



SADHANA NITRO CHEM LIMITED

CIN : L24110MH1973PLC016698

Registered Office : Hira Baug, 1st Floor, Kasturba Chowk (C .P. Tank),
Mumbai - 400 004, INDIA

Tel.: 022-23865629 / 23875630 • Fax : 022-23887235

E-mail : sadhananitro@sncl.com • Website : www.sncl.com

Date: September 12, 2022

**To,
BSE Limited,
P.J. Towers,
Dalal Street, Mumbai – 400001**

Scrip Code - 506642

Dear Sir/Madam,

Subject: Annual Report for the Financial Year 2021-22.

This is in furtherance to our intimation dated August 31, 2022 and September 01, 2022 with respect to notice of the 49th Annual General Meeting (“AGM”) and Annual Report for the Financial Year 2021-22, we hereby wish to inform you that due to technical error, only twenty-nine pages of the said Annual Report are being displayed on the BSE portal in the intimation dated September 01, 2022.

We hereby enclose the complete Annual Report for the Financial Year 2021-22.

Kindly acknowledge the receipt of the same.

Thanking you.

FOR SADHANA NITROCHEM LIMITED

ASIT Digitally signed by
ASIT DHANKUMAR
DHANKUM JAVERI
AR JAVERI Date: 2022.09.12
16:08:58 +05'30'

**ASIT D. JAVERI
EXECUTIVE CHAIRMAN
DIN: 00268114S**



Sadhana Nitro Chem Limited

49th Annual Report 2021-2022

SADHANA NITRO CHEM LIMITED

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SADHANA NITRO CHEM LIMITED



CORPORATE DETAILS

BOARD OF DIRECTORS

Shri. Asil D. Javeri	Executive Chairman
Shri. Priyam S. Jhaveri	Independent Director
Shri. Pradeep N. Desai	Independent Director
Shri. Abhishek A. Javeri	Managing Director
Smt. Seema A. Javeri	Executive Director-Administration
Shri. Amit M. Mehta	Independent Director
Smt. Ayesha S. Patel	Independent Director

KEY MANAGERIAL PERSONNEL

Shri. Nitin R. Jani	Company Secretary
Shri. Rakesh R. Kothari	Chief Financial Officer

BANKERS

CITI BANK, Mumbai
ICICI BANK LTD., Mumbai
HDFC BANK LTD., Mumbai

AUDITORS

Jayesh Dadia & Associates LLP
Chartered Accountants
422, Arun Chambers,
Tardeo, Mumbai-400034.

REGISTERED OFFICE

Hirabaug, 1st Floor,
Kasturba Chowk (C.P.Tank), Mumbai-400 004.
Phone: 022-23865629 Fax :
E-mail : sadhananitro@sncl.com
Website : www.sncl.com

CIN

L24110MH1973PLC016898

FACTORY

47, M.I.D.C. Industrial Area, Roha,
Dist. Raigad, Maharashtra- 402 116.

REGISTRAR AND TRANSFER AGENT (RTA)

LINK INTIME INDIA PRIVATE LIMITED
(Formerly known as Intime Spectrum Registry limited)
C101, 247 Park, LB S Marg,
Vikhroli West, Mumbai-400 083.
Phones : 022-49186000
E-mail : rnt.helpdesk@linkintime.co.in

**NOTICE OF THE 49TH ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT THE (49TH) FORTY NINTH ANNUAL GENERAL MEETING ('AGM') OF THE MEMBERS OF SADHANA NITRO CHEM LIMITED ('THE COMPANY') WILL BE HELD ON THURSDAY, 22ND SEPTEMBER, 2022 AT 4.00 PM (IST) THROUGH VIDEO CONFERENCING ('VC/OAVM') TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:**1. Adoption of Financial Statement**

To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statement) of the Company for the Financial Year ended March 31, 2022 and the Reports of the Board of Directors and the Auditor's thereon.

2. Declaration of Dividend

To declare a dividend on Equity Shares for the financial year ended 31st March, 2022.

3. Appointment of Mr. Asit D. Javeri (DIN:00268114) as a director who is liable to retire by rotation and being eligible, offers himself for re-appointment.

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

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Asit D. Javeri (DIN:00268114), who retires by rotation, be and is hereby re-appointed as a director liable to retire by rotation."

SPECIAL BUSINESS:**4. Ratification of remuneration of Cost Auditors**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 as amended from time to time, the payment of the remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) plus reimbursement of out of pocket expenses at actual plus applicable taxes payable to M/s Vinay Mulay & Co., Cost Accountants (Reg No. M/8791), who were appointed as "Cost Auditors" by Board of Directors of the Company on the recommendation of Audit Committee, to conduct the audit of Cost Records maintained by the Company for Financial Year ending March 31, 2023, be and is hereby ratified and approved.

RESOLVED FURTHER THAT Mr. Asit D. Javeri, Executive Chairman and/or Mr. Abhishek A. Javeri, Managing Director and/or Mr. Nitin R. Jani, Company Secretary be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To approve the re-appointment of Mr. Amit Mahendra Mehta (DIN: 00073907) as an Independent Director of the Company for a second term of five consecutive years.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule IV of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended from time to time, Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the existing Articles of Association of the Company, and on the basis of recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Amit Mahendra Mehta (DIN:00073907), Independent Director of the Company, whose period of office is getting expired on April 29, 2023 and who has submitted a declaration that he meets the criteria for independence as provided in the Act and under Listing Regulations, 2015 and who is eligible for re-appointment for a period of second term under the Act and under Listing Regulations, 2015, be and is hereby re-appointed as an Independent Director on the Board of the Company for a second term of five consecutive years commencing from April 30, 2023 till



April 29, 2028, not subject to retirement by rotation, upon such remuneration as detailed in the explanatory statement hereto and as may be determined by the Board of Directors of the Company from time to time within the overall limits prescribed under the Act.

RESOLVED FURTHER THAT Mr. Asit D. Javeri, Executive Chairman and/or Mr. Abhishek A. Javeri, Managing Director and/or Mr. Nitin R. Jani, Company Secretary be and are hereby severally authorised to sign and submit all relevant e-forms, documents, in respect of aforesaid appointment with the Registrar of Companies and to do all such acts, deeds and things as may be necessary or expedient in their entire discretion, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto. *

Registered Office:

Hira Baug, 1st Floor
Kasturba Chowk, (C.P. Tank),
Mumbai - 400004
CIN: L24110MH1973PLC016698
E-mail: sadhanan.tro@sncf.com
Date: 12th August, 2022

By the order of Board of Directors

Nitin R. Jani
Company Secretary
Membership No. A4757



NOTES:

1. Pursuant to the General Circular No. 14/2020 dated April 8 2020, and General Circular No. 17/2020 dated April 13 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/ 2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, . General Circular No. 10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 8, 2021, General circular No. 03/2022 dated May 05, 2022 and all other applicable circulars prescribing the procedures and manner of conducting the AGM through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") along with Circular number SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2020/ 79 and SEBI/HO/CFD/CMD2/CIR/P/ 2021/11 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"). In compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.
2. The AGM shall be deemed to be held at the Registered Office of the Company at Hira Baug, 1st Floor, Kasturba Chowk (C. P. Tank), Mumbai, Maharashtra, 400004.
3. 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 AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the members will not be available.
4. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
5. Members of the Company under the category of institutional investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company or upload on the VC portal/e-voting portal.
6. An Explanatory Statement pursuant to section 102 of the Act relating to the special Business to be transacted at the AGM is annexed hereto.
7. NSDL will be providing facility for voting through remote e-Voting, for participation in the 49th AGM through VC/OAVM facility and e-Voting during the 49th AGM.
8. Members may note that the VC/OAVM facility, allows participation of at least 1,000 Members on a first come-first-served basis.
9. The Company has fixed Thursday, 15th September, 2022 as the "Record Date" for determining entitlement of Members to final dividend for the financial year ended March 31, 2022, if approved at the AGM.
10. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend, subject to deduction of tax at source ("TDS"), will be made on or before Wednesday, 21st October, 2022 as under:
 - i) To all Beneficial Owners in respect of shares held in electronic form as per the data as may be made available by NSDL and Central Depository Services (India) Limited ("CDSL") (both collectively referred to as "Depositories") as of the close of business hours on Thursday, 15th September, 2022;
 - ii) To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition requests lodged with the Company on or before the close of business hours on Thursday, 15th September, 2022.
11. Pursuant to the amendments in the Income Tax Act, 1961 ("the IT Act"), dividend income is taxable in the hands of the shareholders from 1st April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address at sadhananitro@snci.com. For the detailed process, please visit website of the Company www.snci.com
12. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager - NSDL at amitv@nsdl.co.in / 022-24994360 or Mr. Sagar Ghosalkar, Assistant Manager-NSDL at sagar.ghosalkar@nsdl.co.in / 022-24994553.
13. The Company has appointed Link In time India Private Limited, (RTA), C101, 247 Park, LBS Marg Vikhroli West, Mumbai 400083 as Registrars and Share Transfer Agents for Physical Shares. The said RTA is also the Depository interface of the Company with both NSDL & CDSL. Information of RTA is as follows:



Telephone No. 022- 49186000,
E-mail address: ml_helpdesk@linkintime.co.in
Fax No. 022-49186060.

However, keeping in view the convenience of Shareholders, documents relating to shares will continue to be received by the Company at its Registered Office.

Telephone No.022-23865629
Email: sadhananitro@sncf.com

14. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.
15. 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. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to sadhananitro@sncf.com
16. Members are requested to notify immediately change of address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and Link Intime India Private limited (RTA), or to the Company at its Registered Office in respect of their physical shares.
17. Members desiring any information are requested to write to the Company 10 days in advance
18. In compliance with the Circulars, the Annual Report 2021-22, the Notice of the 49th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s). Members who have not registered their e-mail addresses so far are requested to register their e-mail address with RTA / Depositories for receiving all communication including Annual reports, Notices, Circulars, etc. from the Company electronically.

Physical Holding	<p>Kindly submit Form ISR-1 to update PAN, Postal Address with PIN, Email Address & Mobile Number including demat and bank account details. Form ISR-1 is available on the website of the Company.</p> <p>You are requested to forward the duly filled-in documents along with the related proofs as mentioned in the respective forms to the following address:</p> <p>Link Intime India Pvt. Ltd. (Unit: Sadhana Nitro Chem Limited)</p> <p>Link Intime India Pvt. Ltd., C 101, 247 Park, L.B.S. Marg, Vikhrol (West), Mumbai, Maharashtra, 400083</p> <p>Ph: 022 - 49186270 Email: ml_helpdesk@linkintime.co.in</p>
Demat Holding	Contact respective Depository Participant(s)



19. Pursuant to the provisions of Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations") and Secretarial Standards issued by the Institute of Company Secretaries of India, a brief note on the background and the functional expertise of the Directors of the Company seeking re-appointment along with the details of other Directorships, memberships, chairmanships of Board Committees, shareholding and relationships amongst directors inter-se is set out in the Brief Resume appended to this Notice.
20. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
21. 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.
22. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM facilitated by NSDL.
23. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the 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 the National Securities Depository Limited (NSDL). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice. The Board has appointed Mr. Makarand M. Joshi, Partner or failing him Ms. Kumudini Bhakerao, Partner of M/s. Makarand M. Joshi & Co, Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
24. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer for all those members who are participating in the AGM through Video Conferencing but have not cast their votes by availing the remote e-voting facility.
25. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer 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.
26. The Result declared along with the report of the scrutinizer shall be placed on the website of the Company and on the website of NSDL the results shall simultaneously be communicated to the Stock Exchange (BSE), Mumbai.
27. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
28. **Electronic Dispatch of Annual Report and Process for Registration of e-mail Id for obtaining the Annual Report:**
Pursuant to Sections 101 and 136 of the Act read with the relevant Rules made thereunder and Regulation 36 of the SEBI Listing Regulations, companies can send Annual Reports and other communications through electronic mode to those Members who have registered their e-mail addresses either with the Company or with the Depository Participant(s). In accordance with the Circulars issued by MCA and SEBI and owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith) due to COVID-19 pandemic situation such statements including the Notice of the 49th AGM are being sent through electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s). Members may note that the Notice of the Meeting and the Annual Report 2021-22 is available on the Company's website www.sndl.com, website of the Stock exchanges i.e. BSE i.e. www.bseindia.com. The AGM Notice is also disseminated on the website of Agency i.e. at www.evoting.nsdl.com.
29. **Instructions for Members for participating in the AGM through VC/OAVM**
- I. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system.



Members may access the same at www.evoting.nsdl.com under member's login by using the remote e-voting credentials. The link for VC/OAVM will be available in Members login where the EVEN of Company will be displayed.

- II. The Members can start joining in 30 (thirty) minutes before the scheduled time of AGM and it will be kept open for 15 (fifteen) minutes after the start of AGM.
- III. 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.
- IV. User Guidelines/Compatibility for viewing of AGM:
 - ✓ All you need is a computer with an Internet connection (high speed service such as DSL or cable works best) and speakers. Compatible Browser list: Google Chrome 50 | Microsoft Edge | Internet Explorer 10 & above | Firefox | Safari | Opera
 - ✓ Video Buffering/Video Stuck but not audible: Check on the Internet Connection, Check whether you have sufficient bandwidth for viewing the Same, To check whether if you have sufficient bandwidth for viewing the same, click on the system check tab or visit speedtest.net Minimum Internet Speed should be 10 MBPS with the Upload and Download Ratio of 1:1.
 - ✓ Allow third party cookies.
 - ✓ You may also use a headset instead of speakers.
 - ✓ Please refresh your browser (for laptop / desktop kindly press CTRL+F5)
30. **Procedure to raise questions / seek clarifications with respect to Agenda of AGM:**
 - As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, Demat account number / folio number, email id, mobile number to sadhananitra@snci.com Questions / queries received by the Company till 5:00 p.m. IST on Tuesday, 20th September, 2022, shall only be considered and responded during the AGM.
 - Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending an email to sadhananitra@snci.com any time before 5:00 p.m. IST on Tuesday, 20th September, 2022, mentioning their name, Demat account number/ folio number, email id, mobile number. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
 - The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM, depending on availability of time.

Voting through electronic means

- I. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to "e-voting Facility Provided by Listed Entities", the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.

In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (LODR) Regulations, the Company is pleased to provide its members, as on the cut-off date, the facility to exercise their right to vote by electronic means on any or all of the businesses specified in the Notice, at the AGM by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).
- II. The facility for voting shall be made available at the AGM and the members attending the meeting through VC who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- III. The remote e-voting period commences on Monday, 19th September, 2022 at 9:00 am and ends on Wednesday, 21st September, 2022, at 5:00 P.M. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote by remote e-voting. The remote E-voting module shall be



disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

IV. General Instructions for accessing and participating in the AGM through VC/OAVM. Facility and voting through electronic means including remote e-voting:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 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 and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.sncpl.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8 2020, and General Circular No. 17/2020 dated April 13 2020, General Circular No 22/2020 dated June 15, 2020, General Circular No. 33/ 2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, . General Circular No. 10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 8, 2021, General circular No. 03/2022 dated May 05, 2022 and all other applicable circulars.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

- a) The remote e-voting period begins on Monday, 19th September, 2022 at 9:00 am and ends on Wednesday, 21st September, 2022, at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- b) The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, 15th September, 2022 may cast their vote electronically.
- c) **How do I vote electronically using NSDL e-Voting system ?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:


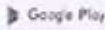




Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IdEAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IdEAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdEasDirectReg.jsp. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <p style="text-align: center;">   </p> <div style="display: flex; justify-content: center; gap: 20px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL.	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.



	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
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. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

Helpdesk for Individual Shareholders holding securities in demat mode 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 toll free no.: 1800 1020 990 and 1800 22 44 30
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 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website ?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholder/Member" section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical)	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.



b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.



4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinisers@mmjc.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting@nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to sadhananitro@snci.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) to sadhananitro@snci.com if you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-1020-990/ 1800-22-44-30 or send a request at evoting@nsdl.co.in.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.



4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (sadhananitro@ncl.com). The same will be replied by the company suitably.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE ACT

Item No. 4:

The Board, on the recommendation of the Audit Committee, has approved the appointment and payment of remuneration of Rs 1,25,000/- per annum (Rupees One Lakh and Twenty Five Thousand only) plus applicable taxes and out of pocket expenses to M/s Vinay Mulay & Co., Cost Accountants (Reg No: M/8791) as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 4 of the Notice for approval by the shareholders.

In accordance with provisions of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 following are the brief details pertaining to proposed Cost Auditors, M/s Vinay Mulay & Co., of the company:

Sr. No.	Particulars	Details
1.	Name of the firm	M/s. Vinay Mulay & Co.
2.	Brief Profile or Credentials of the firm	Mr. Vinay Mulay: CEO: Age 52 Years having Qualification of M. Com., FCMA, CMA (USA), PGDMS, CSCP, (APICA, USA) and having Experience of More than 42 Years in Cost Audit, Internal Audit, Forensic Audit, Inventory Management and Valuation, Project Management, Strategic Planning, Indirect taxation, Project Report for Financial Institutions and Banks in diverse Industries, working with MNCs etc.



3.	Terms and Conditions of Appointment	As per Appointment Letter
4.	Proposed Fees to be payable subject to the ratification of Members in AGM	Rs. 1,25,000/- per annum (Rupees One Lakh Twenty Five Thousand only)
5.	Date of Registration	29 th August, 2011
6.	Address	17B Laxminagar Maratha CHS Ltd Near RTO, Opposite Teacher's Colony, Andheri Mumbai-400053
7.	PAN No.	AADPM3648M
8.	Registration No.	M/8791
9.	Contact details	Tel: 26324918/Mobile: 9819864918
10.	Email Address	mulayvb@hotmail.com
11.	Whether any regulatory action has been faced	No

Item No.5

The Members at the AGM held on August 30, 2018 has appointed Mr. Amit Mahendra Mehta as an Independent Director to hold office for a term of 5 years commencing from April 30, 2018 to April 29, 2023. Accordingly, the tenure of Mr. Amit Mahendra Mehta, as an Independent Director is due for expire on April 29, 2023.

In terms of provisions of section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee of the Company shall recommend to the Board of the Directors, the appointment/ reappointment of a Director. In terms of provisions of section 149(10) of the Companies Act, 2013, an independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment on passing of a special resolution by the Shareholders of the Company and disclosure of such appointment in the Board's report.

The Company has received the consent from Mr. Amit M. Mehta, to act as the Director in the prescribed Form DIR-2 under Section 152(5) of the Act and Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 along with the declaration on criteria of Independence as per Section 149(6) of the Act and also in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

After taking into account the performance evaluation, during his first term of five years and considering the knowledge, acumen, expertise and experience in respective fields and the substantial contribution made by Mr. Amit Mahendra Mehta during his tenure as an Independent Director since his appointment, the Nomination and Remuneration Committee at its meeting held on 24th May, 2022 has considered, approved and recommended the re-appointment of Mr. Amit Mahendra Mehta as an Independent Directors for a second term of five years with effect from April 30, 2023 to the Board of Directors for their approval.

In the opinion of the Board of Directors, Mr. Amit Mahendra Mehta fulfils the conditions specified in the Act and the rules made thereunder, for his re-appointment as an Independent Director of the Company and is independent of the Management. He also has requisite qualifications, skills, experience and expertise and the Board has satisfied itself about the integrity, expertise and experience of Mr. Amit Mahendra Mehta.

In terms of the Companies (Creation and Maintenance of data bank of Independent Directors) Rules, 2019 read with the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, Mr. Amit Mahendra Mehta has enrolled his name in the online data bank of Independent Directors maintained by the Government.

The Board of Directors at its meeting held on 12th August, 2022 has approved the proposal for re-appointment of Mr. Amit Mahendra Mehta as an Independent Director for a second term of five consecutive years with effect from April 30, 2023.

In line with the Company's remuneration policy for Independent Directors, Mr. Amit Mahendra Mehta will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors, reimbursement of expenses for participation in the Board meetings.

In line with the aforesaid provisions of the Act and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Amit Mahendra Mehta, the Shareholders are requested to approve the



re-appointment of Mr. Amit Mahendra Mehta as an Independent Directors for a second term of five consecutive years with effect from April 30, 2023.

Except Mr. Amit Mahendra Mehta, being the appointee, none of the other Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Special Resolution as set out at Item No. 5 of the Notice for approval by the shareholders.

Brief Resume of Director's seeking appointment /re- appointment

Particulars of the Directors seeking appointment / re-appointment at the ensuing AGM pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and secretarial standards on General Meeting

Name	Mr. Asit D. Javeri	Mr. Amit M. Mehta
DIN	00268114	00073907
Date of Birth/ Age	25/06/1956 56 years	15/06/1954 68 years
PAN	AEDPJ1538B	AAHPM7493G
Nationality	Indian	Indian
Date of First Appointment	01/09/2015	30/04/2018
Brief resume & Expertise in Specific Functional Areas	Operating, Managing, Strategic planning Marketing in the chemical Industry. Mr. Asit D. Javeri had experience of 11 years of chemical industry. He has been associated with the company for more than 37 years.	Vast experience in Chemical Business
Qualifications	B.Sc. (Hon)	B.Sc. (Chemistry)
Directorship held in other entities	<ul style="list-style-type: none"> • Phthalic Colours and Chemicals (India) Limited • Manekchand Panachand Trading Investment co Pvt Limited • Life Style Networks limited • DHPL Marine Private Limited 	<ul style="list-style-type: none"> • Fnorga (India) Pvt Ltd • S Amit Speciality Chemicals Private Limited • Perfo Chem (India) Private Limited • Top notch Realty Private Limited • Pnam Realty Private Limited • Value E-healthcare Limited • Insight Health SCAN Private Limited • Global-local Lifestyle Services Private Limited • Fyra Insights Private Limited • Diamines and Chemicals Limited • KIJ Organic Diamines Limited • DACL Fine Chem Limited
Names of listed entities from which the Director has resigned in the past three years	<ul style="list-style-type: none"> • IEL Limited • Premier Limited 	<ul style="list-style-type: none"> • Tomorrowland Apparel's Private Limited
Membership / Chairmanship of Committees	3- Membership 1- Chairmanship	0- Membership 0- Chairmanship
The skills and capabilities required for the Independent Director role and the manner in which the proposed person meets such requirements	NA	Long, rich experience, continued valuable guidance to the management and strong Board performance. The Company believes that her skills, knowledge, and experience on the Board will complement the effective functioning of the Company.
Number of shares held in the Company	1,16,91,771	8,78,906



Disclosure of relationship	Mrs. Seema A. Javeri- (Wife) Mr. Abhishek A. Javeri- (Son)	None
Terms and Conditions of Appointment/reappointment	As per agreement	As per appointment letter
Remuneration proposed	As per the resolution passed in the AGM held on 22 nd September, 2022	Sitting fees
Remuneration last drawn	As mentioned in the Board Report	As mentioned in the Board Report
Number of Board meetings attended during the year	8	7

Registered Office:
Hira Baug, 1st Floor
Kasturba Chowk, (C.P. Tank),
Mumbai - 400004
CIN: L24110MH1973PLC016698
E-mail: sadhananitro@sncl.com
Date: 12th August, 2022

By the order of Board of Directors
Nilin R. Jani
Company Secretary
Membership No. A4757



BOARD'S REPORT

To
The Members of
SADHANA NITRO CHEM LIMITED

The Board of Directors hereby submits the report of the Business and operations of the Company for the Financial Year ended 31st March, 2022. The Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. FINANCIAL RESULTS AND HIGHLIGHTS OF PERFORMANCE

(Rs. in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2021-22	2020-21	2021-22	2020-21
Revenue from operations (Net) & Other Income	12,565	9,429	13668	10796
Total Expense	11,718	8,134	12,777	8930
Profit before Taxation	847	1,295	891	1866
Tax Expense	(268)	(273)	(269)	(274)
Profit/after tax	579	1,022	622	1,592
Other Comprehensive Income	16	21	16	21
Total Comprehensive Income	595	1,043	638	1,613

2. REVIEW OF OPERATIONS / STATE OF AFFAIRS OF THE COMPANY

The total revenue of your company for the financial year ending 31st March, 2022 has been Rs. 12,565 Lakhs as compared to Rs. 9,429 Lakhs in the previous years, registering an increase of about 33.25%.

