestic laws. Gratuity is included in employees' benefit expense in the statement of profit and loss. The gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through remeasurement of the net defined benefit liability/ (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effects of any plan amendments are recognized on net basis in the statement of profit and loss.

C. Other long-term employee benefits

Employee benefits (other than short-term employee benefits, post-employment benefits and termination benefits) that are not expected to be settled wholly before 12 months after the end of reporting period. e.g.: long-term paid absences (compensated absences). They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The said obligations are presented as current liabilities in the balance sheet, if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

D. Termination benefits

Employee benefits that are provided in exchange for termination of an employee's employment as a result of either: a) the Group's decision to terminate an employee's employment before the normal retirement date; or b) an employee's decision to accept an offer of benefits in exchange for the termination of the employment. E.g.: Retrenchment compensation etc.

The Group recognises termination benefits expected to be paid:

a) as employee benefits expense in the statement of profit and loss, and

b) as a current liability (employee benefits payable) or as a current asset (accrued expense) in the balance sheet, after deducting any amount already paid.

Notes forming part of the Consolidated Financial Statements

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(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

n) Leases

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 assets are 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. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost 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, using the incremental borrowing rate. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less, leases of low-value assets and cancellable leases. The Group recognises the lease payments associated with these leases as an expense in statement of profit and loss.

As a lessor: Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

o) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or where out of general borrowings, funds may have been used, the borrowing cost is calculated by applying weighted average cost of borrowing applicable to such general borrowing which is outstanding during the year, are capitalized up to the date by which qualifying assets are ready for its intended use and included in the carrying amount of such assets. All other borrowing costs are charged to statement of profit and loss. Borrowing costs includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

p) Income tax

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

Current tax: The tax currently payable is based on estimated taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and revises the provisions, if so required where consider necessary.

The Group's current tax is calculated using tax rates that have been enacted by the end of the reporting period. Current tax assets and current tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax: Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets are generally recognized for all taxable temporary differences to the extent that is probable that taxable profit will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognized and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Notes forming part of the Consolidated Financial Statements

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(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities. Transaction or event which is recognized outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

Minimum alternate tax (MAT): Deferred tax assets include minimum alternate tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realized.

Current and deferred tax expense is recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

q) Provisions, contingent liabilities and contingent assets

A provision is made when there is a present obligation (legal or constructive) as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are determined based on the present value of the management's best estimate of the amount required to settle the present obligation at the end of the reporting period. The discount rate used to determine present value is a pre-tax rate that reflects current market assessment of time value of money and the risks specific to the liability.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognized but disclosed in the financial statements.

r) Operating segments

"Operating segments" are components of the Group whose operating results are regularly reviewed by the "chief operating decision maker (CODM)" to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. "Specialty chemical business" is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

s) Earnings per share

Earnings per share are calculated by dividing the net profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

a) after tax effect of interest and other financing costs associated with dilutive potential equity shares,

b) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

t) Cash flows statement

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities.

Cash flows are reported using the indirect method, whereby net profit for the period is adjusted for the effects of transactions of non-cash nature, working capital changes, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash.

u) Cost recognition

Costs and expenses are recognised in statement of profit and loss when incurred and are classified according to their nature. Revenue expenditure pertaining to research is charged to the statement of profit and loss. Development costs of products are charged to the statement of profit and loss. Development expenditure of certain nature is capitalized when the criteria for recognizing an intangible asset are met. Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes.

Notes forming part of the Consolidated Financial Statements

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(Currency: ₹ in Million)

2 Significant accounting policies *(Continued)*

v) Government grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with and the grants will be received.

When the grant relates to an expense item, it is recognized as income in statement of profit and loss on a systematic basis over the periods, to match with the related costs, for which it is intended to compensate.

When the grant relates to an asset, it is recognized as deferred government grant in the balance sheet and then subsequently transferred to statement of profit or loss on a systematic basis over the expected useful life of the related asset.

w) Exceptional items

Exceptional items refer to items of income or expense, including tax items, within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

x) Events after the reporting period

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the consolidated financial statements. Material non-adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' report.

Dividend: The Group recognises a liability to make distributions of dividend to equity holders, when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. After approval, a corresponding amount is recognised directly in equity.

y) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, and has made following amendments to Ind AS which are effective from 01 April 2023:

- **Ind AS 1 – Presentation of financial statements:** This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

  The Group does not expect the amendment to have any significant impact in its standalone financial statements.

- **Ind AS 8 – Accounting policies, changes in accounting estimates and errors:** This amendment clarify the distinction between "changes in accounting estimates" and "changes in accounting policies" and the "correction of errors". The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates". Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". It also clarifies how entities use measurement techniques and inputs to develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

  The Group does not expect the amendment to have any significant impact in its standalone financial statements.

- **Ind AS 12 – Income Taxes:** This amendment clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Consequential amendments have also been made in Ind AS 101.

  The Group does not expect the amendment to have any significant impact in its standalone financial statements.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

3 Property, plant and equipment*

Particulars	Buildings	Plant and equipment	Electrical installations	Office equipment	Furniture and fixtures	Motor Vehicles	Computers and Data processing units	Total
At cost								
Balance as at 01 April 2021	374.45	685.14	96.21	14.04	23.84	54.47	9.80	1,257.95
Additions	2.08	239.88	19.69	6.54	0.66	0.91	4.69	274.45
Disposals	-	(2.22)	-	(0.29)	-	(0.33)	(0.08)	(2.92)
Balance as at 31 March 2022	376.53	922.80	115.90	20.29	24.50	55.05	14.41	1,529.48
Additions	164.31	203.96	58.69	6.48	52.06	-	13.61	499.11
Disposals	(36.04)	(1.59)	(5.58)	(0.03)	(2.73)	-	0.08	(45.89)
Translation differences	-	-	-	0.00	-	-	0.01	0.01
Balance as at 31 March 2023	**504.80**	**1,125.17**	**169.01**	**26.74**	**73.83**	**55.05**	**28.11**	**1,982.71**
Accumulated depreciation								
Balance as at 01 April 2021	30.99	91.91	21.42	5.50	6.86	10.40	5.79	172.87
Additions	12.32	40.81	10.01	3.20	2.42	7.35	2.30	78.41
Disposals	-	(0.47)	-	(0.22)	-	(0.17)	-	(0.86)
Balance as at 31 March 2022	43.31	132.25	31.43	8.48	9.28	17.58	8.09	250.42
Additions	12.89	50.35	11.56	3.75	2.81	6.94	3.28	91.58
Disposals	(4.77)	0.04	(1.96)	0.37	(1.27)	-	(0.00)	(7.59)
Translation differences	-	-	-	0.00	-	-	0.01	0.01
Balance as at 31 March 2023	**51.43**	**182.64**	**41.03**	**12.60**	**10.82**	**24.52**	**11.38**	**334.42**
Carrying amounts (net)								
As at 01 April 2021	343.46	593.23	74.79	8.54	16.98	44.07	4.01	1,085.08
As at 31 March 2022	333.22	790.55	84.47	11.81	15.22	37.47	6.32	1,279.06
As at 31 March 2023	**453.37**	**942.53**	**127.98**	**14.14**	**63.01**	**30.53**	**16.73**	**1,648.29**

** On the transition to Ind AS (i.e. 01 April 2017), the Group has elected to continue with the carrying value of all property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost in accordance with paragraph D7AA of Ind AS 101 "First-Time Adoption of Ind AS".*

Notes:

(i) Security: Refer note 16 for the property, plant and equipment which has been given as security.

(ii) Commitments: Refer note 46 for capital commitments made by the Group.

(iii) Impairment: The Group has reviewed the recoverability of the assets and has concluded that no indication of impairment exists and hence, no impairment of asset is required.

(iv) During the years ended, the Group has not capitalised any borrowing costs in accordance with Ind AS 23 ' Borrowing Costs'.

(v) The Group has capitalised ₹ 0.00 million (31 March 2022: Nil) as foreign exchange loss/(gain) in accordance with the option obtained under para D13AA of Ind AS 101 "First-Time Adoption of Ind AS".

(vi) The Group has capitalised directly attributable "employee benefits expenses" of ₹ 7.55 million (31 March 2022: Nil).

(vii) During the years ended, the Group has not revalued its property, plant and equipment.

(viii) During the year ended 31 March 2023, the Holding Company has demolished its building and other fixtures for the purpose of construction of new and upgraded facility at its Vadodara location and the carrying value of the demolished building and other fixtures has been derecognised. The difference between the net disposal proceeds and the carrying amount of the asset has been recognized as exceptional item in the consolidated statement of profit and loss.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

4 Right-of-use assets

Particulars	Leasehold land
At cost	
Balance as at 01 April 2021	127.19
Additions	198.35
Disposals	-
Balance as at 31 March 2022	325.54
Additions	-
Disposals	-
Balance as at 31 March 2023	**325.54**
Accumulated depreciation	
Balance as at 01 April 2021	8.76
Additions	2.88
Disposals	-
Balance as at 31 March 2022	11.64
Additions	4.48
Disposals	-
Balance as at 31 March 2023	**16.12**
Carrying amounts (net)	
As at 01 April 2021	118.43
As at 31 March 2022	313.90
As at 31 March 2023	**309.42**

Notes:

(i) Security: Refer note 16 for the right-of-use assets (leasehold land) which has been given as security.

(ii) Commitments: Refer note 46 for capital commitments made by the Group.

(iii) The Group has acquired all the land under lease, where the Group is the "lessee" and all the lease agreements are duly executed in favour of the Group.

(iv) The Group does not have any investment property.

(v) During the years ended, the Group has not revalued its right-of-use assets.

(vi) The Holding Company does not have any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

5 Capital work-in-progress

Particulars	Capital work-in-progress
Balance as at 01 April 2021	98.11
Additions	693.21
Transfer to assets or other adjustments	(276.41)
Balance as at 31 March 2022	514.91
Additions	2,461.75
Transfer to assets or other adjustments	(669.22)
Balance as at 31 March 2023	**2,307.44**

Notes:

(i) Commitments: Refer note 46 for capital commitments made by the Group.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

5 Capital work-in-progress *(Continued)*

(ii) Capital-work-in progress (CWIP) ageing schedule:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023					
Projects in progress	1,845.87	450.67	10.89	-	**2,307.44**
Projects temporarily suspended*	-	-	-	-	-
Total	**1,845.87**	**450.67**	**10.89**	**-**	**2,307.44**
As at 31 March 2022					
Projects in progress	504.02	10.89	-	-	514.91
Projects temporarily suspended*	-	-	-	-	-
Total	**504.02**	**10.89**	**-**	**-**	**514.91**

** The Group does not have any project which has been temporarily suspended.*

(iii) Capital-work-in progress whose completion is overdue or has exceeded its cost as compared to its original plan:

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023					
Expansion at Dahej unit of Holding Company	2,289.30	-	-	-	2,289.30
Total	**2,289.30**	**-**	**-**	**-**	**2,289.30**

(iv) The Group has transferred directly attributable "employee benefits expenses" of ₹ 24.43 million (31 March 2022: Nil) to capital work-in-progress.

(v) The Group has transferred directly attributable "other expenses" of ₹ 1.94 million (31 March 2022: Nil) to capital work-in-progress.

6 Other intangible assets*

Particulars	Computer software	Technical knowhow	Total
At cost			
Balance as at 01 April 2021	3.61	0.07	3.68
Additions	2.74	-	2.74
Disposals	-	-	-
Balance as at 31 March 2022	6.35	0.07	6.42
Additions	3.14	-	3.14
Disposals	-	-	-
Balance as at 31 March 2023	**9.49**	**0.07**	**9.56**
Accumulated amortisation			
Balance as at 01 April 2021	2.71	0.03	2.74
Additions	0.47	0.04	0.51
Disposals	-	-	-
Balance as at 31 March 2022	3.18	0.07	3.25
Additions	1.55	-	1.55
Disposals	-	-	-
Balance as at 31 March 2023	**4.73**	**0.07**	**4.80**
Carrying amounts (net)			
As at 01 April 2021	0.90	0.04	0.94
As at 31 March 2022	3.17	-	3.17
As at 31 March 2023	**4.76**	**-**	**4.76**

** On the transition to Ind AS (i.e. 01 April 2017), the Group has elected to continue with the carrying value of all other intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost in accordance with paragraph D7AA of Ind AS 101 "First-Time Adoption of Ind AS".*

Notes:

(i) Impairment: The Group has reviewed the recoverability of the assets and has concluded that no indication of impairment exists and hence, no impairment of asset is required.

(ii) During the years ended, the Group has not revalued its intangible assets.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

7 Other financial assets

(Carried at amortised cost unless otherwise stated)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
Security deposits	28.47	26.69	20.88	26.62
Forward exchange contracts (refer sub note (iv))	-	5.16	-	1.13
Interest accrued on deposits	-	0.62	-	5.81
Total	**28.47**	**32.47**	**20.88**	**33.56**

Notes:

(i) Refer note 43-44 for financial instruments, fair values and risk measurement.

(ii) The Group does not have any financial assets which have significant increase in credit risk.

(iii) Security deposits are primarily in relation to public utility services and includes other services. During the year ended 31 March 2022, the Holding Company has completed initial public offer and as a pre-condition of designated stock exchange, the Holding Company has deposited 1% security deposit i.e. ₹ 50.00 million to BSE limited, out of which fifty percent i.e. ₹ 25.00 million has been provided by way of a bank guarantee and the balance has been tendered through other regular payment modes i.e. ₹ 25.00 million, which has been included in current security deposits referred above.

(iv) The Group has entered into foreign exchange forward contracts to minimise foreign exchange risk of expected transactions, these contracts are not designated as hedging instruments. (refer note 44).

(v) Deposits with banks which have original maturity of more than 3 months but less than 12 month have been classified under other current financial assets.

8 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	0.82	0.82
Balances with banks		
- in current accounts	73.22	19.88
- in current accounts (foreign currency)	61.79	22.42
- in cash credit accounts (surplus)	12.02	3.32
- in EEFC current accounts	110.80	204.35
- in deposits with original maturity of less than 3 months	15.01	379.38
Total	**273.66**	**630.17**

Notes:

(i) Refer note 16 for security details of cash credit (loans repayable on demand).

(ii) Refer notes 43-44 for financial instruments, fair values and risk measurement.

(iii) Balances with banks in current accounts includes ₹ 0.34 million (31 March 2022: 0.33 million) earmarked as monitoring agency account balance towards unutilized IPO proceeds.

(iv) Bank fixed deposits with original maturity of less than 3 months includes ₹ 15.01 million (including accrued interest) (31 March 2022: ₹ 367.65 million) earmarked towards unutilized IPO proceeds.

9 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with bank held as		
Deposits with original maturity over 3 months but less than 12 months	138.50	1,105.24
Margin money deposits for		
- bank guarantee	26.61	31.83
- letter of credit	8.84	2.62
Total	**173.95**	**1,139.69**

Notes:

(i) Bank fixed deposits with original maturity over 3 months but less than 12 months includes ₹123.25 (including accrued interest) (31 March 2022: ₹ 1,097.22 million) earmarked towards unutilized IPO proceeds.

(ii) Refer notes 43-44 for financial instruments, fair values and risk measurement.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

10 Loans

(Carried at amortised cost unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
	Current	Current
(Unsecured, considered good unless otherwise stated)		
Loans to employees	1.72	1.61
Total	**1.72**	**1.61**

Notes:

(i) The Group does not have loan receivables from directors or other officers of the Group Companies or any of them either severally or jointly with any other persons and from firms or private companies respectively in which any director is a partner or a director or a member.

(ii) Refer note 43-44 for financial instruments, fair values and risk measurement.

(iii) Loans given to employees (repayable on demand) as per the Group's policy has not been considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

(iv) The Group has not granted any loans or advances (in the nature of loans) to promoters, directors, key managerial personnel and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are: (a) repayable on demand; or (b) without specifying any terms or period of repayment.