The Company has assessed the possible impact of COVID-19 on its financial statements based on the internal & external information available up to the date of approval of these financial results and concluded that no adjustments are required in these results. The COVID-19 pandemic and subsequent lockdowns affected the results of the first half of the year reducing global demand for our products, however over the second half of the year the company's customers and applications all saw visible revivals in demand and subsequent increase in quantities.

The operations were under pressure of rippling effect of pandemic COVID-19. The domestic supply chain and international cargo movement were adversely affected.

On the other hand, due to the geo-political situation in Eurasia and COVID-19 situation in China, raw material and oil prices, along with freight show an extraordinary increase in cost. As the company had pre-existing orders, prior to the sudden extraordinary increases in cost, the company show reduced margins as it honored the contracts it had taken. The company is now negotiating for future orders based on the increased costs.

The EBITDA from normal operation for 2021-22 was Rs. 1,875 Lakhs (P.Y. EBITDA of Rs. 2,211 Lakhs) registering decline of about 15.20%.

Despite of all the above factors, your company achieved higher turnover but as impact of all above factors the Profit after Tax (PAT) was of Rs. 579 Lakhs (P.Y. Rs. 1,022 Lakhs) from normal operation registering of about 43.34 % decline.

The company has a satisfactory order book position. There has been no change in the nature of the business of the Company.

3. CHANGES IN SHARE CAPITAL/ISSUE OF SECURITIES:

a) Bonus Shares

During the year under review, the Company has issued Bonus Shares in the ratio of two Bonus shares for every five



existing equity shares held as on the record date by capitalization of reserves as approved by shareholders in the Extra-ordinary general meeting held on 9th July, 2021.

b) Increase in Authorized share capital:

The Board at its meeting held on 10th August, 2021 approved increase in Authorised Share capital of the company and consequential amendment in Memorandum of Association of the company which was further approved by the members of the company at the Annual General Meeting of the Company held on 28th September, 2021 from existing Authorized Share Capital of the Company of Rs. 21,50,00,000 (Rupees Twenty One Crores and Fifty Lakhs) divided into Rs. 21,50,00,000 (Twenty One Crores and Fifty Lakhs) Equity Shares of Rs. 1/- (Rupee One) each to Rs. 30,00,00,000 (Rupees Thirty Crores) divided into 30,00,00,000 (Thirty Crores) Equity Shares of Rs. 1/- (Rupee One).

c) Share Warrant:

During the year subsequent to approval accorded by the shareholders by way of Postal Ballot on 5th March, 2022, the company has issued 65,20,606 Equity Share Warrants of the Company at a price of Rs. 153.36 (including a premium of Rs. 152.36) per Equity Share Warrant, aggregating to Rs. 1,00,00,137/- on a preferential basis. The proceeds of the said Preferential Issue will be utilized towards expansion in the company including para-amino phenol (PAP) business (capex and opex) and for the general corporate purpose of the Company. The Warrants are fully convertible into one equity share against each Warrant and the Equity Shares shall be allotted upon exercise of the Warrants shall be fully paid up and rank pari-passu with the existing Equity Shares of the Company in all respects (including with respect to dividend and voting powers) from the date of allotment.

d) Listing Application on NSE:

The Board at its meeting held on 18th January, 2022 approved the listing of equity shares on the Main Board of National Stock Exchange of India Limited (NSE). The company has submitted the application for the same and it is in the process of getting approval from National Stock Exchange of India Limited (NSE).

4. DIVIDEND:

Your Directors are please to recommend 15% dividend (subject to tax on expanded capital on pro-rata basis) on equity share for financial year 2021-22, subject to the approval of shareholders in the ensuing 49th Annual General Meeting.

The Members whose names appear as Beneficial Owners as at the end of the business hours on Thursday, 15th September, 2022 (Record date) will be eligible for receipt of Dividend. The Dividend, if approved by the Members will be paid on or before 30 days from the date of Annual General Meeting.

5. EXPANSIONS:

Your company is happy to announce that pursuant to its application to Government of India, Ministry of Chemicals and Fertilizers, Department of Pharmaceutics for availing production linked incentives (PLI) Scheme for proposed project of Para Amino Phenol (PAP), your company has been approved and awarded the PLI based on the press note dated 12th May, 2021.

Your company is in the stage of rolling out PAP plants for a total capacity of 36000 TPA. These capacities will be installed over a couple of years. The Company has commenced production of its first PAP plant on the 7th June, 2022. Post commercialization of PAP plant the Company has successfully stabilized both, production and quality standard subsequent during second quarter of FY 2022-2023. The receipt of PAP product approval from the clients has commenced. All efforts are targeted to maximise the capacity utilisation in next six months. With the increased demand of PAP, and the PLI Scheme awarded, your company is in process of setting up its subsequent plant at a faster pace.

As we see the world's economies stabilize, we have seen renewed demand in all of our products. In light of this we shall be de-bottlenecking some of our existing products for additional capacity.

6. EXPORTS:

With the increase in competitiveness of your company on a global front, it has stable exports to across Europe, Japan, North and South America etc.

While our local market is growing steadily Company's turnover is still focused on the export market. This year's exports



being total of Rs. 7,480 Lakhs compared to last year's Rs. 4,783 Lakhs registering an increase of about 56.38%. Exports constituted about 59.53 % of the overall revenue from operation including other income. Company's Exports are well diversified in terms of product range as well as the Countries of Export.

7. OUTLOOK:

Your company has strong long-term fundamentals. It is looking towards leveraging its unique product offering along with its competitive strengths towards a long-term diverse sales pipeline with sustainable cash flows for the foreseeable future. Your company is looking to utilize its cash flow towards expanding product lines, diversify into downward derivatives of its existing products to create a maintainable long-term revenue pipeline and to further backward integrate to remove external dependencies. As the global markets are steadily opening up, we see a positive outlook in the demand.

8. DEPOSITS:

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013, (The Act) and other applicable rules thereunder during the year under review. Hence, the requirement for furnishing of details is not applicable.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Pursuant to the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable rules, Loans, guarantees and investments has been furnished in the Notes No. 4 & 5 to Audited financial statement.

10. UNPAID DIVIDEND & IEPF:

The Company is not required to transfer any amount to the Investor Education & Protection Fund (IEPF) and does not have unclaimed dividend which remains to be transferred to Unpaid Dividend Account.

11. TRANSFER TO RESERVES:

The Board of Directors have not appropriated and transferred any amount to any Reserve and the Board has decided to retain the entire amount in profit and Loss account.

12. CONSOLIDATED FINANCIAL STATEMENTS:

As on 31st March, 2022 the Company has two wholly owned subsidiary viz. Anuchem B.V.B.A. Belgium, a Foreign Subsidiary, and Spidigo Net Private Limited, an Indian Subsidiary. Financial Statement of the said subsidiaries are considered for the purpose of preparing Consolidated Financial statements.

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards (AS) viz. AS 21, AS-23 and AS-27 issued by the Institute of Chartered Accountants of India form part of this Annual Report.

13. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

Anuchem B.V.B.A and Spidigo Net Private Limited continue to be engaged in their respective nature of business. The performance and financial position/salient features of both the subsidiaries for the year ended 31st March, 2022 is given in Form AOC-I which is annexed hereto and marked as **Annexure-I**. Spidigo Net Private Limited is in the process of its Merger with the Company.

14. RELATED PARTY TRANSACTIONS:

a) The particulars of contracts or arrangements with related parties:

Your Company has historically adopted the practice of undertaking related party transactions only in the ordinary and normal course of business and at arm's length as part of its philosophy of adhering to highest ethical standards, transparency and accountability. In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has approved a policy on related party transactions. An abridged policy on related party transactions has been placed on the Company's website at <https://www.snci.com/policy>.



Related Party Transactions are also placed on a quarterly basis before the Audit Committee and Board of Directors for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature.

Further, the Company has not entered into any material transactions/contracts/arrangements referred to in Section 188(1) of (The Act) with related party (ies) as defined under Section 2(76) of (The Act) during the financial year under review.

b) Disclosure of Related Party Transaction with Person or Entity belonging to Promoter & Promoter Group:

The Company has not made any transaction(s) with Manekchand Panachand Trading Investment Co Private Limited, (Being Holding Company) an Entity belonging to Promoter or Promoter Group that holds 10% or more shareholding of the Company.

c) Disclosure of Loans and advances in nature of Loan to Subsidiaries and Associate of the Company:

The Company has given Loan to Spidgo Net Pvt. Ltd. amounting to Rs 9,77,38,076 which in the process of merger with the company.

15. INSURANCE:

The assets of your Company are adequately insured. Your Company has also taken out suitable cover for Public Liability.

16. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an adequate Internal Control System commensurate with the size and nature of its business. The preparation designing and documentation of Policy on Internal Financial Control are in place and implemented which is reviewed periodically and modified suitably to ensure controls.

The internal audit is carried out by a separate firm of Chartered Accountants. The periodical audit reports, including significant audit observations and corrective actions there-on, are presented to the Chairman of the Audit Committee.

17. MATTERS RELATED TO DIRECTORS:

a) Declarations by Independent Directors:

All Independent Directors have given their declarations that they meet the criteria of independence as laid down under the Act and pursuant to the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors are registered with MCA Independent Director's Databank.

b) Board Evaluation:

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive director. The same was discussed in the Board meeting held subsequently to the meeting of the independent directors, at which the performance of the Board, its Committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

c) Remuneration Policy:

The Board of Directors has on recommendation of the Nomination & Remuneration Committee framed policy for selection and appointment of Directors, Senior Management and their remuneration which is stated in the Corporate Governance Report.

d) Number of Board Meetings:

The Meetings of the Board and its Committees are held at regular intervals to discuss, deliberate and decide on various business policies, strategies, governance, financial matters and other businesses. The Board met 8 times during the financial year ended 31st March, 2022 in accordance with the provisions of the Act, the details of which



are given in the Corporate Governance Report. The gap between two Board Meetings did not exceed 120 days as per Section 173 of the Act.

e) Board of Directors and Key Managerial Persons:

i) Appointment/Re-appointment

- The members of the company at the Annual General Meeting held on 28th September 2021 had approved the re-appointment of Shri Asit D. Javeri as an Executive Chairman of the company, Shri Abhishek A. Javeri as Managing Director & Chief Financial Officer of the company and Smt. Seema A. Javeri as an Executive Director (Administration) for the further period of 3 years w.e.f. 1st May, 2021.
- The Board of Directors of the Company at its Meeting held on 9th June, 2021 had approved extension of service of Mr. Nitin R. Jani, Company Secretary of the company for a further period of 3 years w.e.f. 13th November, 2021.
- Based on the recommendation of Nomination and Remuneration Committee (NRC) the Board at its meeting held on 2nd May, 2022 approved the appointment of Shri. Rakesh R. Kothari as the Chief Financial Officer of the company with effect from 2nd May 2022. Pursuant to his appointment as Chief Financial Officer of the company, Shri Abhishek A. Javeri ceases to be Chief Financial Officer with effect from 2nd May, 2022.
- The Board, on 12th August, 2022 based on the recommendations of Nomination and Remuneration Committee (NRC) and pursuant to performance evaluation of Mr. Amit M. Mehta as a Member of the Board and considering his background, experience and contribution, the continued association of him would be beneficial to the Company, recommended his re-appointment as an Independent Directors of the Company, not liable to retire by rotation, for a second term of five (5) years commencing with effect from 30th April, 2023 till 29th April, 2028 for approval of the Members by way of a Special Resolution at the ensuing AGM of the Company. The necessary resolution recommending his re-appointment forms part of the AGM Notice.

ii) Resignation;

- Mr. Arvind Doshi has tendered his resignation from the position of Independent Director of the company on 2nd June, 2021. The company appreciates and take on record his valuable advice and contribution during his tenure of 47 years.
- Shri. Abhishek A. Javeri ceases to hold the position of Chief Financial Officer (CFO) of the Company Pursuant to appointment of Shri. Rakesh Kothari as the Chief Financial Officer of the company, with effect from 2nd May, 2022. However, Shri Abhishek A. Javeri continues to act as the Managing Director of the company.

iii) Retirement by Rotation:

In accordance with the provisions of the Act, none of the Independent Directors is liable to retire by rotation. As per the provisions of Section 152 of (The Act), Mr. Asit D. Javeri, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment and the agenda seeking the approval of Members is included in the Notice convening the 49th Annual General Meeting. The necessary resolution recommending his re-appointment forms part of the AGM Notice.

iv) Appointment criteria and qualifications:

The Nomination & Remuneration Committee identifies and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, Key Managerial Personnel ("KMP") or at Senior Management level and recommend the same to the Board for appointment.

v) Separate Meeting of Independent Directors:

In terms of requirements of Schedule IV of the Act, the Independent Directors of the Company met separately on 15th March, 2022, inter alia to review the performance of Non-Independent Directors (including the Chairman), the entire Board and the quality, quantity and timeliness of the flow of information between the Management and the Board.

18. LOANS FROM DIRECTORS

During the financial year under review, the Company has borrowed the following amount(s) from Directors and the



respective director has given a declaration in writing to the Company to the effect that the amount is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others. Accordingly, the following amount(s) is /are excluded from the definition of Deposit as per Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014:-

Name of Director giving loan	Amount borrowed during 2021-22
Shri. Asit D. Javeri	Rs. 296.50 Lakhs
Shri. Abhishek A. Javeri	Rs. 57 Lakhs
Smt. Seema A. Javeri	Rs. 263.00 Lakhs

19. REMUNERATION / COMMISSION DRAWN FROM HOLDING / SUBSIDIARY COMPANY:

During the financial year under review, the directors of the Company has not received remuneration / commission from the holding / subsidiary Company.

20. COMMITTEES OF BOARD OF DIRECTORS OF THE COMPANY:

The Company has duly constituted the following mandatory Committees in terms of the provisions of the Act & Listing Regulations read with rules framed thereunder viz.

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders' Relationship Committee;
- Corporate Social Responsibility Committee; and
- Risk Management Committee

The Composition of all above Committees, number of Meetings held during the year under review, 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.

Following are the Committees of Board of Directors of the Company. Details of the composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance, which forms part of the Annual Report. The same is annexed hereto and marked as **Annexure-II**.

21. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee was constituted pursuant to the provision of section 178 of the Act.

The Committee has in accordance with the provisions of sub-section (3) of Section 178 of the Act formulated and uploaded on <https://www.snci.com/policy>, the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

22. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee was constituted pursuant to the provisions of Section 135 of the Act. The composition of the committee is as follows:

- Mr. Asit Dhankumar Javeri, Chairman,
 Mr. Arvind Rajji Doshi, Member and (Resigned w.e.f 2nd June, 2021)
 Mr. Priyam Shantilal Jhaveri, Member
 Mrs. Ayesha S Patel, Member (appointed w.e.f 3rd June, 2021)

The Annual Report on CSR Activities, as stipulated under the Act and the SEBI (LODR) Regulations, 2015 forms an integral part of this Report and the Company has initiated activities in accordance with the said Policy, the details of which have been prescribed in **Annexure-III**.

The CSR policy is available on the website of the Company at the link <https://www.snci.com/policy>.



23. INTERNAL COMPLAINT COMMITTEE FOR PREVENTION AND PROHIBITION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The Internal Complaint Committee was constituted as per provision of the Act for prevention and prohibition of Sexual Harassment of woman at workplace which consists of following members:

- | | |
|-------------------------------|---------------|
| a. Mrs. Seema Asit Javeri | - Chairperson |
| b. Mrs. Philomena Fernandes | - Member |
| c. Mrs. Jyotsana Tushar Parab | - Member |
| d. Mrs. Mamta Jatin Shah | - Member |

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the year under review no complaints were received by the Committee.

24. VIGIL MECHANISM / WHISTLE BLOWER AND RISK MANAGEMENT POLICY:

Pursuant to the provisions of Section 177 (9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and Regulation 22 of SEBI (LODR) Regulations 2015 the Company already has in place "Vigil Mechanism Policy" (Whistle Blower Policy) for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Company also adopted Risk Assessment Procedure. The details of the same are mentioned in the Corporate Governance Report.

25. AUDITORS & REPORTS:

a) Statutory Auditors of the Company and their observations on accounts for the year ended 31st March, 2022:

At the 46th Annual General Meeting held on September 25, 2019, the Members approved appointment of M/s. Jayesh Dadia & Associates LLP, Chartered Accountants (Firm registration No: 121142W/W100122) to hold office from the conclusion of the 46th Annual General Meeting until the conclusion of the 51st Annual General Meeting to be held for the financial year 2024.

The Statutory Auditor's report does not contain any qualifications, reservations, adverse remarks or disclaimers.

b) Internal Auditors of the Company:

The Board of Directors in their meeting held on 24th May, 2022 re-appointed M/s Chandrashekhar Iyer & Co., as the Internal Auditor of the Company for the financial year 2022-23.

c) Cost Auditors of the Company:

The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s Vinay Mulay & Co., Cost Accountants (Reg No: M/8791) as the cost auditors of the Company for the year ending March 31, 2023 subject to approval of members in the ensuing Annual General Meeting.

Further, as specified by the Central Government under sub-section (1) of section 148 of the Act the required accounts and records are made and maintained by the Company.

d) Secretarial Auditors of the Company:

The Board on the recommendation of the Audit Committee appointed M/s. Makarand M. Joshi & Co., Company Secretaries in Practice, Mumbai, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2021-22 and their report is annexed hereto and marked as **Annexure-IV**. Observations made by Secretarial Auditor as per said report along with explanation made by Board is given below:



Sr. No.	Particular of Observation	Explanation by Board
1	The Company had made delay in submitting the outcome of Board Meeting in few instances	The delays have occurred due to unavoidable circumstances and the Company will strive to avoid such delay in future.
2	The company has submitted the voting results in the format specified by board beyond the mandated period of two working days of conclusion of its Annual General Meeting	The delays have occurred due to unavoidable circumstances and the Company will strive to avoid such delay in future.
3	The Structured Digital Database is not updated.	Delays have occurred due to unavoidable circumstances and the Company will strive to avoid such delays in future. The Company shall ensure that the same is updated in a timely manner.
4	In few of the instances changes in Designated Personnel is intimated in delay to Designated Depository.	The Company did not update the SDD for one Designated Person inadvertently. The Company shall ensure that changes in the Designated Persons are updated on the same day.
5	In one instance Designated Employees of the Company has deviated the Code of Conduct with respect to Contra Trade, and the Company has not intimated the same to the Stock Exchange.	The same has been duly considered by the Audit Committee of the Company at their meeting and the company has reported the same to the Stock Exchange.
6	Company has failed to transfer Rs. 1,13,06,662 towards Corporate Social Responsibility for FY 2020-21 to a fund specified in Schedule VII of the Act since said amount was not spent by the company as its CSR Obligation for that year.	Due to the ongoing COVID-19 pandemic, the Company could not spend the required funds. The Company will ensure that the said amount will be transferred to the fund as mandated by law and the Company will strive to avoid such failure in the future.
7	There was delay in approval and filing the Cost Audit Report for FY 2020-21.	Delays have occurred due to unavoidable circumstances and the Company will strive to avoid such delays in future.

The Board has also appointed M/s. MMJB & Associates LLP, Company Secretaries in Practice, Mumbai as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2022-23.

e) Reporting of frauds by statutory auditors:

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143 (12) of the Act read with Companies (Accounts) Rules, 2014.

f) Code for prevention of Insider Trading:

As per Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015, your Company has adopted an amended Code of Conduct to regulate, monitor and report trading by Designated Persons and their Immediate Relatives under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code of practices and procedures for fair disclosure of unpublished price sensitive information and has been made available on the Company's website.

26. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the corporate governance report together with Auditor report on the compliance on the same is annexed hereto and marked as **Annexure-II** and the Management Discussion and Analysis report is annexed hereto and marked as **Annexure-V**.

27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act, read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed hereto and marked as **Annexure-VI**.

28. ANNUAL RETURN:

Pursuant to the provisions of Section 92(3) and 134 (3) (a) of the Act, 2013, the Annual Return for the financial year ended 31st March 2022 will be uploaded on the website of the Company at www.snci.com

**29. SECRETARIAL STANDARDS OF ICSI**

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and approved by the Central Government.

30. INDUSTRIAL RELATIONS

The Company has been able to create a favorable work environment that motivates performance; customer focus and innovation in your company's strategies are based, inter alia, on process of continuous learning and improvement.

The Company continues to focus on extensive training and developmental activities and efficiency and quality improvement initiatives.

The productivity linked long term wage settlement with the workmen is under negotiation.

31. PARTICULARS OF EMPLOYEES AND REMUNERATION:

The information required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable Rules, is attached as **Annexure-VII**. Statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable Rules is provided in the Annexure forming part of this report.

32. SIGNIFICANT OR MATERIAL ORDERS PASSED AGAINST THE COMPANY

Pursuant to the requirement of Section 134(3)(q) of the Act, 2013 read with Rule 8(5)(vi) of the Companies (Accounts) Rules, 2014, it is confirmed that during FY 2021-22 there were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and your Company's operations in future.

33. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT:

There have been no other material changes and commitments affecting the financial position of your Company since the close of Financial Year i.e. 31st March, 2022 and the date of this Report except those mentioned above.

34. LEGAL AND REGULATORY

Compliance with laws and regulations is an essential part of your Company's business operations. We are subject to laws and regulations in diverse areas as product safety, product claims, trademarks, copyright, patents, competition, employee health and safety, the environment, corporate governance, listing and disclosure, employment and taxes.

Frequent changes in legal and regulatory regime and introduction of newer regulations with multiple authorities regulating same areas lead to complexity in compliance. We closely monitor and review our practices to ensure that we remain compliant with relevant laws and legal obligations.

35. SYSTEM AND INFORMATION

Your Company's operations are increasingly dependent on IT systems and the management of information. Increasing digital interactions with customers, suppliers and consumers place even greater emphasis on the need for secure and reliable IT systems and infrastructure, and careful management of the information that is in our possession.

The cyber-attack threat of un-authorized access and misuse of sensitive information or disruption to operations continues to increase. To reduce the impact of external cyber-attacks impacting our business, we have firewalls and threat monitoring systems in place, complete with immediate response capabilities to mitigate identified threats. Our employees are trained to understand these requirements.

36. GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:



- I. The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- II. The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- III. The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- IV. During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

37. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of (the Act), the Board of Directors of your Company, to the best of their knowledge and ability, confirm that:

- (a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- (b) They have selected 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 your Company at the end of the Financial Year and of the profit of your Company for the Financial Year.
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of (The Act) for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (d) They have prepared the Annual Accounts on a going concern basis;
- (e) They have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and are operating effectively;
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

38. CAUTIONARY STATEMENT

Statements in the Board's Report including Annexures there to describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply, input costs, availability, changes in government regulations, tax laws, Global geo-political situation, economic developments within and outside the country and other factors such as litigation and industrial relations

39. ACKNOWLEDGEMENT

Your Directors would like to express their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board also places on record its appreciation and gratitude for the continued cooperation and support received from shareholders, investors, bankers, financial institutions, customers, business partners, all regulatory authorities and other stakeholders.

For and On Behalf of the Board of Directors

Place: Mumbai
Date: 12th August, 2022

ASIT D. JAVERI
EXECUTIVE CHAIRMAN
DIN: 00268114



ANNEXURE-I

AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies /joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary/ Associate Companies/ Joint Venture Companies to be presented with amounts in Rs)

Sr. No	Particulars	Name of Subsidiary	
1)	Name of the subsidiary / Joint Venture / Associates Companies	Anuchem B.V.B.A., Belgium	Spidigo Net Private Limited
2)	Date on which the subsidiary company was associated or acquired	01/04/1998	11/03/2019
3)	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	January to December 2021	April 2021 to March 2022
4)	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	Euro 1 Euro = INR 84.73 Date: 31.12.2021	INR
5)	Paid up Share capital	Rs. 18750	Rs. 100000
6)	Reserves and Surplus	Rs. 23899	Rs. 92160917
7)	Total Assets	Rs. 2152609	Rs. 17370209
8)	Total Liabilities	Rs. 2152609	Rs. 17370209
9)	Investments	Rs. -	Rs. -
10)	Turnover	Rs. 290690686	Rs. 501749
11)	Profit before taxation	Rs. (376908)	Rs. (12493318)
12)	Provision for taxation / Def. Tax	Rs. (812)	Rs. 0.92
13)	Profit after taxation	Rs. (376096)	Rs. (12585503)
14)	Proposed Dividend	Nil	Nil
15)	% of shareholding	100 %	100 %

Names of Subsidiaries which are yet to commence operations: - N.A

Names of Subsidiaries which have been liquidated or sold during the year: N.A.