(v) The Group has not advanced or given loan or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group Companies (ultimate beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries."

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(vii) Refer note 51 for the additional regulatory information.

11 Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials	299.45	463.79
Work-in-progress	589.67	439.55
Finished goods	229.83	321.84
Finished goods in transit	94.94	218.12
Traded goods	105.46	84.82
Traded goods in transit	5.04	7.91
Packing materials	10.96	17.02
Consumables, stores and spares	289.63	146.53
Total	**1,624.98**	**1,699.58**

Notes:

(i) Refer note 16 for the inventories which has been given as security.

(ii) Refer note 2 (k) for the mode of valuation for each class of inventories.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

12 Other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
(Unsecured, considered good unless otherwise stated)				
Prepaid expenses	5.51	37.10	5.14	21.22
Capital advances	-	34.16	-	99.69
Advance to creditors	-	5.43	-	2.82
Balance with revenue authorities	-	38.75	-	118.17
Export incentives receivable	-	1.81	-	20.62
Unbilled revenue	-	5.43	-	18.29
Gratuity fund (net) (refer note 40)	-	5.86	-	4.21
Other receivables (refer note 47)	-	0.78	-	0.78
Total	**5.51**	**129.32**	**5.14**	**285.80**

Notes:

(i) Balance with revenue authorities primarily relate to input credit entitlements in respect of Goods and Service Tax from regulatory authorities. It includes ₹ 0.06 million of duty paid under protest for appeal referred in note 46 for "Recovery of excess refund on zero rated supplies under Goods and Service Tax Act, 2017".

(ii) Refer note 51 for the additional regulatory information.

13 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Considered good - unsecured	844.03	565.98
Trade receivables-credit impaired	-	0.19
	844.03	**566.17**
Less: Loss allowance	-	(0.19)
Total	**844.03**	**565.98**

Notes:

(i) The Holding Company does not have trade receivables from:

- directors or other officers of the Group Companies or any of them either severally or jointly with any other persons.
- firms or private companies respectively in which any director is a partner or a director or a member except wholly owned subsidiaries of the Company.

(ii) Refer note 43-44 for financial instruments, fair values and risk measurement.

(iii) Refer note 16 for security details of trade receivables.

(iv) Trade receivables are non-interest bearing and are generally on credit terms of 30 to 180 days.

(v) In determining the allowances for credit losses of trade receivables, the Group has used a practical expedient by computing the expected credit loss (ECL) allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

Since the Group calculates impairment under the ""Simplified approach"" for trade receivables containing significant financing component and for trade receivables that do not contain significant financing component, then it is not required to separately track changes in credit risk of trade receivables, as the impairment amount represents ""lifetime"" expected credit loss.

Accordingly, based on a harmonious reading of Ind AS 109 and the break-up requirements under Schedule III of the Companies Act 2013, all such trade receivables are disclosed below, irrespective of whether they contain a significant financing component or not.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

13 Trade receivables *(Continued)*

Summary of movement in loss allowance for credit losses of trade receivables:

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	0.19	3.12
Add: Loss allowance for the year	-	0.19
Less: Excess provision written back	(0.19)	(3.12)
Balance at the end of the year	-	0.19

(vi) Trade receivables ageing schedule is as follows:

Particulars	Outstanding for following period from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023							
Undisputed							
Considered good - unsecured	748.98	79.28	15.77	-	-	-	844.03
Trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed							
Considered good - unsecured	-	-	-	-	-	-	-
Trade receivables-credit impaired	-	-	-	-	-	-	-
Gross total	748.98	79.28	15.77	-	-	-	844.03
Less: Loss allowance	-	-	-	-	-	-	-
Net trade receivables	**748.98**	**79.28**	**15.77**	**-**	**-**	**-**	**844.03**
As at 31 March 2022							
Undisputed							
Considered good - unsecured	501.19	64.79	-	-	-	-	565.98
Trade receivables-credit impaired	-	0.19	-	-	-	-	0.19
Disputed							
Considered good - unsecured	-	-	-	-	-	-	-
Trade receivables-credit impaired	-	-	-	-	-	-	-
Gross total	501.19	64.98	-	-	-	-	566.17
Less: Loss allowance	-	(0.19)	-	-	-	-	(0.19)
Net trade receivables	**501.19**	**64.79**	**-**	**-**	**-**	**-**	**565.98**

(vii) Refer note 41 for segment reporting.

(viii) Refer note 35 for contract assets and contract liabilities.

(ix) Refer note 51 for the additional regulatory information.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million, except per share data)

14 Equity share capital

Particulars	Number of shares	Amount
Authorised capital (Equity shares of ₹ 10 each)		
Balance as at 01 April 2021	40,000,000	400.00
Changes during the year	-	-
Balance as at 31 March 2022	40,000,000	400.00
Changes during the year	-	-
Balance as at 31 March 2023	**40,000,000**	**400.00**
Issued, subscribed and fully paid up capital (Equity shares of ₹ 10 each)		
Balance as at 01 April 2021	20,087,500	200.88
Changes during the year		
Addition pursuant to fresh issue of shares	2,077,562	20.78
Reduction in promoter and promoter group shareholding pursuant to offer for sale	(2,539,242)	(25.39)
Addition in public shareholding pursuant to offer for sale	2,539,242	25.39
Balance as at 31 March 2022	22,165,062	221.65
Changes during the year	-	-
Balance as at 31 March 2023	**22,165,062**	**221.65**

Notes:

(i) Rights, preferences and restrictions attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share. Accordingly, all equity shares rank equally with regard to dividend and share in the Holding Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared and approved from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Holding Company.

(ii) Fresh issue of shares in initial public offer (IPO)

During the year ended 31 March 2022, the Holding Company has completed initial public offer (IPO) of 4,616,804 equity shares of the face value of ₹ 10/- each at an issue price of ₹ 1,083/- per equity share (including a premium of ₹ 1,073 per equity share) aggregating to ₹ 5,000.00 million. The offer comprises of a fresh issue of 2,077,562 equity shares aggregating to ₹ 2,250.00 million and an offer for sale of 2,539,242 equity shares aggregating to ₹ 2,750.00 million. The equity shares of the Holding Company were allotted on 27 July 2021 vide board resolution dated 27 July 2021. The equity shares of the Holding Company were listed on 29 July 2021 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

(iii) Dividend

During the year ended 31 March 2022, the Board of Directors of Holding Company has recommended final dividend of 20% (₹ 2/- per equity share of face value ₹ 10 each) amounting to ₹ 44.33 million vide board resolution dated 25 April 2022. (refer note 48), which has been passed as ordinary resolution by the shareholders in AGM held on 22 September 2022.

(iv) Aggregate number and class of shares allotted as fully paid-up pursuant to any contract(s) without payment being received in cash or by way of bonus share or shares bought back during the period of five years immediately preceding the reporting date:

(a) The Holding Company has not allotted any fully paid-up equity shares pursuant to any contract without payment being received in cash.

(b) During the year ended 31 March 2021, the Holding Company has allotted 12,052,500 numbers of equity shares of the face value of ₹10 each by way of bonus share in the ratio of 1.5:1 vide Board resolution dated 31 December 2020, which has been passed as special resolution by the shareholders in EOGM held on 27 January 2021.

(c) The Holding Company has not bought back any fully paid-up equity shares.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million, except per share data)

14 Equity share capital *(Continued)*

(v) Details of shareholding of promoters and promoter group including shareholders holding more than 5% of equity shares is as below:

Name of shareholders	Shareholder category	Number of equity shares held	% of total equity shares	% change during the year
As at 31 March 2023				
Mr. Shekhar Rasiklal Somani	Promoter	5,630,628	25.40%	0.00%
Mr. Chintan Nitinkumar Shah	Promoter	4,897,219	22.09%	0.00%
Mr. Ajaykumar Mansukhlal Patel	Promoter	4,007,190	18.08%	0.00%
M/s Ajay Mansukhlal Patel HUF	Promoter group	921,711	4.16%	0.00%
Ms. Priti Ajay Patel	Promoter group	920,211	4.15%	0.00%
M/s Chintan N Shah HUF	Promoter group	447,500	2.02%	0.00%
Ms. Darshana Nitinkumar Shah	Promoter group	273,394	1.23%	0.00%
Ms. Shital Chintan Shah	Promoter group	231,000	1.04%	0.00%
Ms. Kajal Shekhar Somani	Promoter group	218,080	0.98%	0.00%
Mr. Shitalkumar Rasiklal Somani	Promoter group	843	0.00%	0.00%
Mr. Samirkumar Rasiklal Somani	Promoter group	482	0.00%	0.00%
Total		**17,548,258**	**79.17%**	**0.00%**
As at 31 March 2022				
Mr. Shekhar Rasiklal Somani	Promoter	5,630,628	25.40%	-10.69%
Mr. Chintan Nitinkumar Shah	Promoter	4,897,219	22.09%	-13.31%
Mr. Ajaykumar Mansukhlal Patel	Promoter	4,007,190	18.08%	-5.10%
M/s Ajay Mansukhlal Patel HUF	Promoter group	921,711	4.16%	-25.52%
Ms. Priti Ajay Patel	Promoter group	920,211	4.15%	-25.55%
M/s Chintan N Shah HUF	Promoter group	447,500	2.02%	0.00%
Ms. Darshana Nitinkumar Shah	Promoter group	273,394	1.23%	-25.81%
Ms. Shital Chintan Shah	Promoter group	231,000	1.04%	0.00%
Ms. Kajal Shekhar Somani	Promoter group	218,080	0.98%	-31.78%
Mr. Shitalkumar Rasiklal Somani	Promoter group	843	0.00%	-92.34%
Mr. Samirkumar Rasiklal Somani	Promoter group	482	0.00%	-99.20%
Total		**17,548,258**	**79.17%**	**-12.64%**

(vi) During the years ended, the promoters and promoter group does not have any number of shares pledged or otherwise encumbered.

(vii) All the equity shares of the Holding Company have been held in dematerialised form.

(viii) Details of shareholding pattern of equity shares is as below:

Shareholder category	As at 31 March 2023			As at 31 March 2022		
	Numbers of shareholders	Number of equity shares held	% of total equity shares	Numbers of shareholders	Number of equity shares held	% of total equity shares
As at 31 March 2023						
A Promoter and promoter group (refer sub note (v))	11	17,548,258	79.17%	11	17,548,258	79.17%
B Public						
1 Institutions						
a Mutual funds	6	2,433,683	10.98%	6	1,670,232	7.54%
b Alternate investment funds	4	43,561	0.20%	4	39,761	0.18%
c Foreign portfolio investors	20	784,274	3.54%	11	676,390	3.05%
d Insurance companies	1	117,720	0.53%	1	91,064	0.41%
Subtotal (B)(1)	**31**	**3,379,238**	**15.25%**	**22**	**2,477,447**	**11.18%**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million, except per share data)

14 Equity share capital *(Continued)*

Shareholder category	As at 31 March 2023			As at 31 March 2022		
	Numbers of shareholders	Number of equity shares held	% of total equity shares	Numbers of shareholders	Number of equity shares held	% of total equity shares
2 Non-institutions						
a Individuals holding nominal share capital						
i - up to ₹ 0.20 million	67,650	1,128,090	5.09%	87,141	1,407,909	6.35%
ii - more than ₹ 0.20 million	-	-	-	-	-	-
Subtotal (B)(2)(a)	**67,650**	**1,128,090**	**5.09%**	**87,141**	**1,407,909**	**6.35%**
b Others						
i Trusts	3	189	0.00%	3	189	0.00%
ii Hindu undivided families	1,453	43,124	0.19%	1,663	42,444	0.19%
iii Non-resident Indians	765	33,734	0.15%	885	34,573	0.16%
iv Bodies corporate	100	27,757	0.13%	144	37,746	0.17%
v Body corporate-Limited liability partnerships	8	3,700	0.02%	8	601,927	2.72%
vi Clearing members	16	972	0.00%	53	14,569	0.07%
Subtotal (B)(2)(b)	**2,345**	**109,476**	**0.49%**	**2,756**	**731,448**	**3.30%**
Subtotal (B)(2)	**69,995**	**1,237,566**	**5.58%**	**89,897**	**2,139,357**	**9.65%**
Total B	**70,026**	**4,616,804**	**20.83%**	**89,919**	**4,616,804**	**20.83%**
Total (A + B)	**70,037**	**22,165,062**	**100.00%**	**89,930**	**22,165,062**	**100.00%**

(ix) Pursuant to Regulations 14, 16 and 17 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-offer equity share capital of the Holding Company held by the promoters shall be locked in for a period of three years as minimum promoters' contribution from the date of allotment i.e. up to 26 July 2024 ("promoters' contribution").

(x) The Group does not have any employee stock option plan.

(xi) Except three "promoter/directors" referred above in sub note (v), none of the other directors and key managerial personnel of the Group Companies hold any equity shares in the Holding Company.

15 Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
Securities premium (refer note A)	2,090.26	2,090.26
Retained earnings (refer note B)	2,822.04	2,412.79
Foreign currency translation reserve (refer note C)	13.96	6.19
Total	**4,926.26**	**4,509.24**

Notes:

Particulars	As at 31 March 2023	As at 31 March 2022
A Securities premium		
Balance at the beginning of the year	2,090.26	-
Add : Securities premium on fresh issue of shares ₹ Nil (31 March 2022: 2,077,562 equity shares @ ₹ 1,073 per share)	-	2,229.22
Less : Share issue expenses written off under section 52 of the Companies Act, 2013 against securities premium (refer note 50)	-	(138.96)
Balance at the end of the year	**2,090.26**	**2,090.26**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

15 Other equity *(Continued)*

	Particulars	As at 31 March 2023	As at 31 March 2022
B	**Retained earnings**		
(i)	Retained earnings		
	Balance at the beginning of the year	2,414.71	1,456.01
	Prior period errors (round off)	-	0.01
	Restated balance at the beginning of the year	2,414.71	1,456.02
	Add : Profit for the year	454.87	958.74
	Less: Bonus issue	-	-
	Less: Dividend (refer note 14)	(44.33)	-
	Less: Round off	-	(0.05)
	Balance at the end of the year (i)	**2,825.25**	**2,414.71**
(ii)	Remeasurement of defined benefit plan, net of tax		
	Balance at the beginning of the year	(1.92)	(0.46)
	Prior period errors (round off)	-	(0.01)
	Restated balance at the beginning of the year	(1.92)	(0.47)
	Add : Other comprehensive (expense) for the year	(1.29)	(1.45)
	Balance at the end of the year (ii)	(3.21)	(1.92)
	Balance at the end of the year (i) + (ii)	**2,822.04**	**2,412.79**
C	**Exchange differences in translating the financial statements of foreign operations**		
	Balance at the beginning of the year	6.19	3.21
	Add: Exchange differences in translating the financial statements of foreign operations	7.77	2.98
	Balance at the end of the year	**13.96**	**6.19**

16 Borrowings

(Secured unless otherwise stated)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Non-current				
Term loans from				
- banks in foreign currency	28.76	-	110.92	-
Vehicle loans from				
- banks	13.54	-	20.19	-
Current				
Loans repayable on demand from				
- banks in foreign currency	-	-	-	924.69
- banks in Indian rupees	-	1,562.09	-	-
Current maturities of long-term debt				
Term loans	-	91.54	-	137.91
Vehicle loans	-	6.64	-	5.67
Total	**42.30**	**1,660.27**	**131.11**	**1,068.27**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

16 Borrowings *(Continued)*

Notes:

((i) Refer note 43-44 for financial instruments, fair values and risk measurement.

(ii) The Group has not defaulted on repayment of principal and interest of any loan availed from any banks or financial institutions. The tenure of repayment of any loan availed by the Group from banks or financial institutions has not been rescheduled. The Group has not breached any covenants, terms and conditions of any loan agreement or any facility agreement.

(iii) The Group has utilised the borrowings from banks for the specific purpose for which it was taken.