Part "B": Associates and Joint Ventures

(Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

Particulars	Name 1
1. Name of Associates/Joint Ventures	NOT APPLICABLE
2. Date on which the Associate or Joint Venture was associated or acquired	
3. Latest audited Balance Sheet Date	
4. Shares of Associate/Joint Ventures held by the company on the year end (in numbers)	
i. Number	
ii. Amount of Investment in Associates/ Joint Venture	
iii. Extent of Holding %	
5. Description of how there is significant influence	
6. Reason why the associate/joint venture is not consolidated	
7. Net worth attributable to Shareholding as per latest audited Balance Sheet	
8. Profit / Loss for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

Names of associates /joint ventures which are yet to commence operations: - N.A.

Names of associates /joint ventures which have been liquidated or sold during the year: N.A.

Place: Mumbai
Dated: 12th August, 2022**For Jayesh Dadia & Associates LLP**Chartered Accountants
Firm Registration No. 121142W / W100122
Jayesh Dadia
Partner
Membership No. 033973, ..



ANNEXURE - II TO DIRECTORS REPORT 2021-2022

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Sadhana Nitro Chem Limited believes that transparent accounting policies, appropriate disclosures norms, best-in-class Board practices and consistently high standards of corporate conduct towards its stakeholders are essential for sustained corporate growth.

Corporate Governance is about commitment to values and ethical business conduct. The Report on the Corporate Governance is to fulfill this commitment. An organization is able to attract investors and enhance the trust and confidence of all stakeholders by following the best governance practices.

Our Governance philosophy is based on the following: -

- Management is the trustee of the Shareholders capital and not the owner.
- Provide an enabling environment to harmonize the goals of maximizing stakeholder value and maintaining a customer centric focus.
- Have a simple and transparent corporate structure driven solely by business needs.
- Communicate externally, in a truthful manner, about how the Company is running internally.
- Make clear distinction between personal convenience and corporate resources.
- Be transparent and maintain high degree of disclosure levels in all facets of its operations.
- Satisfy the spirit of the law and not just the letter of the law.

The Company's philosophy on Corporate Governance is thus concerned with the ethics, values and morals of the Company and its directors, who are expected to act in the best interests of the Company and remain accountable to shareholders and other beneficiaries for their action.

2. BOARD OF DIRECTORS:

The Board of Directors as on March 31, 2022 comprised of seven (7) Directors. The Chairman of the Board is an Executive Director. Four (4) Directors are Non-Executive and Independent Directors (57.14%).

The composition of the Board is in conformity with Regulation 17 of SEBI (LODR) Regulations, 2015.

The Company's Board Comprises of diverse Individuals with considerable experience and expertise across a range of discipline including Business Management and Business Strategy.

The Board Members are fully aware of their roles and responsibilities in discharge of the key functions. The Board Members strive to meet the expectation of operational transparency without compromising the need to maintain confidentiality of information.

The Composition of the Board and Directorship held in other Companies as on 31st March, 2022:

Sr. No.	Name of the Director(s)	Category of Directorship	No. of outside Directorship	No. of other outside Committee positions held (*)	
				Chairman	Member
1.	Mr. Asif D. Javeri	Promoter - Executive Chairman	4	0	1
2.	Mr. Abhishek A. Javeri	Promoter group - Managing Director & Chief Financial	3	0	0
3.	Smt. Seema A. Javeri	Promoter - Executive - Director Administration	4	0	0
4.	Mr. Priyam S. Jhaveri	Independent - Non-Executive	6	1	1
5.	Mr. Pradeep N. Desai	Independent - Non-Executive	4	2	3
6.	Mr. Amit M. Mehta	Independent - Non-Executive	12	1	1
7.	Mrs. Ayesha S. Patel	Independent - Non-Executive	1	0	0

(*) In other Limited Companies (including Private Limited Companies) / Foreign companies. Only membership of audit committee and Stakeholder's Relationship Committee are considered.



The terms and conditions of appointment of the Independent Directors and the details of familiarization programme to them are available on the website of the Company <https://www.snci.com/policy>

3. BRIEF PROFILE OF DIRECTORS OF THE COMPANY:

a) Shri Asit D. Javeri (DIN: 00268114):

Shri Asit D. Javeri (DIN: 00268114) aged 66 years, is a Science graduate from Mumbai University. He is S/o (Late) Shri. Dhankumar T. Javeri, Founder Chairman of the Company.

He joined Company in December, 1984 as a Director of the company and in January 1985, he was appointed as the Managing Director. Prior to joining the Company, he had experience of 10 years of running chemical company. He has been associated with the company for more than 38 years.

At present, Shri Asit D. Javeri is Executive Chairman of the Company. And he is promoter of the company and holds 1,16,91,771 (5.98 %) Equity Shares of the company as on 31st March, 2022.

Directorship and committee membership of Shri Asit D. Javeri:

Sr. No	Name of the Company	Listed/ Unlisted Company	Category of Directorship	Membership in Committee
1.	Phtha'o Colors & Chemicals (India) Limited.	Unlisted	Director	Audit Committee - Member (Non - Executive)
2.	Manekchand Panachand Trading Investment Company Private Limited.	Unlisted	Director	Nil
3.	Lifestyle Networks Limited.	Unlisted	Director	Nil
4.	Sadhana Nitro Chem Limited	Listed	Executive Director	Corporate Social Responsibility Committee (Chairman & Member) Finance and Admin Committee (Member) Risk Management Committee (Member)
5.	DHPL Marine Private Limited	Unlisted	Director	Nil

b) Shri Abhishek A. Javeri (DIN: 00273030):

Shri Abhishek A. Javeri (DIN: 00273030) aged 39 years. He is son of Mr. Asit D. Javeri, Executive Chairman of the Company and Smt. Seema A. Javeri, Executive Director - Administration, of the Company. He is BA in Economics from North Western University, USA. He joined the company as a Director from 24th January, 2007.

At present, Shri Abhishek A. Javeri is Managing Director & Chief Financial Officer of the Company. He is also a member of promoter group of the Company and holding 59,02,764 (3.02 %) Equity Shares of the company as on 31st March, 2022.

Sr. No	Name of the Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee
1.	Sp-digo Net Private Limited	Unlisted	Director	Nil
2.	Manekch and Panachand Trading Investment Company Private Limited	Unlisted	Director	Nil
3.	Life Style Networks Limited	Unlisted	Director	Nil
4.	Sadhana Nitro Chem Limited	Listed	Managing Director & Chief Financial Officer	Finance and Admin Committee (Member) Risk Management Committee (Member)



c) **Smt. Seema A. Javeri (DIN: 01768936):**

Smt. Seema A. Javeri (DIN: 01768936) aged 63 years. She is a B.Sc. She has an experience of 13 years in Administration. She joined the company as a Director from 13th February, 2014.

At present, Smt. Seema A. Javeri is Executive Director - Administration of the Company. She is also a member of the promoter group of the Company and holding 3,84,867 (0.19%) Equity Shares of the company as on 31st March, 2022.

Directorship and committee membership Smt. Seema A. Javeri:

Sr. No	Name of the Unlisted Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee
1.	Spidigo Net Private Limited	Unlisted	Director	Nil
2.	Manekch and Panachand Trading Investment Company Private Limited	Unlisted	Director	Nil
3.	Life Style Networks Limited	Unlisted	Director	Nil
4.	Sadhana Nitro Chem Limited	Listed	Whole-time Director	Internal Compliant Committee for prevention and prohibition of Sexual Harassment of woman at workplace (Chairperson)
5.	DHPL Marine Private Limited	Unlisted	Director	Nil

d) **Shri. Priyam S. Jhaveri (DIN: 00045038):**

Shri. Priyam S. Jhaveri (DIN: 00045038) aged 67 years. He is a Commerce graduate and having rich experience in Chemical Industry. He is associated with Nanavati Group of Companies and joined Company as a Director from 11th March, 1998.

At present, Shri. Priyam S. Jhaveri is a Non-Executive Independent Director of the Company. He is holding 2,100 (0.0011%) Equity Shares of the company as on 31st March, 2022.

Directorship and committee membership of Shri. Priyam S. Jhaveri:

Sr. No	Name of the Company Unlisted Company	Listed / Directorship	Category of	Membership in Committee
1.	PHTHALO Colours and Chemicals (India) Limited	Unlisted	Chairman & Managing Director	Nil
2.	PHTHALO Pigments Private Limited	Unlisted	Director	Nil
3.	Sonega Trades & Investments Private Limited	Unlisted	Director	Nil
4.	Nanavati Sons Private Limited	Unlisted	Director	Nil
5.	Nanavati Speciality Chemicals Private Limited	Unlisted	Director	Nil
6.	Sadhana Nitro Chem Limited	Listed	Non-Executive - Independent Director	Stakeholders Relationship Committee - (Chairman & Member) Nomination & Remuneration Committee - (Chairman & Member) Audit Committee - (Chairman & Member) Corporate Social Responsibility Committee - (Member) Risk Management Committee (Member)
7.	Excel Industries Limited	Listed	Non-Executive - Independent Director	Audit Committee (Member)



e) **Shri Pradeep N. Desai (DIN: 01602942):**

Shri Pradeep N. Desai (DIN: 01602942) aged 60 years. He is Chemical Engineer. He joined the company as a Director from 12th February, 2013.

At present Shri Pradeep N. Desai is Non-Executive Independent Director of the Company. He is holding 4,200 (0.0021%) Equity Shares of the company as on 31st March, 2022.

Directorship and committee membership of Shri Pradeep N. Desai:

Sr. No	Name of the Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee
1.	Tanishka Microencapsulation Private Limited	Unlisted	Director	Stakeholders Relationship Committee - (Chairman & Member) Nomination & Remuneration Committee - (Member) Audit Committee - (Chairman & Member)
2.	Aayan Nanotech Private Limited	Unlisted	Director	Nil
3.	Life Style Networks Limited	Unlisted	Director	Nil
4.	Sadhana Nitro Chem Limited	Listed	Non-Executive - Independent Director	Audit Committee - (Member) Nomination & Remuneration Committee - (Member) Stakeholder's Relationship Committee - (Member)
5.	Nano additive Technology	Unlisted	Director	Nil

f) **Shri Amit M. Mehta (DIN: 00073907):**

Shri Amit M. Mehta (DIN: 00073907) aged 68 years is a B. Sc in Chemistry. He has vast experience of in Chemical Business. He joined the company as an Independent Director of the Company on 30th April, 2018 subject to the approval of members in 45th AGM of the Company held in Financial Year 2018-19. In AGM of the Company held on 30th August, 2018, members of the Company approved the appointment of Shri Amit M. Mehta as an Independent Director to hold the office for a term up to consecutive five years commencing from 30th April, 2018.

At present, Shri Amit M. Mehta is Non-Executive Independent Director of the Company. He is holding 8,78,906 (0.44 %) Equity Shares of the company as on 31st March, 2022.

Directorship and committee membership of Shri Amit M. Mehta:

Sr. No	Name of the Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee
1.	Finorga (India) Private Limited	Unlisted	Director	Nil
2.	S. Amit Speciality Chemicals Private Limited	Unlisted	Director	Nil
3.	Perfo Chem (India) Private Limited	Unlisted	Director	Nil
4.	Topnotch Realty Private Limited	Unlisted	Director	Nil
5.	Pinami Realty Private Limited	Unlisted	Director	Nil
6.	Value E-Healthcare Limited	Unlisted	Director	Nil
7.	Insight Health Scan Private Limited	Unlisted	Director	Nil
8.	Global-Local Lifestyle Services Private limited	Unlisted	Director	Nil
9.	Fyra Insights Private Limited	Unlisted	Additional Director	Nil



Sr. No	Name of the Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee
10.	Sadhana Nitro Chem Limited	Listed	Non - Executive - Independent Director	Nil
11.	Diamines And Chemicals Limited	Listed	Whole time Director	Stakeholders Relationship Committee - (Chairman & Member) Corporate Social Responsibility Committee - (Member)
12.	KLJ Organics Limited	Unlisted	Director	Nil
13.	DACL Fine Chemicals Limited	Unlisted	Director	Nil

g) Smt. Ayesha Sunil Patel (DIN: 02074115):

Smt. Ayesha Sunil Patel (DIN: 02074115) aged 63 years is B. Com, M.S. University, Baroda, Professional Management Education Programme, IIM, Ahmedabad and she was appointed as Non-Executive Independent Woman Director of the Company on December 07, 2020. Further she was regularized as an Independent Director at the Annual General Meeting dated 28th September, 2021.

Directorship and committee membership of Smt. Ayesha Sunil Patel:

Sr. No	Name of the Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee
1.	Sampatti Education and Welfare Foundation	Unlisted	Director	Nil
2	Sadhana Nitro Chem Limited	Listed	Non - Executive - Independent Director	Stakeholders Relationship Committee - (Member) Nomination & Remuneration Committee (Member) Audit Committee- (Member) Corporate Social Responsibility Committee - (Member)

4. ATTENDANCE RECORD OF THE DIRECTORS:

During the Financial Year 2021-22:

- (a) Four Meetings of Board of Directors were held on April 20, 2021, June 09, 2021, August 10, 2021, November 11, 2021, January 18, 2022, February 02, 2022, February 14, 2022, and March 15, 2022.
- (b) Last Annual General Meeting (AGM) of the Company was held on 28th September, 2021.

The Attendance of Directors at the Board Meetings, Last AGM were as under:-

Dates on which the Meetings were held	Attendance of Directors							
	Mr. Asit D. Javeri	Mr. Arvind R. Doshi	Mr. Priyam S. Jhaveri	Mr. Abhishek A. Javeri	Mr. Pradeep N. Desai	Smt. Sooma A. Javeri	Mr. Amit M Vehta	Mrs Ayesha Sunil Patel
20 th April, 2021 (BM)	P	A	P	P	P	P	P	P
9 th June, 2021 (BM)	P	Cease to be Independent director with effect from 2 nd June 2021	P	P	A	P	P	P
10 th August, 2021 (BM)	P		P	P	P	P	P	P
11 th November, 2021 (BM)	P		P	P	P	P	P	P



18 th January, 2022 (BM)	P		P	P	P	P	P	P
2 nd February, 2022 (BM)	P		P	P	P	P	A	A
14 th February, 2022 (BM)	P		P	P	P	A	P	A
15 th March, 2022 (BM)	P		P	P	P	P	P	P
28 th September, 2021 (AGM)	P		P	P	A	P	A	A

**P denotes Present and A denotes Absent. *(BM) denotes Board Meeting and (AGM) denotes Annual General Meeting.*

5. DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE:

Name of Director	Inter - se Relationship
Mr. Asit D Javeri	Father of Mr. Abhishek A Javeri and Husband of Mrs. Seema A Javeri
Mr. Abhishek A Javeri	Son of Mr. Asit D Javeri and Mrs. Seema A Javeri
Mrs. Seema A Javeri	Wife of Mr. Mr. Asit D Javeri and Mother of Mr. Abhishek A Javeri
Mr. Priyam S. Jhaveri	No Relation
Mr. Pradeep N. Desai	No Relation
Mr. Amit M Mehta	No Relation
Mrs. Ayesha Sunil Patel	No Relation

Note:

Board meets once in quarter wherein they review quarterly performance and financial results. The Board meetings are generally scheduled well in advance and the notice of each meeting is given in writing to each Director. All the items on the agenda are accompanied by a note giving comprehensive information on the related subject. The agenda and relevant notes are sent in advance separately to each of directors and only in exceptional cases the same is tabled at the meeting. The Board is also free to recommend the inclusion of any method for discussion in consultation with the Chairman. The information as specified in Part A of Schedule of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is regularly made available to the Board. The minutes of the Board meeting are circulated within reasonable time period in accordance with the secretarial standards to all directors and are confirmed at subsequent meeting. The minutes of Audit committee and other committees of the Board are circulated within the stipulated time period to all members of the Committees and are regularly place before the respective Committees.

6. TRAINING OF NON-EXECUTIVE MEMBERS OF THE BOARD:

All new non-executive Directors appointed on the Board of the Company are introduced to the culture through induction sessions. The Executive Directors and senior management provide an overview of the operations and familiarize the new Non-executive Directors on matters the morals and principles of the Company.

They are introduced to the organization structures and various procedures. The Directors are also briefed pertaining to the group structure and subsidiaries. The Company has a detailed familiarization programme for Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The details of such programme is available on the website of the Company at <https://www.snci.com/policy>



7. NUMBER OF SHARES & CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS AS ON 31ST MARCH, 2022 ARE AS UNDER:

Name of Director	Director Category	Number of Shares/convertible instruments held
Mr. Amit M. Mehta	Non-Executive, Independent	8,78,906 Equity Shares
Mr. Arvind R. Doshi*	Non-Executive, Independent	50,927 Equity Shares
Mr. Priyam S. Jhaveri	Non-Executive, Independent	2,100 Equity Shares
Mr. Pradeep N. Desai	Non-Executive, Independent	4,200 Equity Shares
Mrs. Ayesha S. Patel	Non-Executive, Independent	Nil

*Cease to be Independent director with effect from 2nd June, 2021

8. CONFIRMATION PERTAINING TO INDEPENDENT DIRECTORS OF THE COMPANY:

In the opinion of the Board of Directors of the Company, Mr. Amit M. Mehta, Mr. Priyam S. Jhaveri, Mr. Pradeep N. Desai, and Mrs. Ayesha S. Patel, Non-Executive Independent Directors of the Company are independent of the management and comply with criteria of Independent Director as placed in SEBI (LODR) Regulations, 2015 and Companies Act, 2013.

9. REASONS FOR THE RESIGNATION OF AN INDEPENDENT DIRECTOR:

During the year 2021-22, Mr. Arvind R. Doshi aged 82 years has resigned as an Independent Director of the Company on 2nd June, 2021 due to his health issues. Mr. Arvind R. Doshi in His resignation letter has confirmed that there is no other material reason for his resignation other than what was mentioned in his resignation letter.

10. LIST OF SKILLS/EXPERTISE/COMPETENCIES REQUIRED TO FUNCTION THE BUSINESS OF EFFECTIVELY:

Too many businesses fail because translating passion into a successful business model is a difficult task. Developing a small business into a successful enterprise demands more than passion. Unfortunately, facts speak for themselves. Over half of new businesses fail mainly because the entrepreneur is unable to translate their passion into practical business skills. Success demands more than hard work, resilience, and expertise in one's own field. In order to succeed, we need to understand and to become proficient in a set of fundamental business skills. Following are the essential skills that are required to run the business of the Company.

Financial Management Skill:

Being able to effectively manage finances is critical. We need to be able to forecast cash flow and sales, as well as, monitor of profit and loss. Having sound financial management skills will help to run your business profitably and protect your financial investment.

Marketing, Sales and Customer Service Skill:

It is important to be able to promote our products or services effectively. Providing good customer service and having a marketing strategy in place will help to generate sales.

Communication and Negotiation Skill:

Communication and negotiation with our suppliers, potential investors, customers and employees is very important to have. Having effective written and verbal communication skills will help to build good working relationships. Every communication should reflect the image we are trying to project.

Management Skill:

These means offering other people opportunities to do work, even if we think it will benefit our own CV or resume to do it ourselves. Delegation is an important part of time and resource management. If we take everything on ourselves, chances are to work in key areas will suffer. Someone that excels in business will be able to manage their own workload by appropriately directing the appropriate colleagues and subordinates for the best tasks.



Strategic Planning Skill:

Strategic planning is a very important business activity. Strategic planning is a process of defining to company's strategy or direction and making decisions on allocations of resources of capital and people. The key is to know how to project our company's future performance, within a three-to-five year framework or more, supported by a well defined business plan.

In terms of requirement of Listing Regulations, the Board has identified the following skills /expertise/competencies of the Directors are given below :

Skills And Its Description	Shri. Asit D. Javeri	Shri. Abhishek A. Javeri	Smt. Seema A. Javeri	Shri. Amit M. Mehta	Shri. Priyam S. Jhaveri	Shri Pradeep N. Desai	Smt. Ayasha S. Patel	*Shri Arvind R. Doshi
Leadership experience of running large enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Experience of crafting Business Strategies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Understanding of Consumer and Customer Insights in diverse environments and conditions	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Finance and Accounting Experience	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Experience in overseeing large and complex Supply Chain	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Understanding use of Digital / Information Technology	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Experience of large companies & understanding of the changing regulatory landscape	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Communication and Negotiation Skill	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

*Cease to be Independent director with effect from 2nd June, 2021

11. AUDIT COMMITTEE:

a) Preamble:

As required under section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015 read with part C of schedule II thereto, the Board has constituted Audit Committee which comprises of the following Directors:



Name of Director	Nature of Membership and Date of Appointment	Director Category
Mr. Priyam S. Jhaveri	Chairman - (From 29/04/2008)	Non-Executive, Independent
Mr. Arvind R. Doshi*	Member - (From 29/04/2008)	Non-Executive, Independent
Mr. Pradeep N. Desai	Member - (From 19/1/2018)	Non-Executive, Independent
Mrs. Ayesha Patel	Member - (From 03/06/2021)	Non-Executive, Independent Inducted on (December, 7 th 2020)

* Cease to be Independent director with effect from 2nd June, 2021

b) Terms of reference of the Audit Committee:

The Audit Committee shall have the authority to investigate into any matter that may be prescribed under Company Law for the time being in force and within its terms of reference. Role of the Audit Committee/ Terms of Audit Committee, inter-alia, includes the following:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- d) Reviewing with management the annual financial statements before submission to the Board, for approval with particular reference to:
 - i. Matters required being included in the Director's Responsibility Statement.
 - ii. Changes, if any, in accounting policies and practices and reasons for the same.
 - iii. Major accounting entries involving estimates based on exercise of judgment by management.
 - iv. Significant adjustments made in the financial statements arising out of audit findings.
 - v. Compliance with Listing and other legal requirements relating to financial statements.
 - vi. Disclosure of any related party transactions.
 - vii. Qualifications in draft audit report.
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval
- f) Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems.
- g) 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.
- h) Discussions with internal auditors any significant findings and follow up thereon.
- i) 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
- j) Discussions 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.
- k) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- l) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore 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.



- m) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders
- n) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- o) The Audit Committee shall mandatorily review the following information.
- Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the audit committee), submitted by Management;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weakness; and
 - The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Mr. Jayesh Dadia - Partner of the firm named Jayesh Dadia & Associates LLP & Statutory Auditor of the Company and Mr. Chandrashekhar Iyer - Chandrashekhar Iyer & Co., Partner of the firm - Internal Auditor have been permanent invitees to the Audit Committee Meetings besides Executive Chairman, Managing Director & Chief Financial Officer as an Invitee. Company Secretary attended most of the meeting of the Audit Committee as invitee as well.

During the year, the Audit Committee, in its meetings, discussed among other things, the following:

- Reviewed with management, quarterly, half yearly and annual financial statements before submission to the Board.
- Discussed with the management and the internal and statutory auditors findings in the internal audit reports.
- Deliberated on the applicability, compliance and impact of various Accounting Standards and guidelines issued by the Institute of Chartered Accountants of India from time to time.
- Reviewed the Company's Financial and Risk Management Policies and Audit Reports covering operational, financial and other business risk areas.

The Chairman of the Audit Committee has briefed the Board of Directors about the Audit Committee's observations on various issues discussed at its meetings. Minutes of the Audit Committee Meetings are also circulated to all the Board Members along with agenda of the subsequent meeting. Further, the Board accepted all the recommendations made by the Audit Committee during the year under review.