(iv) The Holding Company does not have any charges or satisfaction which are yet to be registered with Registrar of Companies (ROC) beyond statutory period.

(v) Refer note 51 for the additional regulatory information.

(vi) During the year ended 31 March 2023, the personal guarantees of promoters cum directors of the Holding Company i.e. Mr. Ajaykumar Mansukhlal Patel, Mr. Chintan Nitinkumar Shah and Mr. Shekhar Rasiklal Somani have been released. Earlier these personal guarantees have been issued towards contractual obligations in respect of loans availed by the Holding Company.

(vii) Terms of repayments are as follows:

A Non-current borrowings including current maturities

	Particulars	As at 31 March 2023	As at 31 March 2022
1)	**Foreign currency term loans (FCTL) from ICICI Bank Limited**		
a)	FCTL-I of USD 0.94 million i.e. ₹ 61.27 million is repayable in 72 equal monthly installments of USD 0.01 million starting from 31 May 2017 to 30 April 2023. It carries interest rate of 3M LIBOR/SOFR +3.75% p.a. (Rollover to FCTL-X)	-	12.93
b)	FCTL-II of USD 0.67 million i.e. ₹ 43.17 million is repayable in 72 equal monthly installments of USD 0.01 million starting from 31 May 2017 to 30 April 2023. It carries interest rate of 3M LIBOR/SOFR +1.45% p.a.	1.27	15.26
c)	FCTL-III of USD 1.11 million i.e. ₹ 71.16 million is repayable in 72 equal monthly installments of USD 0.02 million starting from 31 May 2017 to 30 April 2023. It carries interest rate of 3M LIBOR/SOFR +1.45% p.a.	0.76	9.11
d)	FCTL-X of USD 0.10 million i.e. ₹ 8.29 million (Rollover of FCTL-I) is repayable in 8 equal monthly installments of USD 0.01 million starting from 30 September 2022 to 30 April 2023. It carries interest rate of 3M SOFR +3.75% p.a.	1.08	-
2)	**Foreign currency term loans (FCTL) from CITI Bank N.A.**		
a)	FCTL-IV of USD 0.54 million i.e. ₹ 35.00 million is repayable in 16 equal quarterly installments of USD 0.03 million starting from 04 January 2019 to 04 October 2022 commenced after moratorium period of 1 year. It carries interest rate of 5.50% p.a.	-	7.64
b)	FCTL-V of USD 0.61 million i.e. ₹ 39.50 million is repayable in 16 equal quarterly installments of USD 0.04 million starting from 22 May 2019 to 22 February 2023 commenced after moratorium period of 1 year. It carries interest rate of 6.20% p.a.	-	11.53
c)	FCTL-VI of USD 0.29 million i.e. ₹ 20.00 million is repayable in 16 equal quarterly installments of USD 0.02 million starting from 13 October 2019 to 13 July 2023 commenced after moratorium period of 1 year. It carries interest rate of 6.20% p.a.	3.00	8.31
d)	FCTL-VII of USD 2.01 million i.e. ₹ 143.00 million is repayable in 16 equal quarterly installments of USD 0.13 million starting from 28 April 2020 to 28 January 2024 commenced after moratorium period of 1 year. It carries interest rate of 6.40% p.a.	41.34	76.22

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

16 Borrowings *(Continued)*

	Particulars	As at 31 March 2023	As at 31 March 2022
e)	FCTL-VIII of USD 0.84 million i.e. ₹ 60.00 million is repayable in 16 equal quarterly installments of USD 0.05 million starting from 05 December 2020 to 05 September 2024 commenced after moratorium period of 1 year. It carries interest rate of 6.25% p.a.	25.85	39.72
f)	FCTL-IX of USD 1.31 million i.e. ₹ 93.50 million is repayable in 16 equal quarterly installments of USD 0.08 million starting from 28 February 2021 to 28 November 2024 commenced after moratorium period of 1 year. It carries interest rate of 6.25% p.a.	47.00	68.11
3)	**Vehicle loans from Axis Bank Limited**		
	Three vehicle loans of ₹ 11.10 million each is repayable in 60 equal monthly installments of ₹ 0.22 million starting from 01 February 2021 to 01 January 2026. It carries interest rate of 7.46% p.a.	20.18	25.86
	Total non-current borrowings including current maturities	140.48	274.69
B	**Current borrowings**		
1)	**Loans repayable on demand from CITI Bank N.A.**	638.65	600.38
	Facilities includes fund based facility of ₹ 850.00 million (31 March 2022: ₹ 650 million) and non-fund based facility of ₹ Nil (31 March 2022: Nil). It carries interest rates ranging from 1.65% p.a. to 11.50% p.a.		
2)	**Loans repayable on demand from ICICI Bank Limited**	379.22	324.31
	Facilities includes fund based facility of ₹ 600.00 million (31 March 2022: ₹ 400 million) and non-fund based facility of ₹ 55.00 million (31 March 2022: ₹ 55 million). It carries interest rates ranging from Repo+2.00% p.a. to 5.15% p.a.		
3)	**Loans repayable on demand from State Bank of India**	367.88	-
	Facilities includes fund based facility of ₹ 400.00 million (31 March 2022: ₹ Nil) and non-fund based facility of ₹ Nil (31 March 2022: Nil). It carries interest rates ranging from 5.25% p.a to 10.10% p.a.		
4)	**Loans repayable on demand from DBS Bank Limited**	176.35	-
	Facilities includes fund based facility of ₹ 350.00 million (31 March 2022: ₹ Nil) and non-fund based facility of ₹ Nil (31 March 2022: Nil). It carries interest rates ranging from 8.41% p.a. to 9.25% p.a.		
	Total current borrowings	**1,562.09**	**924.69**

(viii) Nature of securities are as follows:

Foreign currency term loans - I, II, III, X and working capital facilities from ICICI Bank Limited have been secured by way of first pari-passu charge on immovable and movable fixed assets of Dahej SEZ unit and movable fixed assets of Ankleshwar unit of the Holding Company. Further, secured by pari-passu charge on current assets of the Holding Company except current assets of Vadodara unit of the Holding Company and lien on fixed deposit of ₹ 5.15 million.

Foreign currency term loans - IV, V, VI, VII, VIII, IX and working capital facilities from CITI Bank N.A. have been secured by way of first pari-passu charge on immovable and movable fixed assets of Dahej SEZ unit and movable fixed assets of Ankleshwar unit and exclusive charge on immovable and movable fixed assets of Vadodara unit of the Holding Company. Further, secured by pari-passu charge on current assets of the Holding Company.

Working capital facilities from State Bank of India have been secured by way of first pari-passu charge on immovable and movable fixed assets of Dahej SEZ unit and movable fixed assets of Ankleshwar unit of the Holding Company. Further, secured by pari-passu charge on current assets of the Holding Company except current assets of Vadodara unit of the Holding Company.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

16 Borrowings *(Continued)*

Working capital facilities from DBS Bank Limited have been secured by way of first pari-passu charge on immovable and movable fixed assets of Dahej SEZ unit and movable fixed assets of Ankleshwar unit of the Holding Company. Further, secured by pari-passu charge on current assets of the Holding Company except current assets of Vadodara unit of the Holding Company.

Three vehicle loans from Axis Bank Limited have been secured by way of hypothecation of respective vehicles and personal guarantees of promoters/directors of the Holding Company.

17 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
	Current	Current
Payables for purchase of property, plant and equipment	294.04	37.60
Payables for initial public offer related expenses	-	50.77
Dividend payable	0.01	-
Interest accrued on borrowings	3.04	0.50
Other payables to related parties (refer note 50)	-	3.01
Total	**297.09**	**91.88**

18 Provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Employee benefits				
Compensated absences (refer note 40)	11.45	3.32	6.51	1.79
Total	**11.45**	**3.32**	**6.51**	**1.79**

19 Other liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Deferred government grant (refer note 36)	-	0.09	0.08	0.09
Advances received from customers	-	8.00	-	2.82
Employee benefits payable*	-	32.63	-	24.97
Expenses payable	-	15.09	-	39.33
Statutory dues payable	-	13.38	-	9.16
Unearned revenue	-	5.43	-	18.29
Unearned income	-	2.03	-	-
Total	**-**	**76.65**	**0.08**	**94.66**

*Refer note 42 for employee benefits payable to related parties

20 Tax (assets)/liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
	Current	Current
Advance tax (net of provision for income tax)	(55.42)	-
Provision for income tax (net of advance tax)	2.13	10.23
Total	**(53.29)**	**10.23**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

21 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Dues of micro and small enterprises	164.26	111.46
Dues of other than micro and small enterprises	157.62	333.67
Total	**321.88**	**445.13**

Notes:

(i) Trade payables ageing schedule:

Particulars	Outstanding for following period from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023						
Undisputed						
MSME	150.71	13.55	-	-	-	164.26
Others	150.04	7.58	-	-	-	157.62
Disputed						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**300.75**	**21.13**	**-**	**-**	**-**	**321.88**
As at 31 March 2022						
Undisputed						
MSME	93.28	18.18	-	-	-	111.46
Others	292.25	41.42	-	-	-	333.67
Disputed						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**385.53**	**59.60**	**-**	**-**	**-**	**445.13**

(ii) Trade payables are generally non-interest bearing and are on credit terms of 30 to 180 days.

(iii) The Group does not have any trade payables to related parties.

(iv) Refer note 51 for the additional regulatory information.

22 Deferred tax (assets)/ liabilities (net)

Particulars		As at 31 March 2023	As at 31 March 2022
Tax effect of items resulting in taxable temporary differences			
Unabsorbed depreciation		126.61	109.44
	(A)	**126.61**	**109.44**
Tax effect of items resulting in deductible temporary differences			
MAT credit entitlement		(243.11)	(195.52)
Disallowances under income tax (net)		(7.06)	(0.97)
Provision for expected credit loss		-	(0.05)
	(B)	**(250.17)**	**(196.54)**
Total (A+B)		**(123.56)**	**(87.10)**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

22 Deferred tax (assets)/ liabilities (net) *(Continued)*

Notes:

(i) Section 115BAA in the Income-tax Act, 1961 provides an option to the Holding Company for paying income tax at reduced rates as per the provisions or conditions defined in the said section. The Holding Company has opted to provide and consider the payment of income tax under old tax regime and deferred tax assets and liabilities are measured at the rates at which such deferred tax assets or liabilities are expected to be realised or settled.

(ii) The Holding Company is required to compute tax payable, higher of (a) Tax computed as per normal provisions of Income Tax Act, 1961 or (b) Tax payable as per MAT provisions computed u/s 115JB of Income Tax Act, 1961. When the amount of minimum alternate tax (MAT) is greater than its normal tax liability, the difference between MAT and normal tax liability is recognised as assets "MAT credit entitlement".

(iii) Movements in deferred tax (assets)/liabilities (net):

Particulars	As at 31 March 2023	Charged/(credited) - to profit and loss	Charged/(credited) - to other comprehensive income	As at 31 March 2022
Unabsorbed depreciation	126.61	17.17	-	109.44
MAT credit entitlement	(243.11)	(47.59)	-	(195.52)
Disallowances under income tax (net)	(7.06)	(6.09)	-	(0.97)
Provision for expected credit loss	-	0.05	-	(0.05)
Remeasurement of defined benefits	-	0.53	(0.53)	-
Net deferred tax (assets)	**(123.56)**	**(35.93)**	**(0.53)**	**(87.10)**

Particulars	As at 31 March 2022	Charged/(credited) - to profit and loss	Charged/(credited) - to other comprehensive income	As at 31 March 2021
Unabsorbed depreciation	109.44	16.42	-	93.02
MAT credit entitlement	(195.52)	(127.62)	-	(67.90)
Disallowances under income tax (net)	(0.97)	2.73	-	(3.70)
Provision for expected credit loss	(0.05)	0.59	-	(0.64)
Remeasurement of defined benefits	-	0.60	(0.60)	-
Net deferred tax (assets)/liabilities	(87.10)	(107.29)	(0.60)	20.78

(iv) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relates to income taxes levied by the same tax authority.

(v) MAT credit entitlement

The MAT credit can be utilised by the Holding Company in the subsequent years immediately succeeding the assessment year (A.Y.) in which such credit was generated. The credit can be adjusted in the year in which the liability of the Holding Company as per the normal provisions is more than the MAT liability. MAT credit can be carried forward only for a period of 15 years, after which it will lapse. The details of MAT credit recognised in respective A.Y., along with their expiry details are set out below:

Recognised for assessment year	Expiry assessment year	Year ended 31 March 2023	Year ended 31 March 2022
A.Y. 2020-21	A.Y. 2035-36	10.38	10.38
A.Y. 2021-22	A.Y. 2036-37	57.52	57.52
A.Y. 2022-23	A.Y. 2037-38	127.62	127.62
A.Y. 2023-24	A.Y. 2038-39	47.59	-
Balance at the end of the year		**243.11**	**195.52**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

22 Deferred tax (assets)/ liabilities (net) *(Continued)*

(vi) The Group has accrued significant amounts of deferred tax. The majority of the deferred tax (assets)/liability represents:

1. Taxable temporary differences:
   (a) Accelerated tax relief for the depreciation on property, plant and equipment.

2. Deductible temporary differences:
   (a) Unused minimum alternate tax (MAT) credit carried forward,
   (b) Net disallowances under income tax includes:
      (i) Other long-term employee benefits (compensated absences),
      (ii) Provision for expected credit loss,
      (iii) Forward exchange contracts (not designated as hedge), and
      (iv) Defined benefit obligation-gratuity fund

(vii) Recognition of deferred tax assets on MAT credit entitlement is based on the Holding Company's present estimates and business plans as per which the same is expected to be utilized within the stipulated fifteen-year period from the date of origination.

(viii) During the years ended, the Group has not charged or credited current tax or deferred tax directly to equity.

23 Revenue from operations

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from contract with customers		
Sale of products		
Export	3,036.08	3,398.64
Domestic	1,166.58	908.27
Sale of services		
Export	6.25	6.02
	4,208.91	**4,312.93**
Other operating revenue		
Export incentives (refer note 36)	6.36	6.70
Sale of scrap	20.85	16.84
	27.21	**23.54**
Total	**4,236.12**	**4,336.47**

Notes:

(i) Refer note 35 for revenue from contract with customers as per Ind AS 115.

(ii) Refer note 41 for information about operating segment as per Ind AS 108.

(iii) Refer note 42 for related party transactions as per Ind AS 24.

24 Other income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest income		
- on deposits with banks	36.48	45.13
- on deposits with others	0.67	0.26
- on others	1.23	0.01
Income from government grants (refer note 36)		
- interest subsidy under interest equalisation scheme	14.87	1.19
- interest subsidy on deferred government grant	0.09	0.09
- provident fund subsidy under aatmanirbhar bharat rojgar yojana	0.23	0.04

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

24 Other income *(Continued)*

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Income tax refund (refer note 32)	2.14	-
Refund of reach charges	1.10	0.03
Net gain on foreign currency transaction and translation (refer note 37)	-	39.19
Provisions for doubtful debts written back (net) (refer note 13)	0.19	2.93
Liabilities no longer required written back	0.44	0.73
Miscellaneous income	0.00	0.57
Total	**57.44**	**90.17**

Notes:

(i) Interest income includes income on financial assets carried at amortised cost

(ii) Interest income on deposits with bank includes interest income amounting to ₹ 34.47 million (31 March 2022: ₹ 42.45 million) received from fixed deposits made out of initial public offer (IPO) proceeds.