The Financial decisions of the Company are taken by the Mr. Asit D Javeri, Executive Chairman along with Mr. Abhishek A Javeri, Managing Director and Chief Financial Officer at the Meeting of Board of Directors after recommendations of all Directors.

c) Attendance record of the Members:

The attendance record of each member of the Audit Committee at the Meeting held on June 09, 2021, August 10, 2021, November 11, 2021, February 02, 2022, February 14, 2022, and March 15, 2022 are as follows:

Dates on which the Meetings were held	Attendance of Members			
	Mr. Priyam S. Jhaveri (Chairman)	Mr. Arvind R. Doshi (Member)	Mr. Pradeep N. Desai (Member)	Mrs. Ayesha S. Patal (Member)
9 th June, 2021	P	Cease to be Independent director with effect from 2 nd June, 2021	A	P
10 th August, 2021	P		P	P
11 th November, 2021	P		P	P
2 nd February, 2022	P		P	A
14 th February, 2022	P		P	P
15 th March, 2022	P		P	P

The previous Annual General Meeting was held on 28th September, 2021. Priyam Shantilal Jhaveri, Chairman of the Audit Committee has attended the Annual General Meeting of the Company.



12. RISK MANAGEMENT COMMITTEE:

a) Preamble:

The Board takes responsibility for the total process of risk management in the organisation. Results of the risk assessments and residual risks are presented to the Senior Management and the Audit Committee members. The Management is accountable for the integration of risk management practices into the day to day activities. The scope of the Audit Committee includes review of the Company's financial and risk management policies. The Audit Committee reviews the Audit Reports covering operational, financial and other business risk areas.

Further the company has also established Risk Management Committee (RMC) as per SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (amended), as on 2nd May, 2022. The composition of the Committee as on 31st March 2022 stands as follows:

Name of Director	Nature of Membership and Date of Appointment	Director Category
Mr. Asit D. Javeri	1 Chairman (From 02/05/2022) CEO / CFO CERTIFICATION:	Executive Chairman
Mr. Abhishek A. Javeri	Member (From 02/05/2022)	Managing Director
Mr. Priyam S. Jhaveri	Member (From 02/05/2022)	Non-Executive, Independent
Mr. Rakesh R. Kothari	Member (From 02/05/2022)	Chief Financial Officer
Mr. Nitin Jani	Member (From 02/05/2022)	Company Secretary

b) Terms of reference of the Risk Management Committee

- a) Formulating a detailed risk management policy which shall include
 - o 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.
 - o Measures for risk mitigation including systems and processes for internal control of identified risks.
 - o Business continuity plan
- b) Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- c) Monitoring and overseeing the implementation of the risk management policy including evaluating adequacy of risk management systems;
- d) Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- e) Reviewing the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk management including the risk management plan.
- f) Monitor the Company's risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, cyber security risk, forex risk, commodity risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.
- g) Ensuring compliance with regulatory requirements and best practices with respect to risk management.
- h) Oversee Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels.
- i) Review compliance with risk policies, monitor breaches / trigger trips of risk tolerance limits and direct action.
- j) Review and analyse risk exposure related to specific issues, concentrations and limit excesses, and provide oversight of risk across organization.



- k) Regularly reporting to the Board about the nature and content of its discussions, recommendations and actions to be taken;
- l) Co-ordinate its activities with the other Committees in instances where there is any overlap with activities of such other committee, as per the framework laid down by the Board
- m) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee
- n) Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

13. STAKEHOLDERS RELATIONSHIP COMMITTEE:

a) Preamble:

Pursuant to the provisions of section 178 (5) of the Act and Regulation 20 of the SEBI Regulations read with Part D of Schedule II thereto, the Shareholders' Committee of the Board was reconstituted as the Stakeholders' Relationship Committee. The Stakeholder Relationship Committee comprises of the following Directors:-

Name of Director	Nature of Membership and Date of Appointment	Director Category
Mr. Priyam S. Jhaveri	Chairman (from 29-04-2008)	Non-Executive, Independent
Mr. Arvind R. Doshi(*)	Member (from 29-04-2008)	Non-Executive, Independent
Mr. Pradeep N. Desai	Member (from 19-01-2018)	Non-Executive - Independent
Mrs. Ayesha S. Patel	Member (from 03-06-2021)	Non-Executive - Independent

(*) Cease to be independent director with effect from 2nd June, 2021

b) Terms of Reference:

- Review the existing Investors Redressal System and suggest measures for improvement.
- Review the report of Registrars and Share Transfer Agents about investor's grievances and follow up for the necessary action taken for redressal thereof.
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/ consolidation/ renewal
- Suggest improvement in investor's relations.
- Consider and take on record the Certificate from Practicing Company Secretary certifying that the aggregate number of equity shares held in depositories and in physical form tally with the total number of shares issued, listed and admitted share capital.

c) Attendance record of the Members:

The attendance record of each member of the Stakeholder Relationship Committee at the Meeting held on 9th June, 2021 is as follows:



Dates on which the Meetings were held	Attendance of Members			
	Mr. Priyam S. Jhaveri (Chairman)	Mr. Arvind R. Doshi (Member)	Mr. Pradeep N. Desai (Member)	Mrs. Ayasha S Patel (Member)
9 th June, 2021	P	Cease to be Independent director with effect from 2 nd June, 2021	A	P

All share transfer and correspondence thereon are handled by the Company's Registrars and Share Transfer Agents viz. Link Intime Private Limited situated at C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400-83.

d) Name and Designation of Compliance Officer:

Mr. Nifin R. Jani, Company Secretary, has been appointed as the Compliance Officer, as required under Regulation 6 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). He has been entrusted the task of overseeing the Share Transfer work done by the Registrars and Share Transfer Agents and attending to grievances of the Shareholders and investors intimated to the Company directly or through SEBI and Stock Exchanges. All complaints /grievances have been duly intimated to exchange under Regulation 13 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is as follows:

Sr. No	No of Shareholder's Complaints received during the year 2021-22	No of Shareholder's Complaints resolved to Shareholder's satisfaction during the year 2021-22	No of pending complaints during the year 2021-22
1.	5	5	0

All share transfer and correspondence thereon are handled by the Company's Registrars and Share Transfer Agents viz. Link Intime Private Limited situated at C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400-83.

14. NOMINATION & REMUNERATION COMMITTEE:

a) Preamble:

The Nomination and Remuneration Committee has laid down the criteria for determining qualifications, positive attributes and independence of a person proposed to be appointed as a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

This policy ensures that-

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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.

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of Independent Directors and other Directors, Board of Directors and Committees of the Board of Directors pursuant to the provisions of the Companies Act, 2013.

The evaluation framework for assessing the performance of Directors comprises of the following key areas.

- Attendance of Board Meetings and Board Committee Meetings.
- Quality of contribution to Board deliberations.
- Strategic perspectives or inputs regarding future growth of Company and its performance.
- Providing perspectives and feedback going beyond information provided by the management.
- Commitment to shareholder and other stakeholder interests.



- vi. The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her evaluation.

The remuneration policy of the Company is directed towards rewarding performance based on review of achievements on a periodic basis and is in consonance with the existing industry practice.

The Nomination & Remuneration Committee consists of the following Directors.

Name of Director	Nature of Membership and Date of Appointment	Director Category
Mr. Arvind R. Doshi*	Chairman (From 29/04/2008)	Non-Executive, Independent
Mr. Priyam S. Jhaveri**	Chairman (From 29/04/2008)	Non-Executive, Independent
Mr. Pradeep N. Desai	Member (From 19/1/2018)	Non-Executive, Independent
Mrs. Ayesha Patel	Member (From 03/06/2021)	Non-Executive, Independent

* Cease to be Independent director with effect from 2nd June, 2021

**Chairman with effect from 3rd June, 2021

b) Terms of reference of the Nomination and Remuneration Committee:

Pursuant to section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Regulations read with Part D of Schedule II thereto the Company has constituted the Nomination & Remuneration Committee. This Committee shall have the authority to investigate into any matter that may be prescribed under Company Law for the time being in force and shall also comply with the terms of reference as specified herein as under:

1. The Nomination & Remuneration Committee shall have meetings periodically as it may deem fit.
2. The Nomination & Remuneration Committee shall invite such of the executives to be present at the meetings of the Committee required by it.
3. 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.
4. The Nomination & Remuneration Committee shall have the following powers and functions:
 - a) To recommend to the Board, the terms and conditions of appointment of key Management personnel.
 - b) To seek information from any employee.
 - c) To obtain outside legal or other professional advice.

c) Attendance record of the Members:

The attendance record of each member of the Nomination & Remuneration Committee at the Meeting held on April 20, 2021, June 09, 2021, August 10, 2021, January 18, 2022, and March 15, 2022 are as follows:



Dates on which the Meetings were held	Attendance of Members			
	Mr. Priyam S. Jhaveri (Chairman)	Mr. Arvind R. Doshi (Member)	Mr. Pradeep N. Desai (Member)	Mrs. Ayesha S. Patel (Member)
20 th April, 2021	P	A	P	A
09 th June, 2021	P	Cease to be Independent director with effect from 2 nd June, 2021	A	P
10 th August, 2021	P		P	P
18 th January, 2022	P		P	P
15 th March, 2022	P		P	P

15. CONSTITUTION OF FINANCE & ADMIN COMMITTEE

Preamble:

The Members of the Board are hereby informed that the Company needs to constitute 'Finance and Admin Committee' in pursuance of the provisions of Section 179 of the Companies Act, 2013 on November 09, 2020 for the purpose of Financial Management and administration.

The committee vested with the following roles and responsibilities -

- to borrow monies up to Rs. 160,28,82,083As per the Shareholders approval.
- to invest the funds of the company;
- to grant loans or give guarantee or provide security in respect of loans
- treasury management and organizational procedures
- preparation of budgets
- Insurance
- Financial Management
- Administration

The Finance & admin Committee consists of the following Directors.

Name of Director	Nature of Membership and Date of Appointment	Director Category
Mr. Asit Dhankumar Javeri	Member (From 09/11/2020)	Executive Director & Chairman
Mr. Abhishek Asit Javen	Chairman (From 09/11/2020)	Managing Director
Mr. Rakesh R. Kothari	Member (From 24/05/2022)	Chief Financial Officer
Mr. N In Jani	Member (From 09/11/2020)	Company Secretary

16. REMUNERATION OF DIRECTORS:

a) Preamble:

The Company pays remuneration by way of salary, allowances and perquisites, performance allowance etc. to the Chairman, Managing Director and Company Secretary on recommendation of the Nomination & Remuneration Committee as approved by the Board of Directors and shareholders of the Company subject to approval of the Central Government if necessary.

Details of remuneration of the Directors during Financial Year 2021-22:



Name of the Director	Fixed Salary			Bonus / performance linked incentives	Sitting Fees	Comm-ission	Total
	Base Salary	Benefits	Total fixed salary				
Mr. Asit D. Javeri (*)	8400000	8400000	16800000	--	--	--	16800000
Mr. Abhishek A. Javeri (*)	8400000	8400000	16800000	--	--	--	16800000
Smt. Seema A. Javeri (*)	8400000	8400000	16800000	--	--	--	16800000
Mr. Arvind R. Doshi	--	--	--	--	--	--	--
Mr. Priyam S. Jhaveri	--	--	--	--	152000	--	152000
Mr. Amit M. Mehta	--	--	--	--	70000	--	70000
Mr. Pradeep N. Desai	--	--	--	--	124000	--	124000
Mrs. Ayesha S. Patel	--	--	--	--	130000	--	130000
Total	25200000	25200000	50400000	--	476000	--	5,08,76,000

(*) They are not eligible for sitting fees.

b) Service Contracts:

In accordance with the applicable provisions of the Companies Act, 2013 our shareholders approve the salary, benefits of Executive Directors. We enter into service contracts with each of our Directors containing the terms and conditions of employment including salary, performance bonus and other benefits including perks to be received by the Executive Directors.

c) Notice Period:

The terms of employment arrangements with Shri. Asit D. Javeri, Shri. Abhishek Asit Javeri and Smt. Seema Asit Javeri provides for upto six months' notice period or any shorter period as may be mutually agreed between both the parties.

d) Severance/ Compensation fees:

The Nomination and Remuneration Committee is entrusted with the role of reviewing the compensation of Directors.

e) Criteria for making payment to Non - Executive Directors:

★ **Sitting Fee:**

Each Non-Executive Director is paid per meeting attended a sitting fee of Rs. 10,000/- for attending Board Meeting and Rs. 6,000/- for attending Committee Meeting

★ **Commission:**

Under the Companies Act, 2013, Section 197 allows a company to pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other. Further, the section also states that where the company has managing director or whole-time director or manager, then a maximum of 1% of its net profits can be paid as remuneration to its Non-Executive Director. In case there is no managing director or whole-time director or manager, then a maximum of 3% of net profit can be paid. Thus, the basis of payment to the Non-Executive Director is the net profit of the Company.

Currently the Company is not paying Commission to its Non-Executive Director.



- ★ **Reimbursement of actual expenses incurred:**
Non-Executive Director may also be paid / reimbursed such sums either as fixed allowance and /or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such member for attending Board/Committee Meetings or for Company's work.
- ★ **Payment and other consideration to independent directors:**
An independent director shall not be entitled to any **stock option** and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or committee thereof and profit related commission up to a certain percentage of net profits in such proportion, as may be permissible under the applicable law.

17. GENERAL BODY MEETING:

A. Details of the last three Annual General Meetings:

AGM For Financial Year Ended	Venue	Date	Time	No of Special Resolution Passed
2018-19	Sheth Hirachand Gumanji Trust Hall, Hira Baug, 1 st Floor, Kasturba Chowk (C.P. Tank) Mumbai - 400004	25.09.2019	03.00 p.m.	Nil
2019-20	at 10, Bruce Street, 1st Floor, 8/12, Sir Homi Modi Street, Fort, Mumbai-400001 / Through Video Conferencing(VC) Other Audio-Visual Means (OAVM)	25.09.2020	03.00 p.m.	Nil
2020-21	at 10, Bruce Street, 1st Floor, 8/12, Sir Homi Modi Street, Fort, Mumbai - 400001 / Through Video Conferencing(VC) Other Audio-Visual Means (OAVM)	28.09.2021	03.00 p.m.	5*

- * To Reappoint Shri Asit D. Javeri (DIN: 00268114) as Chairman & Managing Director and to re-designate him as executive Chairman of the Company for period of 3 (Three) w.e.f. 1st May 2018
- * To Reappoint Shri Abhishek Asit Javeri (DIN: 00273030) as Executive Director & CFO and re-designate him as managing director and CFO of the Company for period of 3 (Three) w.e.f. 1st May 2018
- * To Reappoint Mrs. Seema Asit Javeri (DIN: 01768936) as Executive Director (Administration) of the Company for period of 3 (Three) Years with effect from 1st May, 2018
- * To enhance the limits to create charge/mortgage/hypothecation on the company's asset under section 180(1)(a) of the Act
- * To enhance the existing borrowing limits of the company under section 180(1)(d) of the Act

B. Extra-Ordinary General Meetings:

During the year, Extra-Ordinary General Meeting of the company held on 9th July, 2021 to approve issue of Bonus shares.

C. Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

The Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot passed on 5th March, 2022 for issue of Equity Shares warrants on Preferential Basis, which was duly passed and the results of which were announced on 7th March, 2022. Ms. Kumudini Bhalerao (FCS 6667), Partner at M/s Makarand M. Joshi & Co., Practicing Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot process only by voting through electronic means (remote e-voting) in a fair and transparent manner.



Description of the Resolution	Number of shares held	Number of Votes Polled	% of Votes Polled on outstanding shares	Number of votes in favour	Number of Votes against	% of Votes in favour on votes polled	% of Votes against on votes polled
To issue Equity Share Warrants on Preferential Basis	19,56,18,129	14,86,59,750	75.99	14,86,48,906	10,844	99.99	0.01

Procedure for postal ballot: The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 33/2020 dated September 28, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 8, 2021 issued by the Ministry of Corporate Affairs.

18. MEANS OF COMMUNICATION:

The quarterly, half yearly and annual results for Sadhana Nitro Chem Limited and the consolidated financial results for its Subsidiary Companies are published in English in Financial Express and in Marathi in Mumbai Lakshadeep and are displayed on Company's website at <https://www.snci.com/financials>

The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchange are promptly filed on BSE Listing Centre, for dissemination on its websites.

19. GENERAL SHAREHOLDER INFORMATION:

a) Current Financial Year:

The current financial year of the Company is 31st March, 2022

b) Date, time and venue of 49th Annual General Meeting of the Company:

Date : 22nd September, 2022

Time : 4.00 P.M.

Venue : 10, Bruce Street, 1st Floor, B/12, Sir Homi Modi Street, Fort, Mumbai-400001/ Through Video Conferencing (VC) Other Audio-Visual Means (OAVM)

c) Dividend payment date :

Paid within 30 days if approved by the Shareholders in the Annual General Meeting (AGM) for the financial year 2021-22.

d) Financial Year:

April 1, 2021- March 31, 2022

Result of last quarter of FY 2021-22 was declared in the Board meeting held on 24.05.2022.

e) Name and address of the stock exchange where Company's shares are listed:

Name: BSE Limited

Address: Phiroze Jeejeebhoy Towers, Dalal Street, Kala Ghoda, Fort, Mumbai-400001 Maharashtra.

f) Confirmation of Payment of Listing Fees to BSE Limited:

The Company has made payment of listing fees to BSE Limited for the Financial Year 2021-22.

g) Financial Calendar:

For the year ended March 31, 2022, results were announced on



First quarter	August 10, 2021
Half year	November 11, 2021
Third quarter	February 14, 2022
Annual	May 16, 2022

(Tentative) Results for financial year 2022-23:

June 30, 2022	2nd week of August 2022
September 30, 2022	2nd week of November 2022
December 31, 2022	2nd week of February 2023
March 31, 2023	4th week of May 2023
Annual General Meeting	September, 2023

h) Suspension of Securities of the Company from Stock Exchange:

During the year 2021-22, the Company's securities have not been suspended from trading on BSE Limited.

i) Scrip Code and ISIN Number:

Scrip Code : 506642
ISIN Number : INE888C01040

j) PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES (SUCH AS BSE SENSEX/CRSIL INDEX):**k) High/Low of Market Price of Company's Shares traded on the Bombay Stock Exchange (BSE) Up-to 31st March, 2022:**

Month	High	Low	Close	No. of Shares	Total Turnover
Apr 21	33.95	24.40	33.95	14,20,214	4,04,95,844
May 21	50.00	33.85	47.15	52,11,657	22,59,29,063
Jun 21	64.65	44.70	64.65	21,48,588	11,38,61,851
Jul 21	74.75	44.05	49.10	43,77,379	7,06,14,930
Aug 21	51.45	31.60	36.60	29,11,910	1,60,27,533
Sep 21	37.70	32.05	36.85	16,16,837	5,67,44,436
Oct 21	47.90	35.00	39.50	38,54,130	5,93,54,635
Nov 21	51.95	38.00	39.75	41,77,765	9,22,87,471
Dec 21	57.40	38.30	57.40	41,54,121	19,83,71,177
Jan 22	127.80	52.00	125.15	1,78,73,539	1,66,36,57,287
Feb 22	168.80	101.60	112.35	38,42,019	52,38,36,626
Mar 22	150.00	101.80	131.90	21,74,518	27,59,35,604

(Source : BSE website)



l) Investor Services :

The Company has appointed M/s. Link In-time India Private Limited (LIPL) (Formerly known as M/s. In-time Spectrum Registry Limited, whose address is given below, as its Registrar and Transfer Agents. The Registrar handles all matters relating to the shares of the Company including transfer, transmission of shares, dematerialisation of share certificates, subdivision /consolidation of share certificates and investor grievances. LIPL is also the Depository interface of the Company with both NSDL & CDSL.

Details of LIPL are as follows:

Address : C-101, 247 Park, L.B.S. Road, Vikhroli (West), Mumbai 400063.
Telephone No : 022-4918 6000
E-mail address : rnl_helpdesk@linkintime.co.in.
Fax No : 022-4918 6060.

m) Share Transfer System:

All the transfers received are processed by Registrar and Transfer Agents. Share transfers are registered and returned within maximum of 21 days from the date of lodgment if documents are complete in all respects. In case the shares are transferred through demat mode, the procedure is adopted as stated in Depositories Act, 1996.

n) Outstanding Global Depository Receipts or American Depository Receipts or Warrants Or Any Convertible Instruments:

Not Applicable

o) Dematerialisation of Shares:

The Company's shares are tradable compulsorily in electronic form. The Company has established through its Registrar and Share Transfer Agents, connectivity with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). 98.43% of the equity shares of the company have been dematerialized as on 31st March, 2022.

p) Disclosure in Respect of Equity Shares Transferred To the 'Sadhana Nitro Chem Limited'-Unclaimed Suspense Account is as Under

	Particular	No. of shareholders	No. of equity shares
Opening Balance	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying as on April 01 st , 2021.	Nil	Nil
Less	Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year.	Nil	Nil
Less	Number of shareholders whose shares got transferred from suspense account to IEPF during the year	Nil	Nil
Closing	Balance Aggregate number of shareholders and outstanding shares lying in the suspense account as on 31 st March, 2021.	Nil	Nil

20. SHARE HOLDING PATTERNS ON 31st MARCH, 2022:

List of Investors Category wise (Summary)			
Sr. No	Category	Total Securities	Percent
1	Clearing Members	58756	0.03
2	Corporate Bodies (Promoter Co)	25172831	63.9884
3	Directors	18915535	9.6696
4	Foreign Portfolio Investors (Corporate)	420000	0.2147
5	Hindu Undivided Family	1087903	0.5561
6	Mutual Funds	11760	0.006
7	Nationalised Banks	11508	0.0059
8	Non Nationalised Banks	1533	0.0008
9	Non Resident (Non Repatriable)	181817	0.0929
10	Non Resident Indians	820390	0.4194
11	Other Bodies Corporate	3715949	1.8996
12	Public	41684000	21.3089
13	Relatives Of Director	3460701	1.7691
14	Trusts	2375	0.0012
15	Body Corporate - Ltd Liability Partnership	73071	0.0374
	TOTAL :	195618129	100

Pursuant to Regulation 3(1)(e)(i) of Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 and subsequent amendments thereto, Promoter Group and Persons acting in concert consists of Manekchand Panachand Trading Investment Company Private Limited and Mr. Asit D. Javeri & his family.

21. DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2022:

Distribution Of Shareholding (Shares) Report Type : ALL (NSDL+CDSL+Physical)					
Sr. No	Shareholding of Shares	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1	1 to 500	18781	74.5722	2095274	1.0711
2	501 to 1000	1989	7.8976	1504848	0.7693
3	1001 to 2000	1758	6.9803	2542672	1.2998
4	2001 to 3000	911	3.6172	2276274	1.1636
5	3001 to 4000	276	1.0959	960125	0.4908
6	4001 to 5000	336	1.3341	1503926	0.7688
7	5001 to 10000	470	1.8662	3343871	1.7094
8	10001 to 9999999999	664	2.6365	181391139	92.7272
	TOTAL :	25185	100	195618129	100

22. UNCLAIMED DIVIDEND:

The Company is not required to transfer dividends which have remained unpaid / unclaimed for a period of 7 years to the Investor Education and Protection Fund (IEPF) established by the Government. No unpaid / unclaimed dividend remains to be transferred to IEPF.

23. PLANT LOCATION:

Sadhana Nitro Chem Limited, 47, MIDC Industrial Area, Roha, Dist. Raigad, Maharashtra - 402 116
 Telephone : Dhatav-02194-263801-2-3
 Fax : (91)02194-263522



24. SUBSIDIARIES:

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

25. OTHER DISCLOSURES:

- (a) **Materially Significant related party transactions:** The particulars of transactions between the Company and its related parties as per the Accounting Standard - 18 are set out at Note No. 37 in Notes to Accounts in the Annual Report. These transactions are not likely to have any conflict with Company's interest. The Company also has the policy on Materiality of Related Party Transaction. The details of such policy are available on the website of the Company at <https://www.sncl.com/policy>.
- (b) **Management Disclosures:** The Senior Management Personnel have been making disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large. Based on the disclosures received, none of the Senior Management Personnel has entered into any such transactions during the year.
- (c) **Strictures and Penalties:** There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter relating to the capital markets during the last three years.
- (d) **Risk Management Framework:** The Board of Directors has adopted the Risk Assessment Procedure. The procedure provides an approach by the top Management to identify potential events that may affect the Company, to manage the risk within its risk appetite and to provide reasonable assurance regarding the achievement of objectives of the Company. The Senior Management prioritise the risk and finalise the action plan for mitigation of the key risks.
- (e) **Whistle Blower Policy:** The Company has a vigil mechanism and whistle blower policy under which it takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee the policy has been put up on the company's website at <https://www.sncl.com/policy>.
- (f) **Details of utilization of funds raised through preferential allotment or qualified institutions placement:** During the year 2021-22, the Company has raised Rs. 25,00,00,034 (25% of the total consideration) through preferential allotment as specified under Regulation 32 (7A). The proceeds of the said Preferential Issue will be utilized towards expansion in the company including para- amino phenol (PAP) business (capex. and opex.) and for the general corporate purpose of the Company.
- (g) **Disqualification / Debar of Directors of the Company:** A certificate provided by M/s. Makarand M Joshi & Co. Practicing Company Secretary was placed before the Board of Directors of the Company in its meeting held on 24th May, 2022. On the basis of certificate provided by M/s. Makarand M Joshi & Co. Practicing Company Secretary the Board of Directors of the Company take a cognizance 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. Certificate provided by M/s. Makarand M Joshi & Co. Practicing Company Secretary is annexed hereto and marked as **Exhibit - B** to this report.
- (h) **Acceptance of recommendation of Committee:** During the year 2021-22, all the suggestions/ recommendations of all the committees of the Board, have been accepted by the Board of Directors.
- (i) **Maintenance of the Chairman's Office:** The Company has an Executive Chairman and the office provided to him for performing his executive duties is also utilized by him for discharging his duties as Chairman. No separate office is maintained for the Non- Executive Chairman of the Audit Committee but Secretarial and other assistance is provided to him whenever needed, in performance of his duties.
- (j) **List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year:** The Company has not taken any credit rating during the year under review.
- (k) **Total fees paid to Statutory Auditors of the Company:** M/s. Jayesh Dadia & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 121142W/W100122) the Company's Statutory Auditor, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.



As required under Regulation 34 read with Part C of the Schedule V of the Listing Regulations, the total fees paid by the Company to the statutory auditor and all entities in the network firm / entity of which the statutory auditor is a part is Rs. 11,00,000/-.

- (l) **Hedging of risk :** The Company deals in foreign exchange in ordinary course of business and has adequate risk management mechanism. These are reviewed by the risk management and audit committee of the Company.
- (m) **Compliance with Mandatory and Non-Mandatory Requirements:** The Company had complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015 to the extent applicable.

The status of compliance in respect of **non-mandatory requirement** the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

- i. **Shareholders' Rights:** Un-audited quarterly financial results are sent to the stock exchanges and published in the newspapers as per the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, and also uploaded on Company website: <https://www.sncl.com>
- ii. **Modified opinion(s) in audit report:** There are no qualifications in the Auditor's Report on the financial statements to the Shareholders of the Company.
- iii. **Reporting of internal auditor:** The Internal Auditor directly reports to the Audit Committee.

There are no non-compliances of any requirements of Corporate Governance Report in sub-paras (2) to (10) mentioned in schedule V of the SEBI (LODR) Regulations, 2015.

The Company had complied with Corporate Governance Requirements specified in Regulation 17 to 27 to the extent applicable and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015.

- (n) **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:**

Your Company has zero tolerance for sexual harassment at its workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made there under for prevention and redressal of complaints of sexual harassment at workplace. The Company also has an Internal Complaint Committee comprising of four female members. During the year under review:

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

26. CODE OF CONDUCT AND CERTIFICATE ON COMPLIANCE THEREOF:

Certificate signed by the chief financial officer stating that the members of Board and Senior Management personnel have affirmed compliance with the code of conduct of Board of Directors and senior management is annexed hereto and marked as **Exhibit - C** to this report.

27. CEO / CFO CERTIFICATION:

The certificate is placed before the Board by the Managing Director & CFO of the Company. This certificate is being given to the Board pursuant to Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule II Part B of the said regulations.

The aforesaid certificate duly signed by the Managing Director & CFO in respect of the financial period ended 31st March, 2022 has been placed before the Board in the meeting held on 24th May, 2022 is annexed hereto and marked as **Exhibit - D** to this report.

28. SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL:

As stipulated by SEBI a qualified Practising Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited



(CDSL) and the total issued and listed capital. This audit is carried out periodically and thereon is submitted to the Listed Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

29. ADDRESS FOR CORRESPONDENCE:

Sadhana Nitro Chem Limited	Link Intime India Pvt. Ltd (RTA) (Formerly known as Intime Spectrum Registry Ltd).
Regd. Office: Hira Baug, 1st Floor, Kasturba Chowk (C.P Tank), Mumbai - 400 004.	C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai - 400 063
Tel : 022-23865629	Telephone No. 022-4918 6000
E-mail : sadhananitro@sncl.com	E-mail : rti.helpdesk@linkintime.co.in
Website : www.sncl.com	Website: https://linkintime.co.in/contact-us.html



EXHIBIT - A

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI LISTING REGULATIONS

**To
The Members,
M/s. Sadhana Nitro Chem Limited**

We have examined the compliance of conditions of Corporate Governance by Sadhana Nitro Chem Limited ("the Company"), for the year ended 31st March, 2022, as stipulated in the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Regulations.

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

**For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm's Registration No. 121142W/W100122**

**Jayesh Dadia
Partner
Membership No. 033973**

**Place of Signature: Mumbai
Date: 12th August, 2022
UDIN: 22033973APYEMC3571**



EXHIBIT B

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members
Sadhana Nitro Chem Limited,
Hira Baug, 1st Floor,
Kasturba Chowk (C.P. Tank),
Mumbai - 400004.

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to **SADHANA NITRO CHEM LIMITED** having CIN: L24110MH1973PLC016698 and having registered office at **Hira Baug, 1st Floor, Kasturba Chowk (C.P. Tank) Mumbai - 400 004**, (hereinafter referred to as '**the Company**') for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C 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, based on (i) Documents available on the website of the Ministry of Corporate Affairs (MCA) (ii) Verification of Directors Identification Number (DIN) status on the website of the MCA, and (iii) disclosures provided by the Directors (as enlisted in Table A) to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, under Section 164 of Companies Act, 2013 for MCA or such other statutory authority as on 31st March, 2022.

Table A

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in Company
1.	Mr. Priyam Shantilal Jhaveri	00045038	11/03/1996
2.	Mr. Amit Mahendra Mehta	00073907	30/04/2018
3.	Mr. Asit Dhankumar Javeri	00268114	01/09/2015
4.	Mr. Abhishek Asit Javeri	00273030	30/08/2018
5.	Mr. Pradeep Nanasahab Desai	01602942	12/02/2013
6.	Ms. Seema Asit Javeri	01768936	13/02/2014
7.	Ms. Ayesha Sunil Patel	02074115	07/12/2020

For Makarand M. Joshi & Co.
Practicing Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690 UDIN: F006667D000374815

Date: 24th May 2022
Place: Mumbai

**EXHIBIT - C****CODE OF CONDUCT AND CERTIFICATE ON COMPLIANCE THERE OF**

This is to confirm that Company has adopted the Code of Conduct for Directors and Senior Management of the Company and is available on the website of the Company.

I hereby confirm that the Company has obtained affirmation from all the Members of the Board and the Senior Management Personnel that they have complied with the Code of Conduct for the Financial Year 2021-22.

This certificate is being given pursuant to Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

For **SADHANA NITRO CHEM LIMITED**

Abhishek A. Javeri
Managing Director
 DIN: 00273030
 Place: Mumbai
 Date: 12th August, 2022

EXHIBIT - D**CEO/CFO CERTIFICATE UNDER PURSUANT TO REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To
The Board of Directors,
Sadhana Nitro Chem Limited

- A. I/We have reviewed the financial statements and the cash flow statement of Sadhana Nitro Chem Limited for the year ended 31st March, 2022 and to the best of our knowledge and belief:
- I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. 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.
- B. There are, to the best of my know/edge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. I/We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectifying these deficiencies.
- D. I/We have indicated to the Auditors and the Audit Committee:
- I. Significant changes in internal control over financial reporting during the year;
 - II. Significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - III. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

For **SADHANA NITRO CHEM LIMITED**

Mr. Rakesh R. Kothari
Chief Financial Officer
 Place: Mumbai
 Date: 12th August, 2022



ANNEXURE - III

CORPORATE SOCIAL RESPONSIBILITY

1. Brief outline on CSR Policy of the Company.

This CSR policy comprises the Company's philosophy and acknowledging its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large. The CSR Policy focuses on enhancing the stakeholder's value, generating economic value of the nation and working towards well-being of the society through addressing critical social, environmental and economic needs of the marginalized / underprivileged sections of the society.

The Company is engaged in manufacture of chemical intermediates, heavy organic chemicals and performance chemicals. The Company is exposed to health, safety, security and environmental risks, given the diversity and complexity of the industry in which the Company operates. The Company is not only aware about its social responsibilities but also actively taking efforts for fulfilling the aspirations of the society even before the issue of CSR become the global concern and the part of regulatory enactments.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Asit Dhankumar Javeri	Executive Director, Chairperson	One	One
2	Mr. Priyam Shantilal Jhaveri	Non-Executive Director - Independent, Member	One	One
3	Mrs. Ayesha S Patel	Non-Executive Director - Independent, Member	One	One

3. The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee. The CSR Policy of the Company is available on the Company's web-site and can be accessed in the link provided herein below:

<https://www.sncl.com/policy>

4. Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 - **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - **Not Applicable**

6. Average net profit of the company as per section 135(5). - 52,41,02,713/-

For FY 2020-21 (in Rs.)	For FY 2019-20 (in Rs.)	For FY 2018-19 (in Rs.)
11,66,32,493	31,71,40,892	1,13,85,34,755
Total profit for last 3 years (in Rs.)		1,57,23,08,140
Average net profit last 3 years (in Rs.)		52,41,02,713

8. CSR Expenditure for FY 2021-22:

Sl. No	Particulars	Amount (In Rs.)
a	Two percent of average net profit of the company as per section 135(5)	2,18,18,736
b	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NA
c	Amount required to be set off for the financial year, if any	NA
d	Total CSR obligation for the financial year (6a+6b-cc).	2,18,18,736



9. CSR Expenditure Done during FY 2021-22:

a) CSR amount spent or UNSPENT for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
(in Rs.)	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
NIL	NIL	NIL	Will be transferred within timelines as prescribed by law		

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

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1			No			NA	0	0	NA	Yes	NA	
2			No			NA	0	0	NA	Yes	NA	
3			No			NA	0	0	NA	Yes	NA	

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

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
NA	NA	NA	NA			NA	NA	NA	



- d) Amount spent in Administrative Overheads: **NA**
 e) Amount spent on Impact Assessment, if applicable: **NA**
 f) Total amount spent for the Financial Year (8b+8c+8d+8e): **NA**
 g) Excess amount for set off, if any: **NA**

Sl. No	Particulars	Amount (In INR.)
i.	Two percent of average net profit of the company as per section 135(5)	2,18,18,736
ii.	Total amount spent for the Financial Year	N/L
iii.	Excess amount spent for the financial year [(i)-(ii)]	NA
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	N/L
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	N/L

10. CSR Expenditure unspent

- a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1	FY 2021-22	-	-	-	-	-	1,04,82,054
2	FY 2020-21	-	-	-	-	-	1,13,36,682

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

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project duration.	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
NA	NA	NA	NA	NA	NA	NA	NA	NA

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

- (a) Date of creation or acquisition of the capital asset(s) - Not Applicable
 (b) Amount of CSR spent for creation or acquisition of capital asset. - Not Applicable
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - Not Applicable
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - Not Applicable

12. Reason(s) as why the company has failed to spend two per cent of the average net profit as per section 135(5). Due to the ongoing COVID-19 pandemic, the Company could not spend the required funds.

For and On Behalf of the Board of Directors

Place: Mumbai

Date: 12th August, 2022

ASIT D. JAVERI
 EXECUTIVE CHAIRMAN
 DIN: 00268114



ANNEXURE - IV
FORM NO. MR. 3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2022

[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,
Sadhana Nitro Chem Limited
 Hira Baug, 1st Floor Kasturba Chowk,
 C P Tank, Mumbai 400004

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

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Modified Opinion:

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 31st March, 2022 (hereinafter called the '**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**), and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (**External Commercial Borrowings not applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**);
 - e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**);
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**Not Applicable to the Company during the Audit Period**);



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) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015; (hereinafter referred to as "Listing Regulations")

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, no law is applicable specifically to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc mentioned above except following:

Under Listing Regulation

- The Company had made delay in submitting the outcome of Board Meeting in few instances
- The company has submitted the voting results in the format specified by board beyond the mandated period of two working days of conclusion of its Annual General Meeting

Under PIT Regulation

- The Structured Digital Database is not updated.
- In few of the instances changes in Designated Personnel is intimated in delay to Designated Depository.
- In one instance Designated Employees of the Company has deviated the Code of Conduct with respect to Contra Trade, and the Company has not intimated the same to the Stock Exchange.

Under Companies Act

- Company has failed to transfer ₹ 1,13,06,682 towards Corporate Social Responsibility for FY 2020-21 to a fund specified in Schedule VII of the Act since said amount was not spent by the company as its CSR Obligation for that year.
- There was delay in approval and filing the Cost Audit Report for FY 2020-21.

We further report that the Board of Director is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Change in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are systems and processes in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The adequacy and efficacy of the same shall read in context of the events, observations and remarks specified in the report.

We further report that during the audit period the Company has made:

- a. Bonus Issue and allotted 5,58,90,894 Equity Shares having face value of ₹ 1/- amounting to ₹ 5,58,90,894.
- b. Preferential Issue and allotted 65,20,606 Equity Shares Warrants having face value of ₹ 1/- and amounting to ₹ 1,00,00,00,137/-

For MMJB & Associates LLP.

Company Secretaries
Bhavisha Jewani
FCS No. 8503
CP No. 9346
UDIN: F008503D000829202

Date: 22-Aug-2022
Place: Mumbai

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



To
The Members,
Sadhana Nitro Chem Limited
Hira Baug, 1st Floor Kasturba Chowk,
C.P Tank, Mumbai 400004

Our report of event 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. Where ever 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 MMJB & Associates LLP,
Company Secretaries

Bhavysha Jewani
Designated Partner
FCS No. 8503
CP No. 9346
UDIN: F008503D000829202

Date : 22-Aug-2022
Place: Mumbai



ANNEXURE - V

Management Discussion and Analysis Report

Industry Structure and Development

Your company is engaged in manufacture of chemical intermediates, heavy organic chemicals and performance chemicals. India emerged as one of the major source for chemical intermediates.

Opportunities & Threats

Moreover, over the last year the Chinese Government has starting paying strict attention to pollution control. On several occasions, companies in the same vertical, those are involved in the same product production as your company have faced several temporary suspensions. This has not only increased costs in China, but has also further increased credibility of your company in the international markets.

Your company is in the industry since last over 49 years. It has a very high degree of operating synergy, economies of scale and high quality standards. The products of your company have diverse uses and applications in several industries ranging from paper, pharmaceutical, agro chemicals, thermal dyes, light stabilizer, aerospace, dyes and hair dyes etc. Your company has good clientele base, which is well diversified over the World.

Besides, the domestic market has shown growth.

Operational Performance

The Companies growth considering the past few years' performance has Outstanding. The Company is striving further increasing profits. The total revenue from the operations for the year ended March 31, 2022 escalated by Rs. 3066.91 Lakhs as against in a previous financial year registering a increase of 34.05%.

Market and Outlook

Your company has healthy order book position. Despite continued slowdown in the Global economies, the demand of your company's end products have increased globally and are expected to do so significantly over the coming years.

A better product mix, operational efficiency and stringent control on the cost have contributed towards increasing productivity, production and operating margins. These factors witnessed during the year are expected to continue going forward.

The Company continued to focus on cost control at every level to improve the operational efficiency which along with the increased operating level and upward revision of product prices is expected to maintain growth trend. Continuous efforts are being made for efficient energy and raw material consumption. The rate of flow of orders is encouraging. Production facilities are realigned and will be expanded to meet the demand. Your company, barring unforeseen circumstances, expects to further improve the turnover and performance.

Risks and Concerns

Since raw materials form an important component of your company's value chain, foreign exchange, cost and availability of some of the key raw materials like benzene, nitric acid, caustic potash, Sulphur based chemicals, iron powder are an area of concern.

Internal Control System and Their Adequacy

The Company has an adequate Internal Control System commensurate with the size and nature of its business. The preparation designing and documentation of Policy on Internal Financial Control has been finalized and implemented which will be reviewed periodically and modified suitably to ensure controls. The internal audit functions are carried out by a separate firm of Chartered Accountants. The quarterly audit reports, including significant audit observations and corrective actions thereon, are presented to the Chairman of the Audit Committee.

Discussion on Financial Performance with Respect to Operational Performance

The Company's revenue from operations has substantially increased to Rs. 3135.61 Lakhs as compared to the previous year of Rs. 2837 Lakhs registering increase of 10.53%.



Human Resources

Human Resource programs and initiatives in SNCL are aligned to meet the business needs. Your company believes in investing in people to develop and expand their capability. The Company has been able to create a favorable work environment that motivates performance, customer focus and innovation SNCL's strategies a rebased, inter alia, on processes of continuous learning and improvement.

Cautionary Statement

Statements in the Management Discussion & Analysis Report describing the Company's expectations, opinion, and predictions may please be considered as "forward looking statements" only. Actual results could differ from those expressed or implied. Important factors that could influence the Company's operations include the impact of Covid-19 Pandemic, global and domestic demand and supply, input costs, availability, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

Key Financial Ratios

Sr. No	Particulars of Ratio	31.03.2022 (In %)	31.03.2021 (In %)	Explanation for change in Ratios
1.	Debtors Turnover	2.48	1.64	Increase in turnover
2.	Inventory Turnover	1.06	0.90	More or less same
3.	Interest Coverage Ratio	2.86	4.80	Due to > in borrowing
4.	Current Ratio	1.26	1.35	Due to > in borrowing
5.	Debt Equity Ratio	0.64	0.64	Due to enhanced capital
6.	Operating Profit Margin (%)	10.93%	18.17%	Due to higher operating cost and finance cost
7.	Net Profit Margin (%)	4.80%	11.35%	Due to higher operating cost and finance cost

Details pertaining to Net-worth of the Company

Particulars	31.03.2022 (In Rs.)	31.03.2021 (In Rs.)	Explanation for change in Net-worth
Net-worth	1,64,26,11,958	1,33,31,07,365	Share Capital enhanced (bonus shares 2.5) + share warrants money infusion

For and On Behalf of the Board of Directors
SADHANANITRO CHEM LIMITED

Asit D Javeri
Executive Chairman
DIN: 00268114
Address: Ratnagar Palace, 37 Chowpatty Seaface,
Mumbai-400007.

Place: Mumbai
Date: 12th August, 2022



ANNEXURE-VI

INFORMATION REQUIRED UNDER SECTION 134(3)(m) OF COMPANIES ACT, 2013 AND RULE 8(3) OF COMPANIES ACCOUNTS RULES, 2014.

1. CONSERVATION OF ENERGY

Steps taken for further conservation of Energy:

The Company has taken several measures to conserve and optimize the use of energy such as (a) Recycling of Water (b) Use of Briquettes in place of Furnace Oil (c) Water harvesting

Impact of the above measures:

The measures stated above would further improve conservation of energy, reduction in water and air pollution, reduction in cost of production etc.

FORM-A: FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION

	Particulars	31.03.2022	31.03.2021
1.	Electricity		
a)	Purchased Unit in kwh	3802560	2663600
	Total amount (Rs.)	34571792	26368663
	Rate/Unit (Rs.)	9.09	9.90
b)	Own generation		
	Through Diesel Generator		
	Units in (kwh)	29376	10240
	Unit per liter of diesel oil (kwh)		
	Liter of Diesel		
	Total amount (Rs.)	1357832	859762
	Cost/Units (Rs.)	46.22	83.96
2.	Furnace Oil		
	Quantity (KL)	1962.820	1136.270
	Total Cost (Rs.)	82509754	32980259
	Average Rate (/MT)	42036.33	29025.02
3.	Briquettes		
	Quantity (MT)	-	-
	Total Cost (Rs.)	-	-
	Average Rate (Rs./MT)	-	-
4.	Water		
	Quantity (M3)	100615	85728
	Total Cost (Rs.)	3492215	3594312
	Average Rate (Rs./M3)	34.71	41.92

2. TECHNOLOGY ABSORPTION

FORM-B: FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY RESEARCH AND DEVELOPMENT

A. Specific areas in which R&D carried out by the Company.

The R&D efforts of the Company are directed towards process development, energy conservation, Pollution control, efficiency improvement and quality up-gradation.

B. Benefits derived as a result of the above R&D.

R&D efforts have resulted in development of process for several chemical intermediates, the commercial production of which are commenced, besides improving quality and operating efficiency of existing products.

**C. Future Plan of Action.**

To continue R&D in the relevant areas to achieve its benefits.

D. Expenditure on R&D

	Particulars	31.03.2022	31.03.2021
(a)	Capital	134134	230178
(b)	Recurring	7211947	7226839
	Total	7346081	7457017
(c)	Total R&D expenditure as a % of total turnover	0.62%	0.85%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- A.** Efforts, in brief, made towards technology absorption, adaptation and innovation. The Company has commenced production of some items of chemical intermediates, the process for which has been developed in R&D.
- B.** Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc. There is improvement in quality and yield of the product and has widened product range for marketing.
- C.** In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year). No imported technology during last 5 years.

3. FOREIGN EXCHANGE EARNINGS AND OUT GO

- A.** Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans. The Company is exporting about 62.63% of its chemical intermediate production. The total exports during the year were Rs. 7511 Lakhs (PY Rs. 4783 Lakhs). The Company is putting all its efforts to tap new export markets and widen its clientele base.

B. Total Foreign Exchange used and earned.

(In Rs.)

	Particulars	31.03.2022	31.03.2021
(i)	Used:		
	a) Imports (CIF)	60411894	121079898
	b) Other expenditure	1766780	14567336
(ii)	Earned:		
	Exports (F.O.B.)	707584515	330021916

For and On Behalf of the Board of Directors
SADHANA NITRO CHEM LIMITED

Asit D Javeri
Executive Chairman
DIN: 00268114
Address: Ratnagar Palace, 37 Chowpaty Seaface,
Mumbai-400 007.

Place: Mumbai
Date: 12th August, 2022



ANNEXURE - VII

Disclosure under Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration) Rules, 2014

A. The particulars of employees, who were in receipt of remuneration not less than Rs. 60 lacs for the financial year ended on 31st March, 2022 are given below:

Name of the Employee	Asit D. Javeri	Abhishek A. Javeri	Seema A. Javeri	Nitin R. Jani
Designation of Employee	Executive Chairman	Managing Director & CFO	Executive Director (Administration)	Company Secretary
Remuneration received	16800000/-	16800000/-	16800000/-	9279996/-
Nature of employment	Contractual	Contractual	Contractual	Contractual
Date of Commencement of Employment	22-01-1985	24-01-2007*	13-02-2014	11.12.1984 (As Company Secretary)
Qualification of the Employee	B. Sc. (Hon)	Graduate in Economics from North Western University, USA	B Sc.	B Com., A.C.A., A.C.S.
Experience of the Employee	38 years	15 years	16 years	39 years
Age of the Employee	67 years	39 years	65 years	65 years
Last Employment	Bec Chemical Pvt. Ltd.	Life Style Networks P. Ltd.	Manekchand Panachand Trading Inv. Co. P. Ltd.	Bec Chemical Pvt. Ltd.
Related to	Mrs. Seema A. Javeri & Mr. Abhishek A. Javeri	Mr. Asit D. Javeri and Mrs. Seema A. Javeri	Mr. Asit D. Javeri and Mr. Abhishek A. Javeri	None None

*appointed as Non Executive Director and further reappointed as Executive Director & CFO on 01-04-2016 and redesignated as Managing Director & CFO w.e.f. 24/07/2018.