25 Cost of materials consumed

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Inventories of raw materials at the beginning of the year	463.79	208.70
Add: Purchases of imported raw materials	546.93	1,453.51
Add: Purchases of indigenous raw materials	1,446.90	1,346.52
Less: Inventories of raw materials at the end of the year	299.45	463.79
Total	**2,158.17**	**2,544.94**

26 Purchases of stock-in-trade

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Purchase of traded goods*	45.76	36.79
Total	**45.76**	**36.79**

** Purchase of traded goods includes other costs incurred in bringing inventories to their present location and condition. Both the foreign subsidiaries purchases all of their traded goods from the Holding Company, cost of purchase of the same have been eliminated in the consolidated financial statements.*

27 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Inventories at the beginning of the year		
- Work-in-progress	439.55	267.40
- Finished goods	321.84	65.97
- Finished goods in transit	218.12	65.71
- Traded goods	84.82	36.55
- Traded goods in transit	7.91	-
- Foreign currency fluctuation reserve	(0.64)	0.63
Subtotal (i)	**1,071.60**	**436.26**
Inventories at the end of the year		
- Work-in-progress	589.67	439.55

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

27 Changes in inventories of finished goods, work-in-progress and stock-in-trade *(Continued)*

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
- Finished goods	229.83	321.84
- Finished goods in transit	94.94	218.12
- Traded goods	105.46	84.82
- Traded goods in transit	5.04	7.91
- Foreign currency fluctuation reserve	(10.42)	(0.64)
Subtotal (ii)	**1,014.52**	**1,071.60**
Total (i) - (ii)	**57.08**	**(635.34)**

28 Employee benefits expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages (refer note 42)	348.59	280.68
Contribution to provident and other funds (refer note 40)	14.53	12.25
Contribution to gratuity fund (refer note 40)	2.46	2.07
Staff welfare expenses	20.40	13.18
Total	**385.98**	**308.18**

Notes:

(i) Refer note 3 and 5 for directly attributable 'employee benefits expenses' capitalised as property plant and equipment and transferred to capital work-in-progress.

29 Finance costs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest expenses*		
- on term loans	12.01	17.96
- on working capital loans	65.76	20.34
- on car loans	1.72	2.16
- on late payment of statutory dues	0.42	2.89
- on others	0.06	0.16
Other borrowing costs	4.07	6.00
Total	**84.04**	**49.51**

**Interest expenses includes interest on financial liabilities carried at amortised cost*

30 Depreciation and amortization expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment (refer note 3)	91.61	78.41
Amortization on right of use asset (refer note 4)	2.39	2.88
Amortization on other intangible assets (refer note 6)	1.55	0.51
Total	**95.55**	**81.80**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

31 Other expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Consumables, stores and spares	84.90	130.39
Electricity, power and fuel	236.12	226.17
Rent (refer note 38)	18.78	11.40
Repairs and maintenance of:		
- Buildings	2.72	3.75
- Plant and equipment	41.32	43.70
- Others	21.58	21.18
Packing expenses	83.34	95.51
Effluent treatment expenses	43.58	87.90
Labour and service charges	16.35	28.69
Laboratory expenses	13.44	11.84
Insurance	19.42	16.96
Security expenses	8.57	5.03
Safety expenses	7.57	6.27
Sitting fees (refer note 42)	0.66	1.12
Printing and stationery expenses	5.07	4.41
Legal and professional fees	26.01	22.02
Audit fees	3.09	2.30
Rates and taxes	3.48	7.61
Membership fees and subscription expenses	2.48	2.02
Communication expenses	2.15	2.56
Bank commission and other charges	1.96	2.82
Travelling and conveyance expenses	41.75	15.92
Selling and business promotion expenses	41.90	35.86
Freight clearing and forwarding expenses	162.42	199.20
Commission and brokerage	5.22	3.63
Bad debts	0.03	0.30
CSR expenditure	13.41	7.92
Net loss on foreign currency transaction and translation (refer note 37)	72.90	0.78
Loss on sale of property, plant and equipment (net)	0.01	0.51
Sundry balances written-off	1.77	0.12
Miscellaneous expenses	1.32	1.66
Total	**983.32**	**999.55**

Notes:

(i) Refer note 3 and 5 for directly attributable 'other expenses' capitalised as property plant and equipment and transferred to capital work-in-progress.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

31 Other expenses *(Continued)*

(ii) Research and development expenditure: The Holding Company has obtained a registration from the Department of Scientific and Industrial Research (DSIR) for its research and development unit which is approved under section 35(2AB) of the Income Tax Act, 1961 by the prescribed authority. The summary of gross research and development expenditure (capital and revenue) incurred and admissible under section 35(2AB) is as under:

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Gross amount	Admissible	Gross amount	Admissible
Capital expenditure	195.52	109.98	32.67	32.67
Revenue expenditure	60.39	48.88	37.03	37.03
Total	**255.91**	**158.86**	**69.70**	**69.70**

31A Exceptional items

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Loss on demolition of property, plant and equipment (refer note 3)		
Loss on demolition of building	30.80	-
Loss on demolition of furniture and fixture	1.45	-
Loss on demolition of electrical installation	3.62	-
Total	**35.87**	**-**

32 Tax expense/(benefits)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax		
- on profit for the year	28.16	186.56
- on short provision of tax relating to earlier years	0.69	3.20
	28.85	**189.76**
Deferred tax		
- on decrease in deferred tax assets	11.13	19.74
- on MAT credit entitlement	(47.59)	(127.62)
- on remeasurement of defined benefit liability/(asset)	0.53	0.60
	(35.93)	**(107.29)**
Total	**(7.08)**	**82.47**

Notes:

(i) Reconciliation of effective tax rate

The reconciliation between estimated income tax expense at statutory income tax rate and tax expense reported in the statement of profit and loss is given below:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax (a)	447.79	1,041.21
Tax using the statutory tax rate @ 29.12% (31 March 2022: 29.12%)	130.39	303.19
Effect of :		
Non-allowable expenses	48.18	28.30
Allowable expenses	(56.94)	(56.49)
Tax holidays	(105.66)	(212.80)
Other deductions	(27.43)	(2.94)
Deferred tax	11.66	20.34
Tax in respect of earlier years	0.69	3.20
Others	(6.17)	2.66
Tax rates differences of subsidiaries	(1.80)	(2.99)
Net tax expense (b)	**(7.08)**	**82.47**
Effective tax rate (b)/(a)	**-**	**7.92%**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

32 Tax expense/(benefits) *(Continued)*

(ii) The Holding Company continues to pay income tax under older tax regime and has not opted for lower tax rate as per provisions of section 115BAA of the Income Tax Act, 1961. The Subsidiaries have been paying income tax under respective Acts or Laws prevailing in the countries where subsidiaries are located. The Group is computing current tax on the basis of tax laws that have been enacted.

(iii) Refer note 22 for deferred tax.

(iv) The Holding Company in India is eligible for specified tax incentives which is included in the table above as tax holidays or exemptions. These are briefly described as under:

a) Location based exemption: Special economic zone (SEZ) operations

The Dahej unit of the Holding Company located in Dahej SEZ, Bharuch, Gujarat, India enjoy certain benefits under section 10AA of the Income Tax Act, 1961, which allows 100% of the taxable profit (derived from the export turnover from a SEZ unit) to be exempted till 31 March 2022, provided certain conditions are met.

Subsequent to this date, 50% of the taxable profit will be allowed to be exempted till 31 March 2027.

Subsequent to 31 March 2027, 50% of the taxable profits will be allowed to be exempted for further five years, provided the amount allowable in respect of deduction is credited to Special Economic Zone Re-Investment Reserve account and the amount credited should be utilised for acquiring new plant and machinery and provided certain other conditions are met. There can be no assurance that the Holding Company will continue to enjoy the tax benefits under section 10AA of the Income Tax Act, 1961 in future.

b) Other exemption: Research and development (R&D) operations

The R&D division of the Holding Company located at Vadodara, Gujarat, India enjoys certain benefits under section 35(2AB) of the Income Tax Act, 1961, which allows 150% deduction of any expenditure on scientific research (not being expenditure in the nature of cost of any land or building) on in-house research and development facility as approved by the prescribed authority, provided certain conditions stipulated by Department of Scientific and Industrial Research ("DSIR") are met, up to 31 March 2020. Subsequent to this date, 100% of any expenditure as specified above will be allowed as deduction. Approval of DSIR to the in-house R&D unit is valid till 31 March 2024. However, for subsequent period, deduction will be subject to approval of DSIR for the recognition of in-house R&D unit for respective period.

(v) The Group has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation for its international transactions as well as specified domestic transactions. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have any impact on the consolidated financial statement, particularly on the amount of tax expense and provision for taxation.

(vi) The Group Companies does not have any transaction which is not recorded in the books of accounts, that has been surrendered or disclosed as income during the year in the assessment under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) or any other Income Tax Acts or Laws prevailing in countries where subsidiaries are located.

33 Other comprehensive income/(expense)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Items that will not be reclassified to profit or loss		
Remeasurement gain/(loss) of defined benefit plan obligations*	(1.82)	(2.05)
Income tax relating to items that will not be reclassified to profit or loss	0.53	0.60
Items that will be reclassified to profit or loss		
Exchange differences in translating the financial statements of foreign operations	7.77	2.98
Income tax relating to items that will be reclassified to profit or loss	-	-
Total	**6.48**	**1.53**

**Refer note 40 for employee benefits.*

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

34 Earnings per share (EPS)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Face value per equity share (in ₹)	10	10
(a) Profit for the year attributable to equity shareholders (numerator)	454.87	958.74
(b) Number of equity shares at the beginning of the year	22,165,062	20,087,500
(c) Equity shares issued/allotted during the year	-	2,077,562
(d) Number of equity shares at the end of the year	22,165,062	22,165,062
(e) Date of allotment	Not applicable	27 July 2021
(f) Weighted average number of equity shares for calculating basic earnings per equity share (denominator)	22,165,062	21,499,104
(g) Weighted average number of equity shares for calculating diluted earnings per equity share (denominator)	22,165,062	21,499,104
Earnings per equity share (in ₹)		
- Basic	20.52	44.59
- Diluted	20.52	44.59

Notes:

(i) During the years ended, the Group has presented earning per equity share for continuing operations attributable to the ordinary equity shareholders of the Group. The Group does not have any discontinued operations.

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share. Accordingly, all equity shares rank equally with regard to their right to share profit for the year.

The Holding Company does not have any instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future.

(ii) The earnings per equity share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year.

(iii) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued/allotted during the year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

(iv) During the year ended 31 March 2022, the Holding Company has completed initial public offer (IPO) and allotted 2,077,562 equity shares of the face value of ₹ 10/- each at an issue price of ₹ 1,083/- per equity share (including a premium of ₹ 1,073 per equity share).

35 Revenue from contract with customers

Revenue from sale of products is recognized when the control on the goods has been transferred to the customers. Revenue from sale of services is recognised on satisfaction of performance obligation towards rendering of such services. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

The management has identified that "specialty chemical business" as "single operating segment" for the purpose of making decision on allocation of resources and assessing its performance.

Although to meet the disclosure objective with respect to disaggregation of revenue under "Ind AS 115 Revenue from contract with Customers", the Group believes that disaggregation on the basis of "product categories" best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

35 Revenue from contract with customers *(Continued)*

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A	**Revenue from contract with customers recognised in the consolidated statement of profit and loss**		
	Sale of products		
	Export	3,036.08	3,398.64
	Domestic	1,166.58	908.27
	Sale of services		
	Export	6.25	6.02
	Total	**4,208.91**	**4,312.93**
B	**Provision/(reversal) of expected credit loss on trade receivables recognised in the consolidated statement of profit and loss**		
	Other (income)/expenses		
	Provisions for doubtful debts/ (written back) (net)	(0.19)	(2.93)
	(Reversal)/provision	**(0.19)**	**(2.93)**
C	**Disaggregation of revenue**		
(i)	**Revenue based on type/nature of goods or services**		
	Phase transfer catalysts (PTC)	1,432.06	980.26
	Structure directing agents (SDA)	1,276.38	2,248.29
	Electrolyte salts (ES)	165.33	56.83
	Pharmaceutical and agrochemical intermediates and others (PASC)	1,335.14	1,027.55
	Total	**4,208.91**	**4,312.93**
(ii)	**Revenue based on its timing of recognition**		
	Goods or services transferred over a period of time	-	-
	Goods or services transferred over a point of time	4,208.91	4,312.93
	Total	**4,208.91**	**4,312.93**
(iii)	**Revenue based on geographical location**		
	Outside India	3,042.33	3,404.66
	In India	1,166.58	908.27
	Total	**4,208.91**	**4,312.93**
(iv)	**Revenue based on contract duration**		
	Long-term contracts	-	-
	Short-term contracts	4,208.91	4,312.93
	Total	**4,208.91**	**4,312.93**
(v)	**Revenue based on relationship with the customers**		
	Related parties	-	-
	Non-related parties	4,208.91	4,312.93
	Total	**4,208.91**	**4,312.93**
D	**Reconciliation of the amount of revenue recognised in the consolidated statement of profit and loss with the contracted price**		
	Revenue as per contracted price	4,198.05	4,333.50
	Adjustments		
	Sales returns or credits or reversals	(2.00)	(2.28)
	Deferment of revenue during the year	(5.43)	(18.29)
	Deferred revenue of previous year, recognised as revenue during the year	18.29	-
	Revenue from contract with customers	**4,208.91**	**4,312.93**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

35 Revenue from contract with customers *(Continued)*

E Contract assets and liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Current contract assets		
Trade receivables (refer note 13)	844.03	565.98
Unbilled revenue (refer note 12)	5.43	18.29
Contract assets (net trade receivables)	**849.46**	**584.27**
Current contract liabilities		
Other current liabilities (refer note 19)		
Advances received from customers	8.00	2.82
Contract liabilities (advance from trade receivables)	**8.00**	**2.82**

Notes:

(i) Amounts received in advance from customers i.e. before the related performance obligation is satisfied, are included in the balance sheet (Contract liability) as "Advances received from customers” in "Other current liabilities" (refer note 19). Amounts invoiced/ billed for performance obligation satisfied but not yet paid by the customers are included in the balance sheet under (Contract assets) as "Trade receivables" (refer note 13).

(ii) There were no significant changes in the composition of the contract liabilities and contract assets during the years reported, other than on account of routine invoicing and revenue recognition.

(iii) Amounts previously recorded as contract liabilities have been increased due to further advances received from customers during the years and decreased due to revenue recognised on satisfaction of performance obligation during the years.

(iv) Amounts previously recorded as trade receivables have been increased due to revenue recognised on satisfaction of performance obligation during the years and decreased on account of amount received from customers during the years.

(v) As per the terms of the contract with customers, either all performance obligations are to be completed within one year from the date of such contracts or the Group has a right to receive consideration from its customers for all completed performance obligations. Accordingly, the Group has availed the practical expedient available as per paragraph 121 of Ind AS 115 and dispensed with the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the balance sheet date. Further, since the terms of the contracts directly identify the transaction price for each of the completed performance obligations, in all material respects, all the elements of transaction price have been included in the revenue recognised in the consolidated financial statements. Further, there is no material difference between the contract price and the revenue from contract with customers.

(vi) As per the terms of the contract with customers, the Group expects, at the contract inception, that the period between transfer of a promised goods or services to customer and related payments for the goods or services will be less than one year or less. Accordingly, the Group has availed the practical expedient available as per paragraph 63 of Ind AS 115 and has not adjusted the promised amount of consideration for the effects of significant financing component, if any.

36 Government grants

A Government grants recognised as deferred government grant in the consolidated balance sheet:

Particulars	As at 31 March 2023	As at 31 March 2022
Other liabilities (non-current and current)		
Deferred government grant (refer note 19)		
Balance at the beginning of the year	0.17	0.26
Add : Received during the year	-	-
Less: Charged to the consolidated statement of profit and loss	(0.09)	(0.09)
Balance at the end of the year	0.09	0.17
Non-current	-	0.08
Current	0.09	0.09
Total	**0.09**	**0.17**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

36 Government grants *(Continued)*

B Government grants recognised in the consolidated statement of profit and loss:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operation		
Other operating revenue (refer note 23)		
Grants related to income		
Export incentives	6.36	6.70
	6.36	**6.70**
Other income		
Income on government grants (refer note 24)		
Grant related to assets	0.09	0.09
Grants related to expenses	15.10	1.23
	15.19	**1.32**
Total	**21.55**	**8.02**

Notes:

(i) Grants related to income or expenses includes:

1. Government assistance (export incentives):

   (a) The Group has recognised ₹ 5.53 million (31 March 2022: ₹ 6.68 million) as duty drawback of duty paid on export of goods, under section 75 of The Custom Act, 1962.

   (b) The Group has recognised ₹ Nil (31 March 2022: ₹ 0.02 million) as duty credit scrips under Merchandise Export from India Scheme ("MEIS") as extended till 30.04.2022 covered in Foreign Trade Policy.

   (c) The Group has recognised ₹ 0.83 million (31 March 2022: ₹ Nil) as duty credit scrips under Remission of Duties or Taxes on Export Products Scheme ("RODTEP") covered in Foreign Trade Policy.

2. Government grants:

   (a) The Group has recognised ₹ 0.09 million (31 March 2022: ₹ 0.09 million) as interest subsidy on deferred government grant as per Ind AS 20 under technology upgradation fund scheme (TUFS) of State Government.

   (b) The Group has recognised ₹ 14.87 million (31 March 2022: ₹ 1.19 million) as interest subsidy under "Interest Equalisation Scheme" of Central Government.

   (c) The Group has recognised ₹ 0.23 million (31 March 2022: ₹ 0.04 million) as provident fund subsidy under "Aatmanirbhar Bharat Rojgar Yojana" of Central Government.

(ii) The Group has not recognised any government grants whose conditions are not fulfilled and to which other contingencies are attached.

37 Foreign currency transactions and translation

(i) Foreign exchange loss/(gain) recognised in the consolidated statement of profit and loss:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Realised foreign exchange loss/(gain)	36.88	(69.83)
Unrealised foreign exchange loss	36.02	31.42
Net foreign exchange loss/(gain)	**72.90**	**(38.41)**

(ii) The Group has capitalised ₹ 0.00 million (31 March 2022: Nil) as foreign exchange loss/(gain) in accordance with the option obtained under para D13AA of Ind AS 101 "First-Time Adoption of Ind AS".

(iii) During the years ended, the Holding Company has repatriated to India, all due trade receivable from both the overseas wholly owned subsidiaries (WOS) and from other overseas non-related parties within 60 days of its falling due or as prescribed by Reserve Bank of India from time to time.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

38 Leases

Group as lessee:

Short-term leases: The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less (short-term lease), leases of low-value assets and cancellable leases. The Group recognizes the lease payments associated with these leases as an expense in the statement of profit and loss.

The Group has taken "leasehold land" on long-term lease, these leases are entirely prepaid by the Group and does not have any future lease liability towards the same. (refer note 4)

Amounts recognised in the consolidated statement of profit and loss:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Other expenses		
Rent		
Short-term or cancellable leases	18.78	11.40
Total	**18.78**	**11.40**

39 Disclosure of group and interest in subsidiaries

Description of parent and all the subsidiaries covered under the consolidated financial statements are as follows:

Name of entities	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held	
			As at 31 March 2023	As at 31 March 2022
Parent or Holding Company				
Tatva Chintan Pharma Chem Limited	Manufacturing of specialty chemicals	India		
Subsidiary Companies				
Tatva Chintan USA Inc.	Wholesale trade of specility chemicals	USA	100%	100%
Tatva Chintan Europe B.V.		The Netherlands	100%	100%

Notes:

(i) The Holding Company has carried its investments in equity instruments of subsidiaries at deemed cost less provision for impairment, if any. The Group does not have any investment in equity instruments "designated" at FVTOCI.

(ii) During the years ended, no such event has occurred, that have a detrimental impact on estimated future cash flows of above investments and the Group does not have any investments which have significant increase in credit risk.

(iii) The Holding Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(iv) The Group does not have any fellow subsidiaries, step down subsidiaries, associates or joint ventures.

(v) All the subsidiaries have been consolidated in the consolidated financial statements.

(vi) During the years ended, the Group does not have any subsidiaries which have been incorporated/ liquidated / dissolved / merged / demerged.

(vii) Refer note 51 for the additional regulatory information.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

40 Employee benefits

Employee benefits of the Group includes all forms of consideration (directly or indirectly) given by the Group in exchange for services rendered by its employees or on termination of employment.

A Short-term employee benefits:

Measurement and recognition:

The Group measures short-term employee benefits on an undiscounted basis and they do not involve any actuarial valuation.

The Group has recognised short-term employee benefits expected to be paid:

a) as employee benefits expense in the statement of profit and loss, if it does not form part of the cost of an asset as per any other Ind AS (Ind AS 2 "Inventories" or Ind AS 16 ""Property, plant and equipment") (refer note 28), and

b) as a current liability (employee benefits payable) or as a current asset (accrued expense) in the balance sheet, after deducting any amount already paid. (refer note 20).

B Post-employment benefits:

1 Defined contribution plans:

a) Description of plan:

The Group makes defined contribution to the recognised employee provident fund (EPF) as per provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and to employee state insurance corporation (ESIC) as per provisions of the Employees' State Insurance Act, 1948 for qualifying employees, which are recognised as employee benefits expense in the consolidated statement of profit and loss, on accrual basis when an employee renders the related service. The Group does not have any further contractual or constructive obligation, other than the contribution payable to the provident fund.

b) Measurement and recognition:

Under these contributions, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Group are at rates specified in the provisions and rules of the related laws.

The Group has recognised defined contribution plans as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i) Amount recognised in the consolidated statement of profit and loss:		
Employee benefits expense		
Contribution to statutory funds		
Employers' contribution to EPF	13.99	11.50
Employers' contribution to ESIC	0.54	0.75
Total	**14.53**	**12.25**
(ii) Amount recognised in the consolidated balance sheet:		
Other current liabilities		
Statutory dues payable		
Employers' provident fund payable	1.26	0.97
Employers' state insurance corporation payable	0.05	0.07
Total	**1.31**	**1.04**

2 Defined benefit plans:

i) Gratuity (funded):

a) Description of plan:

The Group makes annual contributions to defined benefit gratuity plan (funded) to finance the plan liability for qualifying employees. The gratuity fund is separately managed and administered by a trust (approved under the Income tax Act, 1961) and is legally separate from the Group. The plan is funded with Life Insurance Corporation of India (LIC) in the form of

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

40 Employee benefits *(Continued)*

qualified insurance policy. The contribution towards the trust fund is done as per rule 103 of Income Tax Rules, 1962. The plan is governed under provisions of the Payment of Gratuity Act, 1972:

The eligible employees are entitled to post-retirement benefit at the rate of 15 days last drawn salary (monthly salary is calculated for 26 days) for each completed year of service until the retirement age of 58 years, subject to ceiling of ₹ 2 million (i) On termination of employment due to superannuation or early retirement or resignation: with vesting period of 5 years of service. (ii) On death or permanent disablement in service: without any vesting period.

Where employees leave the Group prior to full vesting of the contributions, the contribution payable by the Group is reduced by the amount of forfeited contributions.

Governance of plan

The fund is managed by a trust which is governed by the Board of trustees. The Board of trustees are responsible for the administration, for overall governance of the plan assets, for the definition of the investment strategy and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They do periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

Investment strategy

The investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The plan exposes the Group to various actuarial risks such as:

(i)	Interest rate risk:	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
(ii)	Salary inflation risk:	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.
(iii)	Investment risk:	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently, the plan has a relatively balanced investment in government securities and other debt instruments.
(iv)	Asset liability matching (ALM) risk:	The plan faces the ALM risk, as to the matching cash flows. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
(v)	Longevity (mortality) risk:	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
(vi)	Concentration risk:	The plan is having a concentration risk, as all the assets are invested with the insurance Group and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

b) Measurement and recognition:

The present value of the defined benefit obligation and the related current service cost and past service cost is determined based on actuarial valuation as at the reporting date and is measured using the "projected unit credit method", which recognizes each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to build-up the final obligation.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

40 Employee benefits *(Continued)*

The obligations are measured at the present value of the estimated future cash flows by applying various valuation assumptions (referred below). The discount rate used for determining the present value of the obligation is based on the market yields on Government bonds as at the date of actuarial valuation. "

For the purpose of calculation, past service is rounded to the nearest integer. Suitable application of the ₹ 2 million ceiling has been considered while conducting the valuation and during the years ended, there were no plan amendments, curtailments and settlements.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2023 and this valuation has been done in conformity with the Actuarial Practice Standard 27 (APS 27) and the relevant guidance notes issued by Institute of Actuaries of India.

The Group has recognised actuarial gains or losses (net of tax) immediately in the other comprehensive income (OCI).

The principal assumptions used for the purposes of actuarial valuation of defined benefit plans were as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Demographic assumptions:		
Mortality rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Retirement age	58 years	58 years
Attrition rate	For service 4 years and below 25.00% p.a. For service 5 years and above 5.00% p.a.	For service 4 years and below 25.00% p.a. For service 5 years and above 5.00% p.a.
Financial assumptions:		
Salary escalation rate	8%	8%
Discount rate and expected return on plan assets	7.41% p.a. (Indicative G.Sec referenced as on 31 March 2023) for the tenure of 8 years	6.90% p.a. (Indicative G.Sec referenced as on 31 March 2022) for the tenure of 8 years
Average expected future service	8 years	8 years

The Group has recognised defined benefits plans as follows:

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
(i)	**Amount recognised in the consolidated statement of profit and loss:**		
	Employee benefits expense		
	Current service cost	2.75	2.37
	Past service cost and (gain)/loss on settlements	-	-
	Net interest cost	(0.29)	(0.30)
	Total	**2.46**	**2.07**
(ii)	**Amount of actuarial gains or losses recognised in other comprehensive income (OCI):**		
	Remeasurement of net defined benefit liability		

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

40 Employee benefits *(Continued)*

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
	Return on plan assets (excluding amounts included in net interest cost)	0.20	0.21
	Actuarial (gains)/losses arising from changes in financial assumptions	(1.16)	1.65
	Actuarial (gains)/losses arising from change in demographic assumptions	-	(1.08)
	Actuarial (gains)/losses arising from experience adjustments	2.78	1.27
	Total	**1.82**	**2.05**
(iii)	**Amount recognised in the consolidated balance sheet:**		
	Present value of funded defined benefit obligation (increased by 44.95%)	(20.92)	(15.83)
	Fair value of plan assets	26.78	20.03
	Net asset arising from defined benefit obligation	5.86	4.21
	Non-current	-	-
	Current	5.86	4.21
	Total	**5.86**	**4.21**
(iv)	**Reconciliation of net (asset)/liability recognised in the consolidated balance sheet:**		
	Net (asset)/liability at the beginning	(4.21)	(4.37)
	Expenses recognised in statement of profit and loss	2.46	2.07
	Expenses recognised in other comprehensive income (OCI)	1.82	2.05
	Benefits paid directly by employer	-	-
	Employers' contribution	(5.93)	(3.95)
	Net (asset)/liability at the end	**(5.86)**	**(4.21)**
(v)	**Movement in the present value of the defined benefit obligation:**		
	Defined benefit obligation at the beginning	15.83	10.92
	Current service cost	2.75	2.37
	Interest cost	1.09	0.74
	Remeasurement (gains)/losses		
	Actuarial (gains)/losses arising from changes in financial assumptions	(1.16)	1.65
	Actuarial (gains)/losses arising from change in demographic assumptions	-	(1.08)
	Actuarial (gains)/losses arising from experience adjustments	2.78	1.27
	Past service cost	-	-
	Benefits paid from the fund	(0.36)	(0.05)
	Defined benefit obligation at the end	**20.92**	**15.83**
(vi)	**Movement in the fair value of the plan assets:**		
	Fair value of plan assets at the beginning	20.03	15.29
	Interest income	1.38	1.04
	Return on plan assets (excluding amounts included in interest income)	(0.20)	(0.21)
	Contributions from the employer	5.93	3.95
	Benefits paid from the fund	(0.36)	(0.05)
	Fair value of plan assets at the end	**26.78**	**20.03**

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for the year ended 31 March 2023

(Currency: ₹ in Million)

40 Employee benefits *(Continued)*

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(vii)	**Composition of the plan assets**		
	Qualified insurance policy	100%	100%
	Total	**100%**	**100%**
(viii)	**Net interest (income)/expenses:**		
	Present value of the defined benefit obligation at the beginning	15.83	10.92
	Fair value of the plan assets at the beginning	(20.03)	(15.29)
	Net (asset)/liability at the beginning	(4.21)	(4.37)
	Interest cost	1.09	0.74
	Interest income	(1.38)	(1.04)
	Net interest (income)/expenses:	**(0.29)**	**(0.30)**

c) ***Sensitivity analysis:***

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.00)	2.37	(1.58)	1.88
Withdrawal rate (1% movement)	(0.21)	0.23	(0.23)	0.26
Future salary growth (1% movement)	2.27	(2.00)	1.84	(1.58)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation, as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Each year an asset liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study.

d) ***Past service analysis:***

The distribution of liability on defined benefit plans over different ranges of past service intervals is as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Less than 4 years	18.40%	19.54%
5 years and above	81.60%	80.46%
Total	**100.00%**	**100.00%**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

40 Employee benefits *(Continued)*

e) ***Analysis of discontinuance liability:***

The liability on discontinuance basis is the amount the Group has to pay if the Group discontinues its business on the valuation date. The discontinuance liability ignoring vesting criterion, if any on the valuation date works out as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Discontinuance liability (undiscounted accrued benefits) (increased by 39.63%)	23.00	16.37
Total	**23.00**	**16.37**

The distribution of the discontinuance liability for vested and non-vested employees is as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Vested employees	70.25%	69.92%
Non-vested employees	29.75%	30.08%
Total	**100.00%**	**100.00%**

f) ***Maturity analysis:***

The expected effect of defined benefit payments on the Group's cash flows is as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Less than 1 year	0.86	0.61
Between 1-2 years	0.96	0.68
Between 2-5 years	5.19	3.63
Over 5 years	49.51	35.95

C Other long-term employee benefits:

Compensated absences (non-funded):

a) ***Description of plan:***

The plan is non-funded and non-contributory defined benefits and cover the Group's liability for privilege leave. Under the compensated absences plan, leave encashment is payable to eligible employees on separation from the Group due to death, retirement, superannuation or resignation, at the rate of daily last drawn salary (monthly salary is calculated for 26 days), as per current accumulation of leave days. Other provisions of the plan are:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Encashment on separation	Yes	Yes
Encashment while in service	Yes	Yes
Availment while in service	Yes	Yes
Maximum accumulations (in days)	30	30
Maximum encashment (in days)	30	30
Excess over maximum accumulations	Lapse	Lapse
Vesting criteria	No	No

Accumulating paid absences may be either vesting (in other words, employees are entitled to a cash payment for unused entitlement on superannuation or resignation or retirement) or non-vesting (when employees are not entitled to a cash payment for unused entitlement on superannuation or resignation or retirement). An obligation arises, when employees render service that increases their entitlement to future paid absences. The obligation exists and is recognised, even if the paid absences are non-vesting, although the possibility that employees may leave before they use an accumulated non-vesting entitlement affects the measurement of that obligation.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

40 Employee benefits *(Continued)*

b) ***Measurement and recognition:***

The present value of the other long-term employee benefit and the related current service cost and past service cost is determined based on actuarial valuation as at the reporting date and is measured using the "projected unit credit method", which recognizes each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to build-up the final obligation.

The obligations are measured at the present value of the estimated future cash flows by applying various valuation assumptions (referred below). The discount rate used for determining the present value of the obligation is based on the market yields on Government bonds as at the date of actuarial valuation.

Based on the Group's past experience, the leave balances are split up into three proportions; leaves for while in service availment, leaves for while in service encashment and leaves for encashment on exit. This proportion is considered to follow the last in first out (LIFO) approach as guided in the Ind AS 19. During the years ended, there were no plan amendments, curtailments and settlements.