Mr. Asit D. Javeri is related to Mrs. Seema A. Javeri & Mr. Abhishek A. Javeri, Director of the Company

B. Disclosure under Section 197 (12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration) Rules, 2014.

1. The percentage increase in remuneration of the Executive Chairman, Executive Director (Admin), Managing Director & Chief Finance Officer and Company Secretary during the financial year 2021-22, the ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year and the comparison of remuneration of each Key Managerial personnel (KMP) against the performance of the Company is as under:



Sr. No.	Name	Designation	Remuneration for F.Y. 2021-22 (in Rs)	% increase in the remuneration for financial year 2021-22	Ratio of remuneration of Director to median remuneration of employees	Comparison of the remuneration against the performance of the company
1.	Asit D. Javeri	*Executive Chairman	16800000	0%	48.01	---
2.	Seeta A. Javeri	Wholetime Director	16800000	0%	48.01	Increase in EBITDA of Company
3.	Abhishek A. Javeri	Managing Director & Chief Financial Officer	16800000	0%	48.01	
4.	Nitin R. Jani	Company Secretary	9280000	0%	25.52	

- I. The median remuneration of employees during the financial year was Rs. 349917/-
- II. There were 226 permanent employees on the rolls of the Company as on 31st March, 2022.
- III. In the financial year there was an increase of 33.91% in the median remuneration.
- IV. Average increase made in the salaries of employees other than the managerial personnel in the financial year 2021-22 was 9.68% and average in the managerial remuneration w.r.t the managerial personnel for the financial year 2021-22 was 0%.
- V. It is hereby affirmed that the remuneration is paid as per the remuneration policy of the company.
- VI. List of top 10 employees in terms of remuneration drawn

Sr. No.	Name of the Employee	Designation	Remuneration	Date of commencement of employment	Age of employee	Last employment held by such employee	Qualification
1.	Pranav S. Shah	CEO(SBU)	4455000	01.01.2018	55	Elinfo chips Ltd	B.E.M.S (Com)
2.	Rajesh Modhwadiya	Principal Engineer	3020000	09.05.2020	46	Sophos Technology Pvt Ltd	MCA (Guj. University)
3.	Pankaj Lanjewar	Manager (IT)	1676517	01.07.2018	38	Life Style Networks Ltd.	B.Com.
4.	Bankim I. Rana	Sr. Software Engineer	1620000	01.01.2018	43	Strix Wireless Systems P Ltd	B.E (Comp Engg)
5.	V.Ramakrishnan	DGM (Admin)	1320006	22.06.1987	69	RDC Muscat	S.S.L.C
6.	V.J. MODI	DGM (sales)	1320006	01.04.2018	74	1st Employment	B.Com.
7.	A.R. Prabhu	Manager(A&F)	1254006	08.11.1993	63	Metro Vidyut	B.A.
8.	Vias B. Pawar	Manager (Account)	1254006	06.08.2009	62	Everest Developers	B.Com.
9.	Bharat M. Shelar	Manager (Accounts)	1254006	15.05.2008	45	Schandon Fashion Pvt Ltd.	B.Com.
10.	G.K. Kutty	DGM(Prodn)	1236048	21.03.1979	69	1st Employment	B.Sc (Chem)
11.	R.M. Gandhi	DGM(Accounts)	1236048	14.08.1977	64	1 st Employment	B.Com.
12.	Rushabh Doshi	Manager Ops & Customer Support	1120000	01.11.1993	36	Amtech Electronics (I) Ltd.	B.E (E&C)

None of the Employee is relatives of Directors or Manager or KMP. All Employees are Permanent.

For and On Behalf of the Board of Directors
SADHANA NITRO CHEM LIMITED

Asit D Javeri
Executive Chairman
DIN: 00268114
Place: Mumbai
Date: 12th August, 2022



FIVE YEAR HIGHLIGHTS

(Rs. In Lakh)

RESOURCES	2021-22	2020-21	2019-20	2018-19	2017-18
Capital	1,956.18	1,397.27	931.51	931.51	931.51
Reserve	14,469.93	11,933.80	11,358.20	9,544.81	3,673.55
Net Worth	16,426.11	13,331.07	12,287.71	10,476.32	4,605.06
State Govt. Sales Tax Incentives	-	-	-	-	-
Other Borrowings	10,557.59	8,029.03	4,554.21	718.42	1,430.74
TOTAL	26,983.70	21,360.10	18,841.92	11,192.74	6,095.80
UTILISATION OF RESOURCES					
Fixed Assets	22,024.88	17,305.14	17,233.75	14,432.11	12,458.20
Less Depreciation	8,479.73	8,026.23	8,167.92	7,578.83	7,462.98
Net Fixed Assets	13,545.16	9,278.91	9,065.83	6,853.28	4,995.22
Investments	671.05	646.70	558.89	527.95	7.78
Net Current Assets	12,767.49	11,434.49	7,217.20	3,811.51	1,092.80
TOTAL	26,983.70	21,360.10	18,841.92	11,192.74	6,095.80
Revenue from operations:-					
Sales of Products / Services	11,903.82	8,839.77	11,711.58	25,976.52	10,789.92
Other operative revenue	170.39	167.53	323.41	739.63	302.51
Other income	490.53	421.83	231.59	124.13	22.33
TOTAL REVENUE	12,564.73	9,429.13	12,266.58	26,840.28	11,114.76
EXPENDITURE:-					
Cost of Materials consumed / Purchase of Stock in Trade	8,202.65	5,342.17	3,883.50	9,269.41	4,191.44
Changes in inventories of finished goods, work in progress and stock in trade	(1,759.92)	(1,955.73)	43.78	(2,123.46)	(147.12)
Employee Benefit cost	1,613.54	1,651.86	1,529.28	3,027.76	974.87
Financial cost	454.79	340.97	280.61	1,187.00	510.29
Depreciation	573.89	575.01	525.53	284.77	188.16
Other expenses	2,832.86	2,279.56	2,880.34	4,565.03	2,589.34
TOTAL EXPENDITURE	11,717.81	8,133.78	9,149.04	16,210.51	8,286.98
Profit / loss before Tax & Exceptional Items	846.92	1,295.35	3,117.54	10,629.77	2,827.78
Add : Profit on Sale of Assets / Investment / Exceptional Items	-	-	-	-	-
Less : Tax Expenses	267.79	273.47	767.89	3,098.75	(309.19)
Profit / (Loss) After Tax	579.13	1,021.88	2,349.65	7,531.02	3,136.97



INDEPENDENT AUDITORS' REPORT

To the Members of Sadhana Nitro Chem Limited

Report on the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of M/s. Sadhana Nitro Chem Limited ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, its profit, changes in equity and its cash flows 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matter	How the matter was addressed in our audit
<p>Revision in terms of Leases due to waivers received and compliance with provisions subsequent measurement of IND-AS 116, "Leases"</p> <p>As described in note no. 2.05 to the standalone financial statements, the Company had adopted IND AS 116 Leases (Ind-AS 116) in with effect from 1st April, 2019. Ind-As 116 introduced a new lease accounting model, wherein a lessee is required to recognize a right-of-use (RoU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payment during the lease term as per the contract/arrangement. Adoption of the standard involved significant judgement & estimates including determination of the discount rates.</p> <p>During the year under audit, the company received significant waivers on its lease obligations owing to the Covid-19 pandemic induced lockdowns enforced by various government authorities to curb the spread of the virus. Accordingly, as mentioned in note no. 16 to the standalone financial statements, the Company re-valued its lease obligations in accordance with the provisions of Ind-As 116 which resulted in a net reduction in the value of Lease Liabilities.</p>	<p>Our audit procedures on re-evaluation of lease obligations in accordance with IndAS 116 include:</p> <ul style="list-style-type: none"> - Reviewed the correspondence from the Lessors granting waiver in lease rentals during the current financial year including the waiver letters, invoices & credit notes; - Assessed the reasonableness of the discount rates applied in determining the revised lease liabilities & value of right-of-use asset - Tested the completeness of the lease data by reconciling the Company's operating lease commitments, after taking into consideration the waivers received, to data used in computing RoU asset and the lease liabilities. - Assessed and tested the presentation and disclosures relating to Ind-As 116 including disclosures relating to revaluations & revisions due to waivers received.



Emphasis of Matter

We draw attention to Note 49 to the standalone financial statements regarding the uncertainties arising out of the outbreak of Covid-19 pandemic and the assessment made by the management on its operations and the financial reporting for the year ended 31st March, 2022. Such an assessment and the outcome of the pandemic, as made by the management, are dependent on the circumstances as they evolve in the subsequent periods.

Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' 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 Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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, 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality & qualitative factors in (i) planning the scope of our audit 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 Section 143(11) of the Act, we give in "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 in 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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.



- e. On the basis of the written representations received from the directors as on 31st March, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
- g. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of 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 31 to the standalone financial statements.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has not been any occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. Thus, the question of delay in transferring such sums does not arise.
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 45 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 45 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under (a) & (b) above, contain any material misstatement.
- (v) As stated in note no. 51 to the standalone financial statements
- (a) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm's Registration No. 121142W/W100122

Jayesh Dadia
Partner
Membership No. 033973

Place of Signature: Mumbai
Date: 24th May, 2022
UDIN: 22033973AKETES3203



ANNEXURE "A" TO THE AUDITOR'S REPORT

The Annexure referred to in the Independent Auditors' Report to the members of the Company on the Standalone IND-AS financial statements for the year ended 31st March, 2022

In our opinion and to the best of our information and according to the explanations provided to us by the Company and based on our examination of the books of account in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant & Equipment and Intangible Assets:
- (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment and relevant details of right-of-use-assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, plant and equipment have been physically verified by the Management during the year based on a phased program of verifying all property, plant and equipment over three years, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) Based on our examination of the copies of registered sale deed / transfer deed provided to us, we report that, the title in respect of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the financial statements & included under Property, Plant & Equipment, are held in the name of the Company as at the balance sheet date. In case of mortgaged immovable properties, the original title deeds are not available with the Company since the same are mortgaged with banks / financial institutions. However, confirmations for holding of title deeds, from the banks/ financial institutions were not made available to us.
- (d) The Company has not revalued any of its the Property, Plant & Equipment and intangible assets during the year. The Company has revalued its right-of-use assets due to waivers in lease rentals received due to lockdowns imposed by the authorities due to the Covid-19 pandemic. However, in our opinion such revaluation did not constitute 10% or more, in the aggregate, of the net carrying value of the relevant class of assets.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2022 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and the rules made there under.
- (ii) (a) As explained to us, the inventories have been physically verified during the year by the management, except for stock in transit. The intervals at which the inventories are physically verified are, in our opinion, reasonable in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (b) As explained to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, from banks on the basis of security of current assets. Based on our examination and as mentioned in note no. 53 to these standalone financial statements, there are deviations in the quarterly returns or statements of stocks filed by the Company with the banks or financial institutions vis-à-vis the books of accounts for the year.
- (iii) The Company has made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:
- (a) The Company has provided loans or advances in the nature of loans during the year details of which are given below:

Particulars	Amount (Rs. in Lakhs)
Aggregate amount provided during the year	
- Subsidiaries*	21.77
- Others	-
Balance outstanding as at balance sheet date	
- Subsidiaries*	977.38
- Others	-

*As per the Companies Act, 2013.



- (b) In our opinion, the rate of interest and other terms and conditions on which the loans have been granted were not, prima facie, prejudicial to the interest of the Company.
- (c) According to the information & explanation given to us and based on our examination of the records of the Company, no repayment schedule for principal & interest payments has been stipulated. Therefore, we are unable to comment upon the regularity of repayment of principal & payment of interest.
- (d) Since the repayment schedule of the loans given has not been stipulated, we are unable to comment as to whether any amount is overdue for period of more than ninety days.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties.
- (f) The company has granted loans to its subsidiary without specifying any period of repayment details in respect of which are as follows:

Particulars	Related Parties	Others	Total
Aggregate amount of loans granted during the year for which period of repayment is not specified (Amount in Rs. Lakhs)	21.77	-	21.77
Percentage of loans/advances in nature of loans to the total loans	100%	-	100%

- (iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans given. The Company has not provided any guarantees / security or made any investments during the year.
- (v) The Company has not accepted any deposits or amounts deemed to be deposits during the year. Therefore reporting under clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) In respect of statutory dues:
- (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues including Goods & Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales-tax, Service tax, duty of Customs, duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it with the appropriate authorities. As explained to us, there were no undisputed statutory dues as mentioned above in arrears as at 31st March, 2022 for a period of more than 6 months from the date they became payable except the following:

Name of Statute	Nature of Dues	Period to which the amount	Amount involved (₹ in Lacs)
Employees Provident Fund and Miscellaneous Provisions Act, 1952	Interest on delayed payment	F.Y. ended March 2013 to June 2018	21.33
Income Tax Act, 1961	Tax Deducted At Source	F.Y. 2017-18	2.08
The Gujarat State Tax on Professions, Traders Callings and Employments Act, 1976	Profession Tax	- F.Y. 2017-18 - April, 2019	0.17 0.13
Employee's State Insurance	ESIC	April' 19	0.045



- (b) According to the information and explanations given to us, details of disputed statutory dues which have not been deposited or partially deposited are as follows:

Name of the Statute	Nature of Dues	Gross Amount disputed (₹ in Lacs)	Period to which the amount relates (F.Y.)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.55	2013-14	CIT (Appeals)
Employees Provident Fund and Miscellaneous Provisions Act, 1952	Damages & Interest of Provident Fund Dues	58.77	F.Y. ended March, 2013 to June, 2018	Employees - Provident Fund Appellate Tribunal
Employees Provident Fund and Miscellaneous Provisions Act, 1952	Damages & Interest of Provident Fund Dues	8.53	01.02.2018 to 28.02.2019	Central Government Industrial Tribunal Cum Labour Court

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

- (x) (a) The company has not defaulted in repayment of loans or borrowings or on the payment of interest thereon to banks or financial institutions.

(b) The Company has not been declared a wilful 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 by the management, term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act). Hence reporting under clause 3(x)(f) of the Order is not applicable.

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

(b) During the year, the Company has raised funds by making preferential allotment of share warrants. All the relevant provisions of the Companies Act, 2013 and the rules made thereunder have been duly complied with. Further the amounts so raised, to the extent they have been utilized, have been used for the purposes for which they were raised.

- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India and to the best of our knowledge and belief and according to the information and explanations given to us, we have neither come across any material fraud by the Company or on the Company by its officers or employees noticed or reported during the year nor have we been informed of such case by the management.

(b) No report under sub-section (12) of section 143 of the Companies Act, 2013, has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit & Auditors) Rules, 2014 with the central government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.



- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with the provisions of section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information & explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected to its directors and hence the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) & (b) In our opinion, the Company is not required to be registered under section 45-1(A) of the Reserve Bank of India Act, 1934. Hence reporting under clause 3(xvi)(a) & (b) of the Order is not applicable.
- (c) & (d) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) & (d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory auditors of the Company during the year. Accordingly clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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 the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) In our opinion, the Company has not transferred the unspent amount, in respect of other than ongoing projects, to a fund specified in Schedule VII to the Act within the prescribed time limits. Details of the unspent amount are as follows:

(Amount in Rs. In Lacs)

Relevant Financial year	Amount identified for spending on Corporate Social Responsibility activities "other than on going projects"	Unspent Amount	Amount transferred to Fund specified in Schedule VII
2020-21	115.50	113.37	113.37



(b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any ongoing projects. Accordingly, clauses 3(xx)(b) of the Order are not applicable.

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm's Registration No. 121142W/W100122

Jayesh Dadia
Partner
Membership No. 033973

Place of Signature: Mumbai
Date: 24th May, 2022
UDIN: 22033973AKETES3203

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") referred to in paragraph 2 (f) on Report on Other Legal and Regulatory Requirements of our report.

Opinion

We have audited the internal financial controls over financial reporting with reference to the standalone financial statements of **Sadhana Nitro Chem Limited** ("the Company") as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, 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.

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 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 (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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 over financial reporting.

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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls 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 future 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.

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm's Registration No. 121142W/W100122

Jayesh Dadia
Partner
Membership No. 033973

Place of Signature: Mumbai
Date: 24th May, 2022
UDIN: 22033973AKETES3203



Sadhana Nitro Chem Limited				
Standalone Balance Sheet as at 31st March, 2022				
(Amount in Rs. Lakhs)				
	Particulars	Note	As at March 31, 2022	As at March 31, 2021
A	ASSETS			
I	Non-current assets			
	(a) Property, Plant and Equipment	3	6,695.19	7,010.65
	(b) Capital work-in-progress	3	6,544.31	2,097.62
	(c) Intangible Assets under developments	3	305.67	170.85
	(d) Financial Assets			
	(i) Investments	4	7.73	7.73
	(ii) Loans	5	977.38	894.39
	(iii) Other financial assets	6	263.33	212.14
	(e) Other non-current assets	8	2,119.51	1,837.09
	Total Non-current assets		16,913.12	12,230.27
II	Current assets			
	(a) Inventories	9	9,420.91	5,943.14
	(b) Financial Assets			
	(i) Investments	4	663.32	638.97
	(ii) Trade receivables	10	4,001.55	5,832.20
	(iii) Cash and cash equivalents	11	918.97	1,083.66
	(iv) Bank Balances other than (ii) above	12	185.43	19.42
	(v) Loans & Advances	5	286.93	411.40
	(vi) Other financial assets	6	301.57	235.06
	(c) Income Tax Asset (net)		3,387.63	3,187.36
	(d) Other current assets	8	1,591.19	1,042.99
	Total Current Assets		21,657.47	18,396.22
	TOTAL		37,970.59	30,626.49
B	EQUITY AND LIABILITIES			
I	Equity			
	(a) Equity Share capital	13	1,356.18	1,397.27
	(b) Other Equity	14	14,469.97	11,933.80
	Total Equity		16,426.15	13,331.07
II	Liabilities			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	3,459.90	2,801.15
	(a) Lease Liabilities	16	642.53	303.28
	(b) Provisions	17	265.15	243.66
	(c) Deferred Tax Liabilities	7	372.75	291.96
	Total Non-current liabilities		4,740.33	3,640.05
III	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	7,097.68	5,520.20
	(a) Lease Liabilities	16	392.71	102.44
	(ii) Trade payables	18		
	(a) Due to micro & small enterprises		270.03	267.70
	(b) Due to other than micro & small enterprises		3,170.98	2,264.04
	(iii) Other financial liabilities	19	884.16	691.14
	(b) Provisions	17	374.92	387.38
	(c) Income Tax Liabilities		3,930.03	3,735.57
	(d) Other current liabilities	20	643.71	583.89
	Total Current liabilities		16,764.12	13,655.37
	TOTAL		37,970.59	30,626.49

The accompanying notes are an integral part of the Standalone financials statement (refer Notes 1-58)
As per our report of even date attached

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration Number :121142/W/100122

Jayesh Dadia
Partner
Membership Number :033973

Pace, Mumbai
Date : 24th May, 2022

For and on behalf of the Board of Directors

Asit D Javeri
Executive Chairman

Abhishek A Javeri
Managing Director

Smt. Seema A Javeri
Executive Director
Administration

Priyam S Jhaveri
Director

Nitin R Jani
Company Secretary

Rakesh Kothari
Chief Financial
Officer



Sadhana Nitro Chem Limited				
Standalone Statement of Profit and loss for the year ended 31st March 2022.				
(Amount in Rs. Lakhs)				
	Particulars	Note	As at March 31, 2022	As at March 31, 2021
(I)	INCOME			
	Revenue from operations	21	12,074.21	9,007.29
	Other Income	22	490.53	421.83
	Total Income		12,564.73	9,429.12
(II)	EXPENSES			
	Cost of raw materials & packing materials consumed	23	8,353.28	5,342.17
	Changes in inventories of finished goods and work-in-progress	23	(1,910.56)	(1,955.79)
	Employee benefits expense	24	1,613.54	1,551.86
	Finance costs	25	454.78	340.77
	Depreciation and amortization Expenses	3	573.89	575.01
	Other expenses Expenses	26	2,632.85	2,280.06
	Total expenses		11,717.78	8,134.08
(III)	Profit before exceptional items and tax		846.95	1,295.03
	Exceptional items		-	-
(IV)	Profit Before Tax		846.95	1,295.03
(V)	Tax expense:			
	Current tax		192.36	268.73
	Mat credit entitlement		-	-
	Deferred tax		75.43	(13.26)
	Total Tax Expense		267.79	273.47
(VI)	Profit for the year		579.16	1,021.57
(VII)	Other Comprehensive Income/(Expense) (net off tax)			
	(i) Items that will not be re-classified subsequently to profit or loss			
	Re-measurement on defined benefit plans		(2.31)	6.75
	Change in Fair value of Current investments through other comprehensive income		18.22	14.72
(VIII)	Total Other Comprehensive Income		15.92	21.47
(IX)	Total Comprehensive Income		595.08	1,043.04
(X)	VIII. Earnings per equity share (Rs)	28		
	(1) Basic EPS [Face Value Rs 1 Per Share (P.Y Rs 1 Per Share)]		0.30	0.52
	(2) Diluted EPS [Face Value Rs 1 Per Share (P.Y Rs 1 Per Share)]		0.30	0.52
The accompanying notes are an integral part of the Standalone financials statement (refer Notes 1-58) As per our report of even date attached				
For Jayesh Dadia & Associates LLP Chartered Accountants Firm Registration Number :121142W/W100122		For and on behalf of the Board of Directors		
Jayesh Dadia Partner Membership Number : 033973		Asit D Javeri Executive Chairman	Priyam S Javeri Director	
Place : Mumbai Date : 24th May, 2022		Abhishek A Javeri Managing Director	Nitin R Jani Company Secretary	
		Smt. Seema A Javeri Executive Director Administration	Rakesh Kothari Chief Financial Officer	



Sadhana Nitro Chem Limited				
Standalone Statement of Cash Flows for the year ended 31st March 2022.				
(Amount in Rs. Lakhs)				
Particulars	For the year ended March 31, 2022		For the year ended March 31, 2020	
A. Cash flow from operating activities				
Profit before tax		846.92		1,295.03
Adjustments for:				
Depreciation and amortisation expenses	573.89		575.01	
Interest on Lease Liability	70.36		40.00	
Interest expenses	384.42		299.52	
Interest Income	(141.89)		(110.51)	
Unrealised Foreign Exchange (Gain)/Loss	(25.07)		(4.63)	
(Gain) / Loss on Fair Valuation of Forward Contracts	(32.20)		(59.11)	
Profit on sale Of fixed Assets	-		(39.94)	
Sundry balance Written back	(227.12)		(184.80)	
Provision for Doubtful Debts/ Bad Debts	0.31		0.59	
Notional Interest & Rent on Deposits	(0.03)		0.05	
(Gain) / Loss on Fair Valuation of Lease Liability	(7.04)		(29.98)	
Sundry Balances Written off	0.31		16.32	
		596.14		522.51
Operating profit / (loss) before working capital changes		1,443.06		1,817.57
Changes in working capital:				
Inventories	(3,477.76)		(1,635.82)	
Trade receivables	1,995.26		(616.13)	
Loans & Advances	(8.52)		(3.37)	
Other Current Assets & financial assets	(751.95)		73.79	
Trade Payables	908.61		546.67	
Other Liabilities	322.62		168.41	
Provisions	5.94		(10.75)	
		(1,005.80)		(1,677.19)
Cash generated from operations		437.25		140.37
a. Direct Taxes (Paid)		(800.25)		(57.65)
Net cash flow from / (used in) operating activities (A)		(363.01)		82.72
B. Cash flow from / (used in) investing activities				
Purchase Of Property, plant and equipment	(3,824.89)		(881.69)	
Sale of Property, plant and equipment	-		82.00	
Advance given for Capital Expenditure	(282.42)		(1,540.03)	
Redemption/(investment) in margin deposits	(166.04)		8.76	
Repayment received for loans given	149.70		45.00	
(Acquisition) Sale of Investment(Net)	-		(52.57)	
Loan given to wholly owned subsidiary	(7.55)		(11.27)	
Interest received	135.34		2.66	



Sadhana Nitro Chem Limited Standalone Statement of Cash Flows for the year ended 31st March 2022.				
(Amount in Rs. Lakhs)				
Particulars	For the year ended March 31, 2022		For the year ended March 31, 2020	
Net cash flow from / (used in) investing activities (B)		(3,994.66)		(2,347.13)
		(3,994.66)		(2,347.13)
C. Cash flow from / (used in) financing activities				
Borrowings -Net of Repayment	658.75		2,811.97	
Short Term Borrowings - Net of Repayment	2,133.16		572.53	
Interest Paid	(328.05)		(290.56)	
Money received against share warrant	2,500.00		-	
Dividend paid including dividend distribution tax	-		-	
Payment towards lease liabilities	(409.21)		(86.51)	
		4,554.65		3,007.43
Net cash flow from / (used in) financing activities		4,554.65		3,007.43
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		196.97		743.02
Cash and cash equivalents at the beginning of the year		348.44		(394.58)
Cash and cash equivalents at the end of the year		545.41		348.44
Cash and Cash equivalent as per above comprises of the following				
Cash and cash equivalent as per Note 11				
- cash in hand		1.61		1.16
- Balances with Banks (on current accounts)		617.38		1,084.48
		618.97		1,085.41
- Bank overdraft / cash credit (Note 15B)		(73.56)		(736.97)
Balance as per statement of cash flows		545.41		348.44
Figures in brackets represent outflows				
Notes:				
1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows				
2. Addition to property, plant and equipment include movements of capital work progress during the year				
As per our report of even date attached				
For Jayesh Dadia & Associates LLP Chartered Accountants Firm Registration Number: 121142W/W100122		For and on behalf of the Board of Directors		
Jayesh Dadia Partner Membership Number : 033973		Asit D Javeri Executive Chairman		Priyam S Jhaveri Director
Place : Mumbai Date : 24th May, 2022		Abhishek A Javeri Managing Director		Nitin R Jani Company Secretary
		Smt. Seema A Javeri Executive Director Administration		Rakesh Kothari Chief Financial Officer



Sadhana Nitro Chem Limited
Notes to Standalone financial statements for 31st March 2022

1. CORPORATE INFORMATION

The Company was incorporated on July 21, 1973. The Company is engaged in Manufacturing of chemical intermediates, heavy organic chemicals and performance chemicals and wireless network equipment and services. As on 31st March, 2022 Manekchand Panachand Trading Investment Company Pvt Ltd, holding company owned 63.99 % of the company's equity share capital. The Company's registered office is located at Mumbai, Maharashtra India and manufacturing facility is located at Roha, Raigad District, Maharashtra, India. The company shares are listed in Bombay Stock Exchange (BSE)

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 Statement of Compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the "Act") and other relevant provisions of the Act. These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual report date, March 31, 2022. These standalone financial statements were authorized for issuance by the Company's Board of Directors on May 24, 2022.