The most recent actuarial valuation of the present value of the other long-term employee benefits were carried out at 31 March 2023 and this valuation has been done in conformity with the Actuarial Practice Standard 27 (APS 27) and the relevant guidance notes issued by Institute of Actuaries of India.

The principal assumptions used for the purposes of actuarial valuation of other long-term employee benefits are same assumptions that are used in actuarial valuation of defined benefit plan (gratuity) (referred above), except two additional demographic assumptions which were as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Demographic assumptions:		
While in service availment rate (for compensated absences)	3% of the total leave (for all future years)	3% of the total leave (for all future years)
While in service encashment rate (for compensated absences)	5.00% of the leave balance (for the next year)	5.00% of the leave balance (for the next year)

The Group has recognised actuarial gains or losses on other long-term employee benefits as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i) Amount recognised in the Consolidated statement of profit and loss:		
Employee benefits expense		
Salaries and wages		
Compensated absences	10.82	3.75
Total	**10.82**	**3.75**
(ii) Amount recognised in the Consolidated balance sheet:		
Present value of unfunded other long-term employee benefits (increased by 77.85%)	14.77	8.30
Total liability arising from other long-term employee benefits	14.77	8.30
Non-current	11.45	6.51
Current	3.32	1.79
Total	**14.77**	**8.30**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

40 Employee benefits *(Continued)*

c) ***Sensitivity analysis:***

Significant actuarial assumptions for the determination of the other long-term benefits obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.83)	0.97	(0.53)	0.62
Employee turnover rate (1% movement)	(0.07)	0.08	(0.08)	0.09
Future salary growth rate (1% movement)	0.95	(0.84)	0.60	(0.53)

The sensitivity analysis presented above may not be representative of the actual change in the other long-term employee benefits obligation, as it is unlikely that the change in assumptions would occur in isolation of one another, as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the other long-term benefits obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

d) ***Past service analysis:***

The distribution of liability on compensated absences over different ranges of past service intervals is as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Less than 9 years	87.84%	84.21%
Between 10-19 years	10.77%	15.29%
Between 20-29 years	1.39%	0.50%
Over 30 years	0.00%	0.00%
Total	**100.00%**	**100.00%**

e) ***Analysis of discontinuance liability:***

The liability on discontinuance basis is the amount the Group has to pay if the Group discontinues its business on the valuation date. The discontinuance liability ignoring vesting criterion, if any on the valuation date works out as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Discontinuance liability (undiscounted accrued benefits) (increased by 89.04%)	13.85	7.32
Total	**13.85**	**7.32**

During the year ended 31 March 2022, the discontinuance liability and other long-term employee benefits includes the due but not paid liability amount of ₹ 0.08 million.

D Termination benefits:

Measurement and recognition:

The Group measures termination benefits on initial recognition and will further measure and recognise subsequent changes, in accordance with the nature of employee benefits, provided that:

- if the termination benefits are an enhancement of post-employment benefits, then the Group will apply all the requirements of post-employment benefits,
- if the termination benefits are expected to be settled wholly before 12 months after the end of reporting period, then the Group will apply all the requirements of short-term employee benefits, and
- if the termination benefits are not expected to be settled wholly before 12 months after the end of reporting period, then the Group will apply all the requirements of long-term employee benefits.

The Group has recognised termination benefits expected to be paid:

a) as employee benefits expense in the statement of profit and loss, and

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

40 Employee benefits *(Continued)*

b) as a current liability (employee benefits payable) or as a current asset (accrued expense) in the balance sheet, after deducting any amount already paid.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Amount recognised in the consolidated statement of profit and loss:		
Employee benefits expense		
Salaries and wages		
Retrenchment compensation	0.28	0.10
Total	**0.28**	**0.10**

During the years ended, the Group does not have any current liabilities and current assets related to termination benefits.

41 Segment reporting

"Operating segments" are components of the Group whose operating results are regularly reviewed by the "Chief Operating Decision Maker (CODM)" to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

"Specialty chemical business" has been identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

A Information about geographical areas

(i) Revenue from contract with customers*

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
India	1,166.58	908.27
Outside India	3,042.33	3,404.66
Total	**4,208.91**	**4,312.93**

**Revenue from contract with customers has been allocated based on the location of customers.*

(ii) Non - current assets*

Particulars	As at 31 March 2023	As at 31 March 2022
India	4,427.23	2,224.16
Outside India	0.22	-
Total	**4,427.45**	**2,224.16**

**Non-current assets have been allocated based on the geographic location of the respective assets.*

B Information about major customers

(i) Customers contributing more than 10% of the total revenue from contract with customers

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Customer 1	24%	34%

(ii) Customers contributing more than 10% of the outstanding trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Customer 1	27%	26%

Notes forming part of the Consolidated Financial Statements

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(Currency: ₹ in Million)

42 Related party disclosures

A Related parties

The Holding Company does not have any fellow subsidiaries, step down subsidiaries, associates or joint ventures. As per the Ind AS 24 on "Related Party Disclosures", list of related parties identified in the Group are as follows:

1 Key managerial personnel (KMP) and relatives of key managerial personnel

(a) **Key managerial personnel (KMP)**

Executive directors	**Designation**
Mr. Chintan Nitinkumar Shah	Chairman and Managing Director
Mr. Ajaykumar Mansukhlal Patel	Whole Time Director
Mr. Shekhar Rasiklal Somani	Whole Time Director
Non-executive directors	
Dr. Manher Chimanlal Desai	Independent Director
CA Subhash Ambubhai Patel	Independent Director
Dr. Avani Rajesh Umatt	Independent Director
Other key managerial personnel	
Mr. Ashok Bothra (w.e.f. 03 December 2021)	Chief Financial Officer
Mr. Mahesh Tanna (up to 31 August 2021)	Chief Financial Officer
Mr. Ishwar Nayi (w.e.f. 17 January 2022)	Company Secretary and Compliance officer
Ms. Apurva Dubey (up to 17 January 2022)	Company Secretary and Compliance officer

(b) **Relatives of key managerial personnel**

Ms. Darshana Nitinkumar Shah	
Ms. Shital Chintan Shah	Executive (up to 31 December 2021)
Ms. Priti Ajay Patel	Executive (up to 31 December 2021)
Ms. Kajal Shekhar Somani	Executive (up to 31 December 2021)
Ms. Shimoni Chintan Shah	Management Trainee- Marketing (w.e.f. 01 October 2022)
Mr. Samirkumar Rasiklal Somani	
Mr. Shitalkumar Rasiklal Somani	

2 Enterprises over which key managerial personnel and their relatives are able to exercise significant influence or control

M/s Ajay Mansukhlal Patel HUF
Arete Virtue Jewels
Bakia Laboratories
M/s Chintan N Shah HUF
Kirit H. Shah HUF
Marvel Indenting Private Limited
Premier Solution Private Limited
Samir Rasiklal HUF Somani
Shekhar Rasiklal Somani Ancestral
Tatva Chintan Pharma Chem Private Limited Employees Group Gratuity Scheme
Shital R Somani HUF
Shree Sai Baba Petroleum
Star Enterprise
Sardar Medical
Unigroup Resources LLP
Universal Distributors
Universal House
Voltajar Technology Private Limited
D. J. Shah Investment Finance Private Limited

Notes forming part of the Consolidated Financial Statements

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(Currency: ₹ in Million)

42 Related party disclosures *(Continued)*

B Transactions with related parties:

All the contracts/ arrangements/ transactions entered with the related parties were in the ordinary course of business and on arm's length basis and were in compliance with the provisions of the Companies Act and Listing Regulations and are approved by Audit committee.

The terms and conditions of the transactions with key management personnel and their relatives were not favourable than those transaction available or those transaction which might reasonably be expected to be available, in respect of similar transactions with non-key management personnel and their relatives on an arm's length basis.

The aggregate value of the Group's transactions with related parties are as follows:

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
1	**Key managerial personnel (KMP) and relatives of key managerial personnel**		
(i)	**Employee benefits expense**		
	Managerial remuneration		
	Mr. Chintan Nitinkumar Shah	16.50	16.50
	Mr. Ajaykumar Mansukhlal Patel	16.50	16.50
	Mr. Shekhar Rasiklal Somani	16.50	16.50
	Other key managerial personnel		
	Mr. Ashok Bothra	5.16	1.56
	Mr. Ishwar Nayi	0.86	0.17
	Mr. Mahesh Tanna	-	2.04
	Ms. Apurva Dubey	-	0.35
	Relatives of key managerial personnel		
	Ms. Shital Chintan Shah	-	0.45
	Ms. Priti Ajay Patel	-	0.45
	Ms. Kajal Shekhar Somani	-	0.45
	Ms. Shimoni Chintan Shah	0.15	-
	Subtotal	**55.67**	**54.97**
(ii)	**Other expenses**		
	Sitting fees		
	CA Subhash Ambubhai Patel	0.25	0.41
	Dr. Manher Chimanlal Desai	0.23	0.37
	Dr. Avani Rajesh Umatt	0.18	0.34
	Subtotal	**0.66**	**1.12**
	Reimbursement of expenses		
	Mr. Chintan Nitinkumar Shah	0.14	0.02
	Mr. Ajaykumar Mansukhlal Patel	0.23	0.00
	Mr. Shekhar Rasiklal Somani	0.38	0.42
	Mr. Ashok Bothra	0.01	0.01
	Mr. Ishwar Nayi	-	0.00
	Mr. Mahesh Tanna	-	0.01
	Subtotal	**0.76**	**0.46**
(iii)	**Other current financial liabilities**		
	Reimbursement of initial public offer expenses		
	Mr. Chintan Nitinkumar Shah	-	59.26
	Mr. Shekhar Rasiklal Somani	-	53.15
	M/s Ajay Mansukhlal Patel HUF	-	24.90
	Ms. Priti Ajay Patel	-	24.90
	Mr. Ajaykumar Mansukhlal Patel	-	16.96
	Ms. Kajal Shekhar Somani	-	8.01
	Ms. Darshana Nitinkumar Shah	-	7.50

Notes forming part of the Consolidated Financial Statements
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(Currency: ₹ in Million)

42 Related party disclosures *(Continued)*

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
Mr. Samirkumar Rasiklal Somani		-	4.73
Mr. Shitalkumar Rasiklal Somani		-	0.80
	Subtotal	**-**	**200.21**
(iv) **Other equity**			
Dividend paid			
Mr. Shekhar Rasiklal Somani		11.26	-
Mr. Chintan Nitinkumar Shah		9.80	-
Mr. Ajaykumar Mansukhlal Patel		8.01	-
M/s Ajay Mansukhlal Patel HUF		1.84	-
Ms. Priti Ajay Patel		1.84	-
M/s Chintan N Shah HUF		0.90	-
Ms. Darshana Nitinkumar Shah		0.55	-
Ms. Kajal Shekhar Somani		0.44	-
Ms. Shital Chintan Shah		0.46	-
Mr. Samirkumar Rasiklal Somani		0.00	-
Mr. Shitalkumar Rasiklal Somani		0.00	-
	Subtotal	**35.10**	**-**
Total KMP and relatives of KMP		**92.19**	**256.76**

C Balances with related parties

The aggregate value of the Group's outstanding balances with related parties are as follows:

Particulars		Maximum outstanding	As at 31 March 2023	As at 31 March 2022
2 **Key managerial personnel (KMP) and relatives of key managerial personnel**				
(i) **Other current liabilities**				
(a) Employee benefits Payable				
Managerial remuneration				
Mr. Chintan Nitinkumar Shah		0.76	0.76	0.76
Mr. Ajaykumar Mansukhlal Patel		0.76	0.76	0.76
Mr. Shekhar Rasiklal Somani		0.77	0.77	0.77
Other key managerial personnel				
Mr. Ashok Bothra		0.40	0.40	0.28
Mr. Ishwar Nayi		0.07	0.06	0.07
Relatives of key managerial personnel				
Ms. Shimoni Chintan Shah		0.02	0.02	-
	Subtotal		**2.77**	**2.64**
(b) Expenses payable				
Reimbursement of expenses				
Mr. Chintan Nitinkumar Shah		0.12	-	0.00
Mr. Shekhar Rasiklal Somani		0.04	0.03	0.03
Mr. Ashok Bothra		0.01	-	0.00
	Subtotal		**0.03**	**0.03**
(ii) **Other current financial liabilities**				
Other payables to related parties				
Mr. Chintan Nitinkumar Shah		0.89	-	0.89
Mr. Shekhar Rasiklal Somani		0.80	-	0.80

Notes forming part of the Consolidated Financial Statements

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(Currency: ₹ in Million)

42 Related party disclosures *(Continued)*

Particulars	Maximum outstanding	As at 31 March 2023	As at 31 March 2022
M/s Ajay Mansukhlal Patel HUF	0.38	-	0.38
Ms. Priti Ajay Patel	0.38	-	0.38
Mr. Ajaykumar Mansukhlal Patel	0.25	-	0.25
Ms. Kajal Shekhar Somani	0.12	-	0.12
Ms. Darshana Nitinkumar Shah	0.11	-	0.11
Mr. Samirkumar Rasiklal Somani	0.07	-	0.07
Mr. Shitalkumar Rasiklal Somani	0.01	-	0.01
Subtotal		-	**3.01**
Total KMP and relatives of KMP		**2.80**	**5.68**

Note:

(i) None of the Group Companies director is related to each other or to any other key managerial personnel or senior management personnel.

(ii) The Group Companies has not entered into any service contracts with its directors, key managerial personnel and senior management personnel which include termination or retirement benefits or otherwise. Except statutory benefits upon termination of their employment in the Group or superannuation, none of the key managerial personnel or senior management personnel is entitled to any benefits upon termination of employment or superannuation.

(iii) The Group Companies does not have any contingent or deferred compensation payable to its directors, key managerial personnel or senior management personnel which does not form part of their remuneration.

(iv) The Group Companies does not have any profit-sharing plan in which its directors, key managerial personnel or senior management personnel have participated.

(v) All the key managerial personnel and senior management personnel (other than executive directors) are interested in the Group Companies only to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

(vi) All the key managerial personnel and senior management personnel except its executive directors, are permanent employees of the Holding Company.

(vii) The directors of the Holding Company have not been paid any kind of remuneration from any of its subsidiaries.

43 Financial instruments

A Categories of financial assets and financial liabilities

The Group's financial assets and financial liabilities can be categorised as follows:

(i) The Holding Company has carried its investments in equity instruments of subsidiaries at deemed cost less provision for impairment, if any as per paragraph D15 of Ind AS 101 "First-time adoption of Indian accounting standards". The Group does not have any investment in equity instruments "designated" at FVTOCI.

(ii) The Group does not have any financial assets measured at FVTOCI.

(iii) During the years ended, the Group has not reclassified any financial assets and financial liabilities.

(iv) During the years ended, the Group has not off-settled any financial assets and financial liabilities.

(v) Refer note 13 for movement in loss allowance for credit losses of trade receivables.

(vi) The Group does not have any type of compound financial instruments.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

43 Financial instruments *(Continued)*

(vii) Refer note 16 for security details of financial assets and for no default and breach related to borrowings.

(viii) The Group has disclosed carried amount, net gains or losses if any, interests' income and interest expenses of all the categories of financial assets and liabilities in respective notes forming part of the consolidated financial statements.

B Hedge accounting

Derivatives not designated as hedging instruments: The Group uses foreign currency denominated borrowings and foreign exchange forward contract to manage its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 4 to 6 months.

The Group does not use cash flow hedges, fair value hedges, hedging of net investment in foreign operations and embedded derivatives.

C Fair values

The Group's management have assessed that the "carrying amounts" of financial assets and liabilities other than those valued at Level 1 and Level 2 are considered to be reasonable approximation of their "fair values" due to their current and short-term nature. Accordingly, the Group has not separately disclosed fair values as per paragraph 29 of Ind AS 107 " Financial instruments: disclosures".