2.2 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price which that would be received or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.3 Use of estimate

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

Key source of estimation of uncertainty, at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of Fair valuation of financial instruments, useful lives of property, plant and equipment, valuation of deferred tax Assets & liabilities and provisions and contingent liabilities.

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 reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets & Liabilities

The Company reviews the carrying amount of deferred tax assets & Liabilities at the end of each reporting period. The policy for the same has been explained under Note 2.10.

Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to unwinding of discount over passage of time is recognized as finance cost. Provisions are reviewed at the each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to



settle the obligation, the provision is reversed.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and 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 the 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 not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

Fair value measurements and valuation processes

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The company has obtained independent fair valuation for financial instruments wherever necessary to determine the appropriate valuation techniques and inputs for fair value measurements. In some cases the fair value of financial instruments is done internally by the management of the Company using market-observable inputs.

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. The qualified external valuers establish the appropriate valuation techniques and inputs to the model. The external valuers report to the management of the Company their findings for every reporting period to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes no 29.

2.4 Revenue Recognition

i. Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/delivery of goods based on contract with customers.

Revenue is measured on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives and returns, if any, as specified in the contracts with customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discount/ incentive and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and arrangements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

The Company has adopted Ind AS 115 Revenue from Contract with Customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

ii. Other Income

a. Dividend income from investments is recognised when the shareholder's right to receive payment has been established which is when the shareholders approve the dividend (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

b. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of



time in exchange for consideration.

Company as a lessee

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of IndAS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.6 Foreign Currency Transactions & Translations

The functional currency of the Company is Indian rupee.

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date.

Exchange rate differences resulting from foreign currency transactions settled during the period including year-end translation of assets & liabilities are recognised in the statement of profit and loss.

Non-monetary assets which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of initial transaction.

Changes in fair value of forward contracts designated as fair value hedge are recognised in the statement of profit and loss.

2.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Capitalization of borrowing cost is suspended and charges to the statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 Government grants

(i) Government grants in respect to manufacturing units located in developing regions :

The Company is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlements on accrual basis on approval of the initial claim by the relevant authorities and there is reasonable assurance that the grants will be received.

(ii) Government grants in respect of additional Capital Expenditures :

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets is accounted for as deferred income. The grant is recognised as income over the life of a depreciable



asset by accounting deferred income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

(iii) Export Incentives

Export incentives under various schemes are accounted for in the year of export.

2.9 Employee benefits

(1) Defined Contribution Plan:

Payments to defined contribution retirement benefit schemes viz. Company's Provident Fund Scheme and Superannuation Fund are recognised as an expense when the employees have rendered the service entitling them to the contribution.

(2) Defined Benefit Plan:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

(i) Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with Life Insurance Corporation for future payment of gratuity to the eligible employees.

(ii) Compensated Absences:

The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve month is treated as long-term employee benefit which are provided based on the number of days of unused compensated absence on the basis of an independent actuarial valuation.

2.10 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

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

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Taxes Paid 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 recognised as advance tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.



Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.11 Property, Plant and Equipment

Property, plant and equipment held for use in production or supply of goods or services or for administrative purposes are stated at cost less accumulated depreciation/amortization less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

Depreciation is recognized (other than on capital work-in-progress) on a straight line basis over the estimated useful lives of assets in respect of property plant & equipment & computers acquired after 1st April 2006. Property plant & equipment including non factory building furniture fixtures & vehicles acquired prior to 1st April 2006 are depreciated under WDV Method at the rates prescribed under Schedule II of Companies Act, 2013. Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement.

The economic useful lives of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

Freehold land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss.

2.12 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization. Amortization is recognized on a straight line basis over their estimated useful lives of 5 years, which reflects the pattern in which the asset's economic benefits are consumed. The estimated useful life, the amortization method and the amortization period are reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the profit or loss when the asset is derecognised.

**2.13 Impairment of tangible 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 to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit and loss.

2.14 Inventories

Inventories of raw materials, stock-in-trade, stores & spares, Fuel, packing material, work in progress, stock in trade and finished goods are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Stock of scrap and spent acid is valued at net realizable value. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Stores and spares are valued on weighted average cost basis and all others are valued on a FIFO basis.

2.15 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Investment in subsidiaries

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements



Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Financial guarantee contracts:

A Financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a holding company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of INDAS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of INDAS 18.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net of direct issue cost.

Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.16 Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.17 Current/Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current. A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

Current liabilities include the current portion of long term financial liabilities.

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.



2.18 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from other equity, net of any tax effects.

2.19 Fair Value Measurement

Fair value is the price that would be received from the sale of 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 an asset or transfer the liability takes place either:

- in the principle market for the asset or liability
- in the absence of principle market, in the most advantageous market for the asset or liability.

The principle or the most advantageous market must be accessible by the Company.

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

The 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Determination of Fair Value

1) Financial Assets - Debt Instruments at amortized cost

After initial measurement the financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR.

2) Financial Assets - Debt Instruments at Fair Value through Other Comprehensive Income (FVTOCI)

Measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L.

3) Debt instruments & derivatives at Fair Value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

4) Equity Instruments at Fair Value through Other Comprehensive Income

On initial recognition, the Company can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains / losses arising from changes in fair value recognized in other comprehensive income. This cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

5) Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit & loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.



All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Companies financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Fair value through Profit & Loss

Financial liabilities at fair value through profit & loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. All changes in fair value of such liabilities are recognised in statement of profit or loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the statement of profit and loss.

2.20 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders and is shown as a reduction from retained earnings under Other Equity.

2.21 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

Sadhana Nitro Chem Limited
Notes forming part of the Standalone financial statements for the year ended 31st March, 2022

Note 3 - Property Plant and Equipment & Intangible Assets

Particulars	(Amount in Rs. Lakhs)												
	Freehold Land	Factory Buildings	Non-factory Buildings	Plant & Equipment	Furniture & Fixtures	Computers	Vehicles	Software	Right to use of assets	Lease Office	Total	Capital work-in-progress	Intangible Under Development
Gross Carrying amount													
Balance as at April 1, 2020	1,651.44	610.62	117.37	5,116.26	31.99	63.42	487.45	110.00	529.57	31.87	8,749.99	1,462.65	40.00
Additions	-	-	77.12	30.32	-	8.63	-	-	64.38	-	180.45	634.97	130.65
Disposals (Refer Foot Note iii)	-	-	-	730.06	-	-	-	-	-	-	730.06	-	-
Revaluation due to change in lease terms	-	-	-	-	-	-	-	-	40.22	-	40.22	-	-
Balance as at March 31, 2021	1,651.44	610.62	194.49	4,416.52	31.99	72.05	487.45	110.00	563.73	31.87	8,160.16	2,097.62	170.65
Additions	-	4.23	-	70.95	-	3.93	3.53	-	169.78	-	258.43	4,446.69	135.02
Disposals (Refer Foot Note iii)	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification as held for sale terms (Refer Foot Note iv)	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	1,651.44	614.85	194.49	4,493.47	31.99	75.98	490.98	110.00	723.51	31.87	8,410.59	6,544.31	305.67
Accumulated Depreciation													
Balance as at April 1, 2020	-	94.76	13.83	857.77	6.10	29.34	71.99	5.50	101.50	6.37	1,186.76	-	-
Depreciation for the Year	-	26.00	5.88	335.56	2.59	9.99	62.22	22.00	104.39	6.37	575.01	-	-
Disposals	-	-	-	612.26	-	-	-	-	-	-	612.26	-	-
Balance as at March 31, 2021	-	120.76	19.71	591.07	8.69	39.33	133.82	27.50	205.89	12.75	1,449.51	-	-
Additions (Depreciation for the Year)	-	24.33	7.58	317.77	2.48	10.81	62.16	22.00	126.39	6.37	573.89	-	-
Disposals (Refer Foot Note ii)	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2021	-	145.09	27.28	898.84	11.17	50.14	195.98	49.50	326.28	19.12	1,723.40	-	-
Net carrying amount													
Balance as at March 31, 2021	1,651.44	489.86	174.78	3,824.44	23.30	32.72	353.63	82.50	347.84	19.12	7,010.65	2,097.62	170.65
Balance as at March 31, 2022	1,651.44	489.76	187.21	3,594.63	20.82	25.84	295.00	80.50	397.23	12.75	6,895.19	6,544.31	305.67

Foot Note :

- (i) Plant & Equipment includes Office Equipments
(ii) Refer Note 15(a)(b) & (d) for information on Property plant & equipment pledged as security by the company
(iii) During the year ended March 31, 2021, The Wireless Network Equipment Services Division of the company has converted a significant portion of its plant & equipment in to stock in trade at book value of Rs. 75,74 Lakhs. The impact of the same has been given in the above note as disposal of assets during the year. The corresponding impact has resulted in increase in stock of wireless network equipment as at March 31, 2021.
(iv) During the year ended March 31, 2021 the company has received significant waivers in lease rentals due to lockdown imposed by the Central & state Governments owing to the spread of the Covid-19 pandemic. Accordingly the Company has reviewed its lease obligations after considering the waivers received and recomputed the value of its lease liabilities and right of use assets. This has resulted in a reduction in the value of the right of use assets by an amount of Rs. 40.22 lakhs



Sadhana Nitro Chem Limited

Notes forming part of the Standalone financial statements for the year ended 31st March, 2022

Capital Work in Progress

The ageing of Capital Work in Progress for Projects

For the year	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Ended 31.03.2021	2,097.62	634.97	1,307.21	155.44	-
Ended 31.03.2022	6,544.31	4,446.69	634.97	1,307.21	155.44

Ageing of Capital Work in Progress as at 31.03.2022

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	6,492.58	4,446.69	634.97	1,307.21	103.71
Projects temporarily suspended	51.73	-	-	-	51.73
Total	6,544.31	4,446.69	634.97	1,307.21	155.44

Ageing of Capital Work in Progress as at 31.03.2021

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	2,045.89	634.97	1,307.21	103.71	-
Projects temporarily suspended	51.73	-	-	51.73	-
Total	2,097.62	634.97	1,307.21	155.44	-

Intangible Assets Under Development

The ageing of Intangible Assets Under Development

For the year	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Ended 31.03.2021	170.65	130.65	40.00	-	-
Ended 31.03.2022	305.67	135.02	130.65	40.00	-

Ageing of Intangible Assets Under Development as at 31.03.2022

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	305.67	135.02	130.65	40.00	-
Projects temporarily suspended	-	-	-	-	-
Total	305.67	135.02	130.65	40.00	-

Ageing of Intangible Assets Under Development as at 31.03.2021

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	170.65	130.65	40.00	-	-
Projects temporarily suspended	-	-	-	-	-
Total	170.65	130.65	40.00	-	-

Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

Note 4 A: Investments

(Amount in Rs. Lakhs)

Sr. No	Particular	Face Value	As at March 31, 2022		As at March 31, 2021	
			No. of shares	Rs	No. of shares	Rs
(i)	Non-current investments					
	Unquoted					
	Investment in equity instruments of subsidiaries (Fully paid up)					
	Unquoted					
	Subsidiaries (at cost)					
	Anuchem B.V.B.A- Belgium	Euro 25	750	7.72	750	7.72
	Spidigo Net Pvt Ltd	Rs 10	10,000	0.01	10,000	0.01
	Total (A)		10,750	7.73	10,750.00	7.73
(ii)	Other investments (At fair value through other comprehensive income)					
	Quoted					
	Anco Communication Ltd	Rs 10	500	0.72	500	0.72
	Enaral Finance Ltd	Rs 10	3,900	0.78	3,900	0.78
	Indian Extractions Ltd	Rs 10	18,000	5.08	18,000	5.08
	Indo-biotech Ltd	Rs 10	5,000	1.91	5,000	1.91
	First object Technologies Ltd	Rs 10	2,000	0.81	2,000	0.81
	Maxworth orchards Ltd	Rs 10	1,300	0.13	1,300	0.13
	Ojas Technochem Products Ltd		5,000	1.31	5,000	1.31
			35,700	10.74	35,700	10.74
	Less: Provision for decline other than temporary, in value of non current investments					10.74
	Total (B)					
	Total (A+B)		10,750	7.73	10,750	7.73
	Footnotes :					
	(i) Aggregate cost of quoted investments			10.74		10.74
	(ii) Aggregate market value of quoted investments			-		-
	(iii) Aggregate value of unquoted investments			7.73		7.73
	(iv) Aggregate amount of impairment in value of investments			10.74		10.74
	(v) During the financial year March 31, 2019 the company has acquired the entire share capital of Spidigo Net Pvt Ltd. As a result Spidigo Net Pvt Ltd has become its wholly owned subsidiary with effect from March 11, 2019.					

Note 4 B: Current Investments

(Amount in Rs. Lakhs)

Sr. No	Particular	Face Value	March 31, 2022		March 31, 2021		
			No. of Units	Rs	No. of Units	Rs	
(i)	Investments measured at fair value through other comprehensive income						
	In Mutual Funds						
	Quoted						
	L & T Long Duration Growth		1,298,141.00	298.22	1,298,141.00	287.89	
	HDFC Long Duration Growth		682,552.00	310.17	682,552.00	298.22	
	Aditya Birla Sun Life Low Duration Fund		10,248.49	54.93	10,248.49	52.86	
	Total			-	663.32	-	638.97
	(i) Aggregate cost of quoted investments			552.57		552.57	
	Aggregate market value of quoted investments			663.32		638.97	

As mentioned in note no. 15(c)(i), all the above investments in mutual funds have been pledged with the lenders against the working capital facilities extended by them to the Company.

Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

Note 5: Loans

(Amount in Rs. Lakhs)

Sr No	Particular	As at March 31, 2022	As at March 31, 2021
A	Non Current Loans (Unsecured Considered Good, unless otherwise stated)		
(i)	Subsidiary Company	977.38	877.68
(ii)	Loan To Staff	-	16.71
	Total	977.38	894.39

Sr No	Particular	As at March 31, 2022		As at March 31, 2021	
		Amount	Percentage to the total Loans and Advances in the nature of loans	Amount	Percentage to the total Loans and Advances in the nature of loans
(i)	Loans to related parties comprise loans to the following Wholly Owned subsidiaries Spd go Net Private Limited Maximum amount outstanding during the year	977.38 977.38	77% 77%	877.68 877.68	67% 67%

Sr No	Particular	As at March 31, 2022	As at March 31, 2021
B	Current Loans (Unsecured Considered Good, unless otherwise stated)		
(i)	Loan to staff (Secured, Considered Good)	36.83	11.40
(ii)	Inter Corporate Deposits	250.30	400.00
	Total	286.93	411.40

Note 6: Other financial assets

(Amount in Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
	Non Current Financial Assets (Unsecured, Considered Goods)		
	Security Deposits with Public Bodies and others	263.33	212.14
	Total	263.33	212.14
	Current Financial Assets (Considered Goods)		
	(i) Interest Accrued on Inter Corporate Deposits	11.63	102.00
	(ii) Interest Accrued on Bank Deposits	4.70	0.12
	(iii) Other receivable	63.32	7.71
	(iv) Advance to Vendors	221.92	125.23
	Total	301.57	235.06



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

Note 7: Deferred tax Liabilities/(Asset) (Net)

(Amount in Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
	Deferred Tax Liability		
(i)	Depreciation on fixed assets	469.89	455.97
(ii)	Fair Valuation	75.55	20.51
	Gross Deferred Tax Liability	545.44	476.48
	Deferred Tax Asset		
(i)	Employee Benefit obligations	(166.79)	(166.28)
(ii)	Other disallowable expenses	(3.90)	(18.24)
	Gross Deferred Tax Asset	(172.69)	(184.52)
	Net Deferred Tax Liability/(Asset)	372.75	291.96

Movement in Deferred taxes during the year

For the year ended March 31, 2022	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Deferred Tax Liability				
Plant Property Equipment	455.97	13.92	-	469.89
Fair Valuation	20.51	48.91	6.13	75.55
Gross Deferred Tax Liability (1)	476.48	62.83	6.13	545.44
Deferred Tax Asset				
Employee Benefit obligations	(166.28)	(1.73)	(0.78)	(166.79)
Other Disallowable Expenses	(18.24)	14.33	-	(3.90)
Gross Deferred Tax Asset (2)	(184.52)	12.60	(0.78)	(172.69)
Net Deferred Tax Liability/(Asset) (1-2)	291.97	75.43	5.35	372.75

Note 8: Other Assets

(Amount in Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
A	Non Current Other Assets		
(i)	Capital advance	2,119.51	1,837.09
	Total	2,119.51	1,837.09
B	Current Other Assets		
(i)	Balance with Statutory/Revenue Authorities	1,543.24	963.96
(ii)	Prepaid Expenses	47.95	79.03
	Total	1,591.19	1,042.99

Note 9: Inventories (At lower of cost and net realisable value)

(Amount in Rs. Lakhs)

Sr No	Particular	As at March 31, 2022	As at March 31, 2021
	Valued & certified by the Management		
(i)	Raw materials(Include Packing Materials)	1,596.76	173.62
(ii)	Work-in-progress	2,073.79	1,424.69
(iii)	Finished Goods	4,935.66	3,749.93
(iv)	Goods in Transit (Raw Material)	70.74	32.08
(v)	Stores & Spares	730.37	554.81
(vi)	Others (Fuel, scrap, etc.)	13.59	8.01
	Total	9,420.91	5,943.14

Footnotes:

(I) Refer Note no 15(d) for information on Inventories mortgaged as security for borrowings.



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

Note 10: Trade receivables

(Amount in Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
(i)	Unsecured, Undisputed		
(ii)	Considered good	3,980.95	5,807.60
	Considered doubtful	28.80	32.80
		4,009.75	5,840.40
	Less: Allowance for doubtful debts	(8.20)	(8.20)
	Total	4,001.55	5,832.20
Ageing of Trade Receivables (Outstanding for following periods from due date of payment)			
Undisputed Trade Receivables			
- Considered Good			
	Less than 6 months	2,399.60	2,772.76
	6 months to 1 year	643.74	510.90
	1 to 2 years	784.07	1,504.35
	2 to 3 years	19.05	996.23
	More than 3 years	126.89	15.16
- Considered doubtful			
	Less than 6 months	-	-
	6 months to 1 year	-	-
	1 to 2 years	-	-
	2 to 3 years	-	14.60
	More than 3 years	28.80	18.00
	Total	4,001.55	5,832.20

Footnotes :

- Trade receivables are dues in respect of goods sold in the normal course of business.
- The normal credit period allowed by the company ranges from 60 to 90 days.
- Trade receivables include receivables from related parties - Rs. 1,686.77 Lakhs and Maximum Amount Outstanding Rs. 2,713.85 Lakhs (March 31, 21 - Rs. 2,713.85 Lakh and Maximum amount Outstanding Rs. 2,718.96 Lakhs)
- Refer Note no 15(d) for information on Trade Receivables mortgaged as security for borrowings.
- Refer note no 28(i) for Credit Risk

Note 11: Cash and Cash Equivalents

(Amount in Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
(i)	Cash in hand	1.61	1.18
(ii)	Balance with bank --- in current account	617.36	1,084.48
	Total	618.97	1,085.66

Note 12: Other Bank Balances

(Amount in Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
(i)	Call and short term deposit accounts Deposits (under lien) with original Maturity <12 Months (Refer note below)	179.03	13.00
(ii)	Dividend Accounts	6.37	6.42
	Total	185.40	19.42



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

Footnotes :

- (i) Deposit with carrying amount of Rs 13.00 Lakhs (31st March 21 - Rs 13.00 Lakhs) are subject to first charge against bank guarantees.
- (ii) Deposit with carrying amount of Rs. 50.00 Lakhs has been given as a security deposit to the Ministry of Pharmaceuticals, Chemicals & Fertilizers towards the PLI Scheme
- (iii) Deposit with carrying amount of Rs. 66.03 Lakhs has been given as a security deposit to North Arc Capital Private Limited against the borrowing of Rs. 6 crores from them
- (iv) Deposit with carrying amount of Rs. 49.00 Lakhs has been given as a security against Overdraft facility taken from HDFC Bank

Note 13: Equity Share Capital

(Amount in Rs. Lakhs)

Sr. No	Particular	AMarch 31, 2022	March 31, 2021
	Authorised Capital:*		
	30,00,00,000 Equity Shares of Rs 1/- each	3,000.00	2,150.00
	(March 31, 2022: 21,50,00,000 Equity Shares of Rs 1/- each (Refer note no (i) below)		
	Total	3,000.00	2,150.00
	Issued Subscribed & Paid up:		
	19,56,18,129 Equity Shares of Rs 1/- each fully paid	1,956.18	1,397.27
	(Refer note no (i) below)		
	(March 31, 2021 13,97,27,235 Equity Shares of Rs 1/- each) (Refer note no (ii) below)		
	Total	1,956.18	1,397.27

Footnotes:

- (i) During the year ended 31st March, 2022, the Company has issued and allotted 5,58,90,894 equity shares of Re. 1/- each to eligible shareholders of equity shares on the book closure date (i.e. 21st July, 2021) as fully paid up bonus equity shares by capitalizing reserves.
- (ii) During the year ended 31st March, 2021, the Company has issued and allotted 4,65,75,745 equity shares of Re. 1/- each to eligible shareholders of equity shares on the book closure date (i.e. 18th September, 2020) as fully paid up bonus equity shares by capitalizing reserves.