D Fair value hierarchy

The fair value of financial instruments has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1 quoted prices in an active market: This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual funds. It has been valued using the closing price as at the reporting period on the stock exchanges.

Level 2 valuation techniques with observable inputs: This level of hierarchy includes financial assets and liabilities, measured using 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). The fair value of these instruments is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 valuation techniques with significant unobservable inputs: This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor based on available market data.

E Measurement of fair values

The Group's management have used its best judgement in estimating the fair value of its financial instruments. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

43 Financial instruments *(Continued)*

F Recognition and classification

Particulars	FVTPL	FVTOCI	Amortised cost	Total	Fair value hierarchy		
					Level 1	Level 2	Level 3
As at 31 March 2023							
Financial assets (non-current and current)							
Trade receivables	-	-	844.03	844.03	-	-	-
Cash and cash equivalents	-	-	273.66	273.66	-	-	-
Other bank balance	-	-	173.95	173.95	-	-	-
Loans	-	-	1.72	1.72	-	-	-
Other financial assets	5.16	-	55.78	60.94	-	5.16	-
Total	**5.16**	**-**	**1,349.14**	**1,354.30**	**-**	**5.16**	**-**
Financial liabilities (non-current and current)							
Borrowings	-	-	1,702.57	1,702.57	-	-	-
Trade payable	-	-	321.88	321.88	-	-	-
Other financial liabilities	-	-	297.09	297.09	-	-	-
Total	**-**	**-**	**2,321.54**	**2,321.54**	**-**	**-**	**-**
As at 31 March 2022							
Financial assets (non-current and current)							
Trade receivables	-	-	565.98	565.98	-	-	-
Cash and cash equivalents	-	-	630.17	630.17	-	-	-
Other bank balance	-	-	1,139.69	1,139.69	-	-	-
Loans	-	-	1.61	1.61	-	-	-
Other financial assets	1.13	-	53.31	54.44	-	1.13	-
Total	**1.13**	**-**	**2,390.76**	**2,391.89**	**-**	**1.13**	**-**
Financial liabilities (non-current and current)							
Borrowings	-	-	1,199.38	1,199.38	-	-	-
Trade payable	-	-	445.13	445.13	-	-	-
Other financial liabilities	-	-	91.88	91.88	-	-	-
Total	**-**	**-**	**1,736.39**	**1,736.39**	**-**	**-**	**-**

44 Financial instruments-risk management

The Board of Directors has the overall responsibility for establishing and governing the Group's risk management framework. The Group has constituted a risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions have also been placed before the Audit Committee. This note explains the nature, extent and sources of risks arising from financial instruments to which the Group is exposed at the end of the reporting years and how the entity manages the risk and the related impact in the consolidated financial statements.

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other bank balances, loans, trade receivables and other receivables. The Group's business activities are exposed to a variety of financial risks namely: A. Credit risk, B. Liquidity risk and C. Market risk.

A Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual and performance obligations resulting in financial loss to the Group. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Notes forming part of the Consolidated Financial Statements

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(Currency: ₹ in Million)

44 Financial instruments-risk management *(Continued)*

Group's credit risks principally arises from trade receivables and other receivables, from cash and cash equivalents, from forward exchange contracts and from security deposits or other deposits. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the Group along with relevant mitigation procedures adopted have been enumerated below:

Trade and other receivables

Customer credit risk has been managed by the Group and is subject to established policy, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring the credit worthiness of the customers to which the Group extends the credit in the normal course of the business. The Group uses publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings (if available) of its counterparties are continuously monitored. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

In determining the allowances for credit losses of trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Refer note 13, 35 and 41 for other disclosures related to trade receivables.

Other financial assets

Other financial assets include security deposits, forward exchange contracts, cash and cash equivalents, loans, other bank balance and other receivables.

- Security deposits have been given to various government authorities including other counterparties. Being government authorities, the Group believe that it does not has any exposure to credit risk. Security deposits to others are subject to established policy, procedures and controls relating to counterparty credit risk management by monitoring their credit worthiness, etc.

- Foreign exchange forward contracts (not designated as hedging instruments) have been taken with the intention of reducing foreign exchange risk of expected transactions. The Group attempts to limit the credit risk by only dealing with reputable banks having high credit-ratings assigned by credit-rating agencies.

- Cash and cash equivalents and fixed deposits are placed with banks having good reputation and having high credit-ratings assigned by international credit-rating agencies.

  Refer note 7- 10 for other disclosures related to other financial assets.

B Liquidity risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Group has maintained a cautious liquidity strategy, with a positive cash balance throughout the years ended. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities. The Group also manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

44 Financial instruments-risk management *(Continued)*

Exposure to liquidity risk

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows, along with its carrying value as at the balance sheet date. It includes principal, estimated interest payments and exclude the impact of netting agreements. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Particulars	Carrying amount	Contractual maturities		Total
		Less than 1 year	More than 1 year	
Non-derivative financial liabilities				
As at 31 March 2023				
Borrowings	1,702.57	1,660.27	42.30	1,702.57
Trade payables	321.88	321.88	-	321.88
Other financial liabilities	297.09	297.09	-	297.09
Total	**2,321.54**	**2,279.24**	**42.30**	**2,321.54**
As at 31 March 2022				
Borrowings	1,199.38	1,068.27	131.11	1,199.38
Trade payables	445.13	445.13	-	445.13
Other financial liabilities	91.88	91.88	-	91.88
Total	**1,736.39**	**1,605.28**	**131.11**	**1,736.39**

C Market risk

Market risk is the risk, that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates and interest rates.

(i) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's functional currency is Indian Rupees (INR). The Group has exposure to foreign currency by way of trade receivables, borrowings and trade payables (primarily USD and EUR) and is therefore exposed to foreign exchange risk.

Volatility in exchange rates affects the Group's revenue from exports markets and the costs of imports, primarily in relation to exports with respect to the US-dollar. Adverse movements in the exchange rate between the Rupee and the relevant foreign currency results in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt.

In order to minimize adverse effects on the financial performance, the Group has entered into foreign exchange forward contracts (not designated as hedging instruments) to hedge foreign currency exchange risk. All hedging activities are carried out in accordance with the Group's internal risk management policy, as approved by the Board, and in accordance with the applicable regulations where the Group operates. Such decisions are taken after considering many factors such as upside potential, cost of structure and the downside risks etc. Weekly reports are submitted to management on the covered and open positions and mark to market (MTM valuation). The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (Unhedged foreign currency exposure) at the end of the reporting period are as follows:

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

44 Financial instruments-risk management *(Continued)*

Particulars	As at 31 March 2023			As at 31 March 2022		
	USD	EUR	Total	USD	EUR	Total
Financial assets						
Trade receivables	605.91	-	605.91	412.30	-	412.30
Cash and cash equivalents	171.50	1.10	172.60	226.08	0.69	226.77
Other financial assets	5.16	-	5.16	1.13	-	1.13
Total Financial assets	**782.57**	**1.10**	**783.67**	**639.51**	**0.69**	**640.20**
Financial liabilities						
Borrowings	120.30	-	120.30	1,173.52	-	1,173.52
Trade payables	60.39	3.00	63.39	103.07	2.51	105.58
Other financial liabilities	0.17	-	0.17	0.50	-	0.50
Total Financial liabilities	**180.86**	**3.00**	**183.86**	**1,277.09**	**2.51**	**1,279.60**
Net foreign currency exposure	**(601.71)**	**1.90**	**(599.81)**	**637.58**	**1.82**	**639.40**

At the end of the reporting period the total notional amount of outstanding foreign currency contracts that the Group has committed to are as below :

Particulars	As at 31 March 2023		As at 31 March 2022	
	in USD	in INR	in USD	in INR
Foreign currency forwards-sell	9.42	774.81	12.13	919.54

The following significant exchange rates have been applied during the year.

Particulars	As at 31 March 2023		As at 31 March 2022	
	1 USD	1 EUR	1 USD	1 EUR
Opening rate as at 01 April	75.81	84.66	73.50	86.10
Average rate	80.33	83.67	74.51	86.59
Closing rate as at 31 March	82.22	89.61	75.81	84.66

Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity of "profit before tax" to a reasonably possible change of 2% in USD and EUR rates to the functional currency of the Group, with all other variables held constant:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Impact on profit before tax if exchange rates			
	increase by 2%	decrease by 2%	increase by 2%	decrease by 2%
USD	(12.03)	12.03	12.75	(12.75)
EUR	0.04	(0.04)	0.04	(0.04)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. The Group's fixed rate borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Group has exposure to variable interest rate risk, arising principally on changes in repo rate, MCLR, LIBOR and SOFR rates. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day-to-day operations like short-term loans. The Group manages this risk by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. The Group also has financial assets i.e. fixed deposits with fix rate of interest, therefore, they are not subject to interest rate risk.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

44 Financial instruments-risk management *(Continued)*

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instrument is as follows:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Fix rate	Variable rate	Fix rate	Variable rate
Financial assets	188.96	-	1,519.07	-
Financial liabilities	137.37	1,565.20	237.38	962.00

Interest rate sensitivity analysis

The following tables demonstrate the sensitivity of "profit before tax" to a reasonably possible change of 100 basis points in variable interest rates for borrowings of the Group, assuming the amount of the liability outstanding at the end of the reporting year was outstanding for the whole year with all other variables held constant:

Particulars	As at 31 March 2023	As at 31 March 2022
Impact on profit before tax if interest rates		
- increase by 100 basis points	(15.65)	(9.62)
- decrease by 100 basis points	15.65	9.62

45 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base so as to maintain investor, creditor and market confidence, to sustain future development of the business and to be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. For the purpose of the Group's capital management, capital includes paid-up equity capital and all other equity reserves attributable to the equity holders of the Group. The Group determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings. The Group monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

The table below summarises the capital, net debt and net debt to equity ratio of the Group:

Particulars	As at 31 March 2023	As at 31 March 2022
Equity		
Equity share capital	221.65	221.65
Other equity		
Securities premium	2,090.26	2,090.26
Retained earnings	2,836.00	2,418.98
Total equity (A)	**5,147.91**	**4,730.89**
Liabilities		
Non-current borrowings	42.30	131.11
Current borrowings	1,660.27	1,068.27
Gross debt	**1,702.57**	**1,199.38**
Less: Cash and cash equivalents	(273.66)	(630.17)
Less: Other bank balances (including deposit with banks with original maturity of more than 12 month)	(173.95)	(1,139.69)
Adjusted net debt (B)	**1,254.96**	**(570.48)**
Adjusted net debt to equity ratio	0.24	-

Notes:

(i) During the years ended, no changes were made in the objectives, policies or processes for managing capital.

(ii) Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including unutilised IPO proceeds held in deposits with banks).

Notes forming part of the Consolidated Financial Statements

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(Currency: ₹ in Million)

46 Contingent liabilities and commitments

(to the extent not provided for)

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
A	**Claims against the Group not acknowledged as debts for**		
	(i) Indirect tax matters (refer note (iii) below)	13.56	13.40
	(ii) Registrar of companies matters (refer note (iv) below)	-	20.00
	(iii) Direct tax matters (refer note (v) below)	1.00	-
B	**Commitments**		
	Estimated amount of contracts (capital) remaining to be executed	177.33	767.12
	Total	**191.89**	**800.52**

Notes:

(i) The Group does not have any classes of liabilities which have been identified as provisions as per Ind AS 37 "Provisions, Contingent liabilities and contingent assets" except provisions covered under Ind AS 109, Ind AS 19 and Ind AS 12.

(ii) Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/decisions pending with various forums/authorities. 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 the consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

(iii) **Indirect tax matters**

(a) The Holding Company has received show cause cum demand notice dated 29 March 2022 from Deputy Director General of GST Intelligence (DGGI), for recovery of erroneous refund on zero rated supplies under Integrated Goods and Service Tax Act, 2017 (IGST) amounting to ₹ 11.38 million pertaining to financial year 2017-18 and 2018-19, apart from interest and penalty under section 74 (1) of The Central Goods and Service Tax Act, 2017 (CGST) r.w. regulation 20 of IGST Act, 2017. The Holding Company has filed application against the same. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

(b) The Holding Company has received order dated 3 March 2021 from Superintendent, CGST for recovery of erroneous refund on zero rated supplies under IGST Act, 2017 amounting to ₹ 0.56 million pertaining to financial year 2017-18, apart from interest and penalty. The Holding Company has filed appeal against the same. The Group expects the outcome of this proceeding in its favour.

(c) The Holding Company has received notice from DGGI, for payment of IGST on imports under advance licenses for the period after 09 October 2018 till the date of notice. The matter was being contested by the Holding Company on similar lines as many other companies. In the opinion of the Group and its tax counsels, there was a possibility of reassessment of bill of entries and IGST may be payable, which would then be available again as a credit to the Holding Company. During the year ended 31 March 2022, the Holding Company has paid ₹ 14.02 million on reassessment of bill of entries and taken input credit of the same and also paid ₹ 5.17 million as interest on the same which was recognised in the consolidated statement of profit and loss as "rates and taxes" under "other expenses".

(d) The Holding Company has received consultive notice dated 14 March 2022 from Assistant Commissioner of Customs, for recovery of duty drawback already granted, owing to non-realisation/short-realisation of export proceeds within prescribed time limit in terms of Foreign Exchange Management act, 1999 (as amended) amounting to ₹ 1.41 million pertaining to shipping bill filed from 01 April 2014 to 31 August 2018, the Holding Company is in process of filing reply w.r.t said consultative notice and the Group expects the outcome of this proceeding in its favour.

(e) The Holding Company has received demand cum show cause notice dated 31 March 2023 from Assistant Commissioner of Customs, for recovery of duty drawback already granted, owing to non-realisation/short-realisation of export proceeds within prescribed time limit in terms of Foreign Exchange Management act, 1999 (as amended) amounting to ₹ 0.16 million pertaining to shipping bill filed from 01 April 2014 to 30 June 2019. The Group expects the outcome of this proceeding in its favour.

Notes forming part of the Consolidated Financial Statements

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(Currency: ₹ in Million)

46 Contingent liabilities and commitments *(Continued)*

(iv) **Registrar of companies matters**

(a) The Holding Company has received an order from Registrar of Companies (ROC) dated 31 December 2021, for non-compliance of section 42 of the Companies Act, 2013, against an Suo-moto application filed by the Holding Company pursuant to section 454 of the Companies Act, 2013, which imposes penalty of ₹ 10.00 million on the Holding Company and ₹ 2.00 million each to its three directors and two key managerial personnel. The Holding Company has filed Appeal to the Regional Director, Ministry of Corporate Affairs against the said order. Regional Director, NWR, MCA has issued the order dated 07 July 2022 and set aside the penalty imposed earlier by ROC on the two key managerial personnel and levied the final penalty on the Holding Company amounting to ₹ 1.00 million and on its three directors ₹ 0.20 million each and disposed off the said matter. The Holding Company and three directors have paid the same and the Holding Company has recognised ₹ 1.00 million in the consolidated statement of profit and loss as "rates and taxes" under "other expenses".

(b) The Holding Company has received an order from Regional Director, NWR, MCA dated 07 July 2022, for delay in the appointment of its company secretary in F.Y. 2015-16 under section 203(1) of the Companies Act, 2013, against an Suo-moto Compounding application filed by the Holding Company pursuant to section 454 of the Companies Act, 2013, which imposes compounding fees of ₹ 0.11 million on the Holding Company and ₹ 0.40 million each to its three directors. The Holding Company and three directors have paid the same and the Holding Company has recognised ₹ 0.11 million in the consolidated statement of profit and loss as "rates and taxes" under "other expenses".

(v) **Direct tax matters**

The Holding Company has received show cause notice dated 22 September 2022 from Income tax assessment unit under section 274 read with secion 270A of the Income Tax Act, 1961 amounting to ₹ 1.00 million pertaining to assessment year 2020-21 (financial year 2019-20). The Holding Company has filed appeal against the same. The Group expects the outcome of this proceeding in its favour.

47 Other disputed matters

The Holding Company has filed two criminal complaints against M/s Kaveri Engineering Works ("Accused"), before the Chief Judicial Magistrate under the provisions of sections 138 and 141 of the Negotiable Instruments Act, 1881, wherein it is alleged that two cheques amounting ₹ 0.78 million was issued by the Accused to the Holding Company (in respect of certain advance payments made to the Accused, that was to be reimbursed to the Holding Company, in light of the failure of the Accused to deliver certain goods to the Holding Company) was subsequently dishonoured. The matter is currently pending and the Group expects the outcome of this proceeding in its favour.

48 Subsequent events

In preparing these consolidated financial statements, the Group has evaluated events and transactions that occur during the period subsequent to 31 March 2023 for potential recognition or disclosure in the consolidated financial statements. These subsequent events have been considered through 05 May 2023, which is the date, the consolidated financial statements were available to be issued. Except proposed dividend, no significant items were identified, which may require an adjustment to the consolidated financial statements.

The Board of Directors has recommended a final dividend of 20% (₹ 2/- per equity share of face value ₹ 10 each) for the financial year ended 31 March 2023, which is subject to the approval of shareholders at the ensuing Annual General Meeting. If approved, the dividend would result in a cash outflow of approximately ₹ 44.33 million.

Summary of dividend:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Dividend declared		
Final dividend @ ₹ 2 per equity share for financial year 2021-22	-	44.33
Proposed dividend not recognised as liability		
Final dividend @ ₹ 2 per equity share for financial year 2022-23	44.33	-

Notes forming part of the Consolidated Financial Statements

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(Currency: ₹ in Million)

49 Statement of utilization of initial public offer (IPO) proceeds

During the year ended 31 March 2022, the Holding Company has completed Initial Public Offer (IPO) of 4,616,804 equity shares of the face value of ₹ 10/- each at an issue price of ₹ 1,083/- per equity share (including a premium of ₹ 1,073 per equity share) aggregating to ₹ 5,000.00 million. The offer comprises of a fresh issue of 2,077,562 equity shares aggregating to ₹ 2,250.00 million and an offer for sale of 2,539,242 equity shares aggregating to ₹ 2,750.00 million. The equity shares of the Holding Company were allotted on 27 July 2021 vide board resolution dated 27 July 2021. The equity shares of the Holding Company were listed on 29 July 2021 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The details of the proceeds of the fresh issue are summarised in the table below:

Particulars	Amount
Gross proceeds from fresh issue of equity shares	2,250.00
Less: Estimated offer related expenses in relation to the fresh issue	(177.19)
Net proceeds	**2,072.81**

Details of statement of utilization of IPO proceeds till 31 March 2023 as per Regulation 32(1) and 32(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, are as under:

Objects of the offer	Amount as per "Offer document"	Unutilised amount as at 31 March 2022	Utilised during the year 31 March 2023	Unutilised amount as at 31 March 2023
Expansion at Dahej unit	1,471.00	1,210.53	1,206.21	4.32
Upgradation at R&D unit	239.71	221.31	106.19	115.12
General corporate purposes	362.10	-	-	-
Total	**2,072.81**	**1,431.84**	**1,312.40**	**119.44**

Notes:

(i) The Holding Company has appointed ICICI Bank Limited as the "Monitoring agency" in terms of regulation 41(2) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, to monitor the utilization of IPO proceeds.

(ii) Holding Company has obtained a monitoring agency report on quarterly basis from the "Monitoring agency" and filed the same with both BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) where equity shares of the Holding Company are listed and uploaded the same on Holding Company's website.

(iii) The above statement of utilization of IPO proceeds has been reviewed by the Audit Committee and approved by the Board of directors at their meeting held on 05 May 2023.

(iv) The unutilised amount of the net proceeds for the purposes described above, as at 31 March 2023 were held in monitoring agency account and in deposits with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended and was approved by the Board.

(v) In accordance with section 27 of the Companies Act, 2013, the Holding Company has not used the net proceeds for buying, trading or otherwise dealing in shares of any other listed Holding Company or for any investment in the equity markets and will comply the same in future.

(vi) The Holding Company has not entered in any proposal whereby any portion of the net proceeds will be paid to our promoters, promoter group, directors, key managerial personnel, or senior management personnel, except in the ordinary course of business. Further, there are no existing or anticipated transactions in relation to the utilisation of the net proceeds entered into or to be entered into by the Holding Company with the promoters, promoter group, directors, key managerial personnel and / or senior management personnel.

(vii) The Holding Company has deployed net proceeds towards general corporate purposes, in accordance with Regulation 7(2) of the SEBI ICDR Regulations, to drive business growth, including, amongst other things, meeting any expenses incurred in the ordinary course of business, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties, servicing of borrowings including payment of interest and any other purpose as permitted by applicable laws and as approved by the Board.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

50 Offer expenses (IPO)

As per clause 18.2 of the "Offer agreement" dated 31 March 2021, "The Holding Company" and "the Selling Shareholders" agree to share the costs and expenses (including all applicable taxes) directly attributable to "the Offer" (excluding listing fees) based on the proportion of equity shares included in "the Offer" for sale and the equity shares allotted by the Holding Company respectively, as a percentage the total equity shares in "the Offer". The Holding Company agrees to advance the cost and expenses of the Offer and will be reimbursed by the Selling Shareholders for their respective proportion of such costs and expenses only upon the successful consummation of the Offer".

Summary of the offer:

Particulars	Proportion	Amount
Fresh issue of equity shares	45%	2,250.00
Offer for sale by selling shareholders	55%	2,750.00
Total	**100%**	**5,000.00**

Calculation of offer expenses :

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	-	16.90
Add : Costs and expenses (including all applicable taxes) directly attributable to "the Offer" (excluding listing fees)	-	341.64
	-	**358.54**
Less: Costs and expenses (including all applicable taxes) recoverable from selling shareholders in their proportion (55%)	-	(197.20)
Less: Input tax credit of Goods and service tax on costs and expenses related to the Holding Company in its proportion (45%)	-	(22.38)
Less: Costs and expenses related to the Holding Company in its proportion (45%), which have been written off under section 52 of the Companies Act, 2013 against securities premium	-	(138.96)
Balance at the end of the year	**-**	**-**

Notes:

(i) Other payables to related parties (selling shareholders)

During the year ended 31 March 2022, the Holding Company has recovered estimated offer costs and expenses (including all applicable taxes) from selling shareholders in the proportion of offer for sale (55%). On the basis of calculation of actual offer expenses as referred above, full and final settlement between the selling shareholders and the Holding Company stands as follows:

Particulars	Estimated expenses in proportion to selling shareholders	Actual expenses in proportion to selling shareholders	(Payables) as at 31 March 2023	(Payables) as at 31 March 2022
Mr. Chintan Nitinkumar Shah	59.26	58.37	-	(0.89)
Mr. Shekhar Rasiklal Somani	53.15	52.35	-	(0.80)
M/s Ajay Mansukhlal Patel HUF	24.90	24.52	-	(0.38)
Ms. Priti Ajay Patel	24.90	24.52	-	(0.38)
Mr. Ajaykumar Mansukhlal Patel	16.96	16.71	-	(0.25)
Ms. Darshana Nitinkumar Shah	7.50	7.39	-	(0.11)
Ms. Kajal Shekhar Somani	8.01	7.89	-	(0.12)
Mr. Shitalkumar Rasiklal Somani	0.80	0.79	-	(0.01)
Mr. Samirkumar Rasiklal Somani	4.73	4.66	-	(0.07)
Total	**200.21**	**197.20**	**-**	**(3.01)**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

51 Additional regulatory information

(a) Information required for the consolidated financial statements pursuant to Schedule III of the Companies Act, 2013:

Sr. no.	Name of the entity	Net assets i.e. total assets minus total liabilities				Share in profit or loss			
		31 March 2023		31 March 2022		31 March 2023		31 March 2022	
		%	Amount	%	Amount	%	Amount	%	Amount
1	**Parent or Holding Company**								
	Tatva Chintan Pharma Chem Limited	98	5,047.81	99	4,688.79	89	404.65	100	959.87
2	**Foreign subsidiaries**								
	Tatva Chintan USA Inc.	2	107.03	2	77.35	5	22.61	2	17.35
	Tatva Chintan Europe B.V.	1	27.92	0	19.15	2	7.15	1	14.04
3	**Eliminations**								
	Elimination of intra group transactions including consolidation adjustments	-1	(34.85)	-1	(54.40)	4	20.46	-3	(32.52)
Total		**100**	**5,147.91**	**100**	**4,730.89**	**100**	**454.87**	**100**	**958.74**

Sr. no.	Name of the entity	Share in other comprehensive income (OCI)				Share in total comprehensive income (TCI)			
		31 March 2023		31 March 2022		31 March 2023		31 March 2022	
		%	Amount	%	Amount	%	Amount	%	Amount
1	**Parent or Holding Company**								
	Tatva Chintan Pharma Chem Limited	-20	(1.29)	0	(1.45)	87	403.36	100	958.42
2	**Foreign subsidiaries**								
	Tatva Chintan USA Inc.	-	-	-	-	5	22.61	2	17.35
	Tatva Chintan Europe B.V.	-	-	-	-	2	7.15	1	14.04
3	**Eliminations**								
	Elimination of intra group transactions including consolidation adjustments	120	7.77	0	2.98	6	28.23	-3	(29.54)
Total		**100**	**6.48**	**0**	**1.53**	**100**	**461.35**	**100**	**960.27**

Notes:

(i) Percentage have been calculated, based on the consolidated financial figures.

(ii) The Holding Company does not have any subsidiaries in India.

(b) The Holding Company does not have any transaction and/or balance that need to be disclosed under clause 34(3) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and section 186 of the Companies Act, 2013 i.e. the Holding Company has not directly or indirectly given any loan to any person or other body corporate, given any guarantee or provided security in connection with a loan to any other body corporate or person and have not acquired by way of subscription, purchased or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

(c) The Group Companies has not entered into any subsisting material agreement, including with strategic partners, joint venture partners or financial partners, other than in the ordinary course of business.

(d) During the years ended, the Group Companies has not been party to any merger or amalgamation and there have been no material acquisitions or divestments of business or undertakings by the Group.

(e) Neither the promoters, nor any of the key managerial personnel, senior management personnel, directors or employees of the Holding Company has entered into an agreement, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of the Holding Company.

(f) None of the Group Companies director is or was a director of any listed Company, whose shares are or were suspended from being traded on any stock exchanges, during the term of their directorship in such Company. Further, none of the directors is, or was, a director of any listed Company, which has been or was delisted from any stock exchange during the term of their directorship in such Company.

(g) None of the Group Companies director have been nominated, appointed or selected pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others of the Group.

(h) The Holding Company, its promoters, its directors, persons in control of the Group Companies and the members of the promoter group have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority / court.

(i) The Holding Company does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(j) The Group has disclosed other additional regulatory information in respective notes forming part of the consolidated financial statements.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2023

(Currency: ₹ in Million)

52 Indirect taxes

In the opinion of the Board and to the best of their knowledge and belief, the Group has properly complied provisions of Goods and Service Tax Act, 2017, The Customs Acts, 1962 and any other indirect taxes, to the extent applicable to the Group. Difference, if any, between the figures as per books of account and the respective returns, have been reconciled and would be corrected in next periodic returns and in annual returns. The said differences, if any, do not have any material impact on the consolidated financial statements.

53 Social security

The Code of Social Security 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules or interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code becomes effective.

54 Cost audit records

The Holding Company has maintained adequate cost records as per the provisions of the Companies (Cost Records and Audit) Rules, 2014, as amended.

55 Risks and economic uncertainties

The past three years have witnessed a series of global mega events, having a long-lasting impact on economies and businesses. The fiscal year 2022-23 was also influenced by major events. The ongoing war between Russia and Ukraine has further aggravated the global geopolitical stability and macroeconomy leading to energy crisis in Europe and a high inflationary situation across economies and rising interest rates. Meanwhile the lockdowns in China as a part of government's zero COVID strategy, resulted in sustained lockdowns throughout most part of the fiscal year and impacted supply chain globally including semiconductor chip shortage and slowdown in global demand.

56 Approval of financial statements

In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, this consolidated financial statements for the year ended 31 March 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on 05 May 2023.

57 General

(a) All the amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest million up to two decimals.

(b) All the amounts less than ₹ 4,999 have been disclosed as 0.00 million in the consolidated financial statements and notes forming part of consolidated financial statements.

(c) Figures for the previous year have been re-classified/re-arranged/re-grouped to conform to classification of current period, wherever necessary.

Notes forming part of the consolidated financial statements 1- 57

As per our report of even date attached

For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 05 May 2023
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 05 May 2023
Place : Vadodara, Gujarat, India

Form AOC-1

for the year ended 31 March 2023

(Currency: ₹ in Million)

Statement containing salient features of the financial statement of subsidiaries/~~associate companies/joint ventures~~ (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
Sr. no.	**1**	**2**	**1**	**2**
Name of the subsidiary	Tatva Chintan USA Inc.	Tatva Chintan Europe B.V.	Tatva Chintan USA Inc.	Tatva Chintan Europe B.V.*
Country	USA	The Netherlands	USA	The Netherlands
Date of incorporation	16 March 2015	01 March 2019	16 March 2015	01 March 2019
Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	01 April 2022 to 31 March 2023	01 April 2022 to 31 March 2023	01 April 2021 to 31 March 2022	01 April 2021 to 31 March 2022
Reporting currency#	USD	EUR	USD	EUR
Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Refer subnote (ii) below		Refer subnote (ii) below	
Share capital	6.66	0.01	6.66	0.01
Other equity (reserves and surplus)	100.37	27.91	70.69	19.14
Total assets	**270.69**	**175.88**	**218.84**	**174.71**
Total liabilities	**163.66**	**147.96**	**141.49**	**155.56**
Investments other than investments in subsidiaries	Not applicable		Not applicable	
Revenue from operation (turnover)	884.77	645.69	607.11	436.15
Profit before taxation	30.89	8.13	23.40	17.66
Provision for taxation	8.28	0.98	6.05	3.62
Profit after taxation	22.61	7.15	17.35	14.04
Proposed dividend	-	-	-	-
% of shareholding	100%	100%	100%	100%

Notes:

(i) * Financial information is based on unaudited financial statements.

(ii) # The Indian rupee equivalents have been calculated at average rate for profit and loss items and at closing rate for assets and liabilities and at historical rate for equity.

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	1 USD	**1 EUR**	**1 USD**	**1 EUR**
Opening rate as at 01 April	75.81	84.66	73.50	86.10
Average rate	80.33	83.67	74.51	86.59
Closing rate as at 31 March	**82.22**	**89.61**	**75.81**	**84.66**

(iii) Names of subsidiaries which are incorporated during the year and yet to commence operations : Not applicable

(iv) Names of subsidiaries which have been liquidated or sold during the year: Not applicable

(v) Part "B": Associates and Joint Ventures- Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: Not applicable

(vi) Names of associates or joint ventures which are incorporated during the year and yet to commence operations : Not applicable

(vii) Names of associates or joint ventures which have been liquidated or sold during the year: Not applicable

For **NDJ & Co.**
Chartered Accountants
Firm's Registration Number: 136345W

Shirish Shah
Partner
Membership Number: 035742

Date : 05 May 2023
Place : Vadodara, Gujarat, India

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
CIN: L24232GJ1996PLC029894

Chintan N. Shah
Chairman and Managing Director
DIN: 00183618

Shekhar R. Somani
Whole Time Director
DIN: 00183665

Ashok Bothra
Chief Financial Officer

Ishwar Nayi
Company Secretary and Compliance Officer
M. No.: A37444

Date : 05 May 2023
Place : Vadodara, Gujarat, India

Tatva Chintan Pharma Chem Limited

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Dist. Bharuch, Gujarat - 393 002, India
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