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2022		As at March 31, 2021	
	Equity Share		Equity Share	
	No. of Shares	Amount in Rs. Lakhs	No. of Shares	Amount in Rs. Lakhs
Equity				
No. of shares outstanding at the beginning of the year	139,727,235	1,397.27	93,151,430	931.51
Add: Additional shares issued during the year year	-	-	-	-
Add: Increase on account of shares sub-divided during the year (Refer Note no (i) above)	-	-	-	-
Add: Bonus Issue in the ratio of 5:2 (P.Y. 2:1)	55,690,694	558.91	46,575,745	465.76
Less: Shares forfeited/Bought back during the year	-	-	-	-
No. of shares outstanding at the end of the year	195,618,129	1,956.18	139,727,235	1,397.27

(c) Shareholders holding more than 5% shares in the Company :*

Particulars	As at March 31, 2022		As at March 31, 2021	
	Equity Share		Equity Share	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares of Rs. 1/- each (P.Y.Rs. 1/-) fully paid				
Manekchand Panachand Trading Investment Co. Pvt Ltd	125,172,831	63.99%	89,409,165	63.99%
Asit Javen	11,691,771	5.98%	8,351,953	5.98%



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

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

(d) Equity Shares in the entity held by holding company:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of Shares	% of Holding	No of Shares	% of Holding
Manekchand Panachand Trading Investment Co. Pvt Ltd	125,172,831	63.99%	89,409,165	63.99%

(e) Details of changes in shareholding of promoters

Particulars	As at March 31, 2022		As at March 31, 2021		Increase / (Decrease) % of holding
	No of Shares	% of Holding	No of Shares	% of Holding	
Promoters' Holding (including Promoter Group)					
Manekchand Panachand Trading Investment Co Pvt Ltd	125,172,831	63.99%	89,409,165	63.99%	-
Asit A Javeri	11,691,771	5.98%	8,351,953	5.98%	-
Abhishek A Javeri	5,902,764	3.02%	4,218,260	3.02%	-
Seema A Javeri	384,867	0.20%	274,905	0.20%	-

As per records of the company, including its register of members, the above shareholding represents both legal and beneficial ownership of shares.

Note 14: Other Equity

(Amount in Rs. Lakhs)

Sr.No	Particulars	March 31, 2022	March 31, 2021
(i)	Reserves and Surplus		
	Capital Reserve		
	Opening and Closing balance (CR)	0.94	0.94
	Additions	-	-
	Closing balance	0.94	0.94
(ii)	Capital Redemption Reserve		
	Opening balance (CRR)	993.01	965.00
	Less: Utilized for issued of Bonus shares	(558.91)	(371.99)
	Closing balance	34.10	593.01
(iii)	Securities Premium Account		
	Opening balance	-	93.77
	Less: Utilized for issued of Bonus shares	-	(93.77)
	Closing balance	-	-
(iv)	Retained Earnings		
	Opening balance (Retained Earnings)	9,122.06	8,078.70
	Profit for the year	579.16	1,021.89
	Other Comprehensive income for the year, net of income tax	15.82	21.47
	Total comprehensive income	595.08	1,043.36
	Closing Balance	9,717.14	9,122.06
(v)	Transition Revaluation Reserve		
	Opening balance (TRR)	884.49	884.49
	Add: Additions	-	-
	Closing balance	884.49	884.49
(vi)	General Reserve		
	Opening balance	1,333.30	1,333.30
	Add: additions	-	-
	Closing Balance	1,333.30	1,333.30
(vii)	Money received against Share Warrant		
	Opening balance	-	-
	Add: additions (SW)	2,500.00	-
	Closing Balance	2,500.00	-
	Total	14,469.97	11,933.80



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

Capital Reserve:

Capital Reserve is utilised in accordance with the provisions of the Act.

Capital Redemption Reserve

Capital redemption reserve represents reserve created on redemption of preference shares. It is non distributable reserve. During the year ended March 31, 2022 the company has utilised Rs. 558.91 Lakhs (P.Y. Rs. 372.00 Lakhs) from the reserve towards issue of fully paid up bonus shares.

Securities Premium Reserve

Securities Premium Reserve is used to record the premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act. During the year ended March 31, 2021 the company has utilised the whole of the reserve towards issued of fully paid up bonus shares

Retained Earnings

The amount that can be distributed by the company as dividend to its equity shareholders.

Transition Revaluation Reserve

Transition Reserve represents reserve created on transition from Accounting Standards to IndAS.

General Reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purpose.

Note 15 : Borrowings

(Amount in Rs. Lakhs)

Sr No	Particular	As at March 31, 2022	As at March 31, 2021
A	Non Current Borrowings		
(a)	Secured Borrowings:		
(i)	Term loan - Bank (Refer Note 15(a) below)	658.44	106.88
(ii)	Term Loan - Others (Refer Note 15 (b) below)	3,631.71	2,986.58
	Less: Current Maturity of Long term borrowings disclosed under the head Short Term Borrowings	4,288.15	3,093.45
		828.25	292.31
	Balance	3,459.90	2,801.15
	Total	3,459.90	2,801.15
B	Current Borrowings		
(a)	Secured Borrowings		
(i)	Working Capital Loan from Banks denominated in [Refer Note (i) and (iv)]		
	Foreign Currency	3,644.24	4,065.06
	Indian Currency - Overdraft & Cash Credit	74.26	736.92
	Indian Currency - Export Credit	1,154.71	-
(b)	Unsecured Borrowings		
(i)	From Financial Institutions	148.84	-
(ii)	Inter Corporate Deposit [Refer note (a) below]	569.07	100.00
(iii)	Loan From Director	678.31	325.91
(c)	Current Maturity of Long term borrowings disclosed under the head Short Term Borrowings	628.25	292.31
	Total	7,097.68	5,520.20

Footnotes:

- a Term loan from bank is secured by charge on motor vehicles. Refer Note (f) below for terms of repayment, rate of interest etc.
- b Term loans - others are secured by charge on motor vehicles, plant and machinery, residential property situated at Roha, Raigad, Maharashtra and charge by way of lien on debt mutual fund of Rs. 52.86 lakhs. Charge is yet to be registered in respect of two motor vehicles. Refer Note (f) below for terms of repayment, rate of interest etc.



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

- c(i) The company has foreign currency working capital facilities from a Bank at interest rate of libor plus 4.25% p.a. These facilities are secured by exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery, charge by way of pledge on debt mutual funds of Rs 586.11 lakhs. Further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantee of Holding Company.
- c(ii) Further, the Company has working capital facilities in Indian currency from a bank carrying interest rate ranging between 5.76% to 12.00% p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116 and further secured by personal guarantee of Chairman and Managing Director of the company.
- d Inter Corporate Deposits are carrying interest rate of 15% and repayable on or before April 2023.
- (e) Terms of repayment

Term Loan - Banks

(Amount in Rs. Lakhs)

Particulars	Rate of Interest	Year of Maturity	March 31, 2022		March 31, 2021	
			No of Installments Left	Amount Outstanding as at March 31, 2022	No of Installments Left	Amount Outstanding as at March 31, 2021
Bank Name						
HDFC Bank	8.50%	2023-24	14	548	26	9.77
HDFC Bank	8.50%	2023-24	14	548	26	9.77
HDFC Bank	8.25%	2022-23	12	23.44	24	45.02
HDFC Bank	8.25%	2022-23	12	22.03	24	42.32
ICICI Bank	9.25%	2025-26	36	600.00		
			Total	656.44	Total	106.88
			Less - Current maturity of long term borrowings shown in current liabilities			50.44
			Balance	456.30		56.44
Term Loan - Others						
Financial institution						
Hero Fincorp Ltd	12.75%	2022-23	6	4.28	18.00	11.39
Hero Fincorp Ltd	12.75%	2022-23	6	4.22	18.00	11.22
Hero Fincorp Ltd	12.75%	2022-23	9	4.39	21.00	9.31
Kotak Mahindra Prime Ltd	9.15%	2023-24	23	21.90	35.00	31.90
Kotak Mahindra Prime Ltd	9.15%	2023-24	23	21.90	35.00	31.90
Aditya Birla Finance Ltd.	10.50%	2030-31	107	1,212.70	119.00	1,290.87
Bajaj Finance Ltd	9.75%	2026-27	4	1,500.00	48.00	1,000.00
North Arc Capital Ltd	14.00%	2024-25	24	475.32	36.00	600.00
Aditya Birla Finance Limited	10.50%	2028-29	72	387.00		
			Total	3,631.71	Total	2,966.59
			Less - Current maturity of long term borrowings shown in current liabilities			241.87
			Balance	3,003.60		2,744.72
			Total Balance	3,459.90		2,801.16



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

Note 15 : Lease Liabilities

(Amount in Rs. Lakhs)

Sr No	Particular	As at March 31, 2022	As at March 31, 2021
A	Non Current	682.53	303.28
B	Current	392.71	102.44
	Total	1,075.24	405.72

Effective from April 1, 2019, the company adopted Ind AS 116 "Lease", applied to all lease contracts existing on April 1, 2019 using the modified retrospective approach and has taken the cumulative adjustment to retained earnings, on date of initial application. Due to transition, the nature of expenses in respect of certain leases under erstwhile standard has changed from Lease Rental to Depreciation & Amortization expenses and Finance cost for the Right to use assets and on Lease Liability respectively.

Due to the accounting treatment as per this Standard, the current year profit has been increased by Rs. 218.48 Lakhs (Previous Year profit reduced by Rs. 57.87 Lakhs).

This increase in profit is primarily due to depreciation on assets taken on lease from Siemens Financial Services Private Limited not be charged to the Statement of Profit & loss since the same were not ready for use as at the balance sheet date.

During the year ended March 31, 2022 the company has received waivers in lease rentals due to lockdown imposed by state Governments owing to the spread of the Covid-19 pandemic. Accordingly the Company has revalued its lease obligations in accordance with the provisions of Ind AS 116. This revaluation resulted in a net reduction in the value of lease liabilities as at 01.04.2021.

The company has recognized a net gain of Rs. 7.03 Lakhs on the aforesaid revaluations during the year.

Details of Payments to be made towards Lease obligations

(Rs. Lakhs)

Particular	As at March 31, 2022	As at March 31, 2021
Lease liability paid during the year	0.00	86.51
Lease liability payable not more than 1 year	487.23	138.77
Lease liability payable not more than 5 year	746.65	479.11

Note 17: Provisions

(Amount in Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
A	Non Current		
	Employee Benefit Obligations		
	(i) Compensated absences	90.72	80.31
	(ii) Gratuity (Refer Note No. 29)	174.43	163.35
	Total	265.15	243.66
B	Current		
	Employee Benefit Obligations		
	(i) Compensated absences	232.26	218.80
	(ii) Gratuity (Refer Note No. 29)	142.66	168.58
	Total	374.92	387.38
Movement in provisions		Gratuity	
	Opening balance	331.93	317.85
	Add/Less Provision recognised / (reversed) during the year	(14.84)	14.08
	Closing balance	317.10	331.93

Note 18: Trade Payables

(Amount in Rs. Lakhs)

Sr. No	Particular	As at March 31, 2022	As at March 31, 2021
(i)	Micro and Small Enterprises	270.03	267.70
(ii)	Others	3,170.98	2,264.04
	Total	3,441.01	2,531.74

Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

(a)	Ageing of Trade Payables (Outstanding for following periods from due date of payment)		
i) Micro and Small Enterprises			
	Total outstanding dues of micro enterprise and small enterprises		
	Less than 1 year	267.97	266.56
	1-2 year	2.06	1.14
	2-3 year	-	-
	More than 3 years	-	-
ii) Undisputed			
	Total outstanding dues of creditors other than micro enterprise & small enterprises		
	Less than 1 year	2,712.43	1,530.28
	1-2 year	155.99	131.27
	2-3 year	45.83	360.92
	More than 3 years	81.58	67.41
iii) Disputed			
	Total outstanding dues of creditors other than micro enterprise & small enterprises		
	Less than 1 year		
	1-2 year		
	2-3 year	174.17	174.17
	More than 3 years		
	Total	3,441.01	2,531.75

(b) Disclosure required under Clause 22 of Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006

Particular	(Amount in Rs. Lakhs)	
	As at March 31, 2022	As at March 31, 2021
a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year: - Principal amount due to Micro and small enterprises: - Interest due on above	270.03 5.93	267.70 2.38
b) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointment day during each accounting year	-	-
c) the amount of interest due and payable for the period where the principal has been paid but interest under the MSMED Act 2006 is not paid	3.16	2.38
d) The amount of interest accrued and remaining unpaid at the end of accounting year	6.93	10.08
e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under section 23.	6.93	10.08

(c) The Company has initiated the process of identification of suppliers registered under the Micro, Small & Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received as at the balance sheet date.

(d) All trade payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note no 25(ii)

Note 19 : Other financial liabilities

(Amount in Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
Current			
(i)	Interest accrued but not due on borrowings		
(ii)	Unclaimed Dividend	69.30	12.93
(iii)	Creditors for Capital Expenditure	6.66	6.70
(iv)	Advance From Customer	547.69	502.05
(v)	Other payables	113.69	117.73
	Total	45.82	51.73
		884.16	691.14



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

Note 20 : Other Liabilities

(Amount in Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
	Current		
(i)	Statutory Dues	318.37	284.92
(ii)	Employee Dues	326.34	286.23
(iii)	Security Deposit From Customer	-	113.74
	Total	644.71	683.89

Note 21 : Revenue from operation

(Amount in Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
	Sale of Product		
(i)	(a) Chemical Intermediates	11,826.40	8,778.96
	(b) Wireless Network Equipment	77.42	48.65
(ii)	Sale Of Service	-	14.17
(iii)	Other Operating Revenue		
	(a) Sale of scrap & sales other	38.63	17.24
	(b) Export Benefit	131.75	150.29
	Total	12,074.21	9,007.29

Note 21.1 : Detail of revenue from contract with customer recognised by the company net off indirect tax in the statement of profit and loss.**Product wise Detail of Revenue**

(Amount in Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
(a)	Sale of product		
	Product Type		
	MAP	3,978.44	2,257.99
	SND 27 (ODB2)	5,110.55	3,647.87
	Other	2,847.46	2,951.16
	Total	11,942.45	8,857.02

Note 22: Other Income

(Amount in Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
(i)	Interest income on		
	Bank deposits	5.10	0.11
	Loan to others	136.60	110.40
(ii)	Profit on Sale Of Fixed Assets	-	39.94
(iii)	Foreign Exchange Gain	35.25	0.42
(iv)	Gain On Forward Contracts	38.82	14.25
(v)	Mark To Market of Forward Contracts	32.20	59.11
(vi)	Miscellaneous Income	10.41	32.80
(vii)	Fair Value Lease Liabilities	7.04	29.98
(viii)	Sundry liabilities written back	227.12	134.82
	Total	430.54	421.83



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

Note 23: Cost of materials and packing materials consumed

Sr. No	Particular	(Amount in Rs. Lakhs)	
		March 31, 2022	March 31, 2021
	Cost of materials and packing materials consumed		
	Inventory at the beginning of the year		
	Add: Purchases	173.62	385.24
	Total	9,776.42	5,130.56
	Less: Inventory at the end of the year	9,950.04	5,515.80
	Cost of materials consumed	(1,596.76)	(173.62)
	Total	8,353.28	5,342.17

Particulars of Raw material & packaging materials Consumed

Sr. No	Particular	(Amount in Rs. Lakhs)	
		March 31, 2022	March 31, 2021
(i)	Benzene		
(ii)	Nitric Acid	1,268.12	860.42
(iii)	Cast iron powder	689.06	609.04
(iv)	Oleum 65%	631.15	308.66
(v)	Packaging Material	236.99	100.09
(vi)	M M D P A	32.59	26.41
(vii)	Caustic Soda	1,695.35	1,081.77
(viii)	Other	1,376.20	434.05
	Total	8,353.29	5,342.17

Note 23: Change in inventories of finished goods and work in- progress

Sr. No	Particular	(Amount in Rs. Lakhs)	
		March 31, 2022	March 31, 2021
(i)	Opening Stock		
	Work in progress		
	Finished goods	1,424.69	1,200.12
	Scrap	3,674.20	1,942.98
	Total (i)	3.50	3.50
(ii)	Closing Stock		
	Work in progress		
	Finished goods	2,073.79	1,424.69
	Scrap	4,935.66	3,674.20
	Total (ii)	3.50	3.50
	Changes in Inventories Decrease/(Increase)(-/+)	7,012.94	5,102.39
	Total	1,910.56	1,955.79

Note 24: Employee Benefit Expenses

Sr. No	Particular	(Amount in Rs. Lakhs)	
		March 31, 2022	March 31, 2021
	Employee Benefit Expenses		
(i)	Salaries & bonus		
(ii)	Contribution to provident fund, group gratuity, ESIC & other funds	1,480.52	1,404.60
(iii)	Gratuity (Refer Note No. 29)	80.52	82.05
(iv)	Leave Encashment expense	22.24	31.99
(v)	Staff welfare & Medical Expenses	29.73	14.38
	Total	0.53	18.54
	Total	1,613.54	1,551.86



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

Note 25: Finance Cost

(Amount in Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
(i)	Interest expense on term loans and other financial liabilities	147.76	23.22
(ii)	Interest on lease liability	70.36	40.00
(iii)	Interest on delayed Payment of tax	31.21	1.45
(iv)	Other borrowing cost	205.45	276.30
	Total	454.78	340.97

Note 3: Depreciation & Amortization

(Amount in Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
(i)	Depreciation of tangible assets	551.89	553.01
(ii)	Amortization of intangible assets	22.00	22.00
	Total	573.89	575.01

Note 26: Other Expenses

(Amount in Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
(i)	Power and fuel	1,219.32	633.03
(ii)	Rent	9.48	16.28
(iii)	Rates & Taxes	69.15	61.39
(iv)	Insurance	61.90	59.30
(v)	Printing & Stationery	8.02	4.47
(vi)	Postage, Telegram & Telephone & Internet (Communication Expenses)	13.27	14.52
(vii)	Travelling & Conveyance Expenses	47.99	26.78
(viii)	Legal & Professional fees	97.93	200.37
(ix)	Directors Fees	4.76	2.60
(x)	Electricity charges	7.93	10.23
(xi)	Security Charges	41.54	38.90
(xii)	Stores & spares Consumed	7.85	157.80
(xiii)	Repairs & Maintenance		
	Plant & Machinery	26.56	127.50
	Building	-	6.40
	Others (R&M)	40.85	60.97
(xiv)	Other Manufacturing Expenses	114.88	98.24
(xv)	Effluent Expenses	141.85	116.13
(xvi)	Research & Development Expenses	9.07	0.91
(xvii)	Payment to auditors (Refer Note 25(a) below)	11.00	11.00
(xviii)	Selling Expenses		
	Freight and Forwarding Expenses	227.80	184.71
	Commission Charges	27.40	156.16
	Local Freight & other expenses	275.60	94.05
(xix)	Bad debts & Sundry Debit Balances written off	0.31	0.59
(xx)	Miscellaneous Expenses	162.81	89.58
(xxi)	Foreign exchange fluctuation	-	33.86
(xxii)	Merger Expenses	3.20	4.25
(xxiii)	Notional Rent (Ind As)	0.81	0.23
(xxiv)	Subletting Charges	1.47	16.32
	Total	2,632.85	2,279.56



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

Footnotes:

(i) Payment to Auditors

Sr. No	Particular	(Amount in Rs. Lakhs)	
		March 31, 2022	March 31, 2021
(i)	As Auditor*		
	Statutory Audit Fee		10.00
(ii)	Tax Audit Fee	1.00	1.00

Note No. 27: Financial Instruments and Risk Review**Capital Management**

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold the investor, creditor and customer confidence and to ensure future development of its business. The Company is focused on keeping strong total equity base to ensure independence, security as well high financial flexibility for potential future borrowings, if required without impacting the risk profile of the company. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods. The amount of future dividends of equity shares will be balanced with efforts to continue to maintain an adequate liquidity status.

Particular	(Amount in Rs. Lakhs)	
	March 31, 2022	March 31, 2021
Total equity attributable to equity shareholders of the company	18,426.15	13,331.07
As a percentage of total capital	61%	62%
Long term borrowings	3,459.90	2,801.15
Short term borrowings	7,097.66	5,520.20
Total borrowings	10,557.58	8,321.34
As a percentage of total capital	39%	36%
Total Capital (Equity and Borrowings)	26,983.73	21,652.42

Financial Risk Management Framework

The company has exposure to the following risks arising from financial assets & liabilities:

- Credit risk
- Liquidity risk
- Market risk

i) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions and other financial instruments.

The customer credit is managed by the company's established policy, procedures and controls relating to customer credit management. The company has established a credit policy under which each new customer is analysed individually for credit worthiness before the company's standard payment and delivery terms and conditions are offered. The company's review includes external ratings where available and other publicly available financial information. Outstanding customers receivables are regularly monitored and any shipment to major customers are generally covered by letter of credit or other forms of credit insurance.

The following table gives details in respect of percentage of revenues generated from top five customer.

Particular	(In %)	
	March 31, 2022	March 31, 2021
Revenue from top five customers	51.65%	63.10%



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

The company establishes an allowance for impairment that represents fixed estimate of expected losses in respect of trade and other receivable. The maximum exposure to credit risk as at reporting date is primarily from trade receivable amounting to Rs. 4,001.55 Lakhs (P.Y. Rs. 5,832.20 Lakhs). The movement in allowance for impairment in trade and other receivables during the year was as follows:

Particular	March 31, 2022	March 31, 2021
Opening balance	8.20	8.20
Impairment loss recognised / reversed	-	-
Closing balance	8.20	8.20

Majority of the balance of trade receivables of the Company are from only 2 customers of which one is a wholly owned subsidiary of the Company.

The total outstanding from these customers as at year end is Rs. 2,897.29 Lakhs (P.Y. Rs. 5,004.76 Lakhs)

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit ratings agencies.

ii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure as far as possible that will have sufficient liquidity to meet its liabilities when they are due under both normal and stressed conditions without incurring unacceptable losses or risking damage to company's reputation.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the company maintains the following line of credit.

The company has working capital facilities in foreign currency from a Bank at interest rate of libor plus 4% p.a & export packing credit facilities at interest rate of Repo + 3% p.a. These facilities are secured by an exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery, charge by way of pledge on debt mutual funds of Rs 552.57 Lakhs and further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantee of Holding Company.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2022

(Rs. Lakhs)

Particulars	Less than 1 year	1 to 2 years	2 - 5 years	5 - 10 years	Total
Long term borrowings	828.25	1,035.29	1,730.57	694.04	4,288.15
Short term borrowings	6,269.44	-	-	-	6,269.44
Trade payable	3,441.01	-	-	-	3,441.01
Other financial liabilities	884.16	-	-	-	884.16
Total	11,422.86	1,035.29	1,730.57	694.04	14,882.76

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2021

(Rs. Lakhs)

Particulars	Less than 1 year	1 to 2 years	2 - 5 years	5 - 10 years	Total
Long term borrowings	292.31	582.55	1,388.69	829.91	3,093.45
Short term borrowings	5,227.89	-	-	-	5,227.89
Trade payable	2,531.75	-	-	-	2,531.75
Other financial liabilities	691.14	-	-	-	691.14
Total	8,743.08	582.55	1,388.69	829.91	11,544.23



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

iii) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign Currency exchange rate risk

The Company operates internationally and major portion of the business is transacted in several currencies and consequently the company is exposed to foreign exchange risks through operating activities in foreign currency.

1) Details of foreign currency exposures as at the year end:

Particulars	Currency	Amount in foreign currency		Equivalent amount (Rs. Lakhs)	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial Assets					
Trade Receivables	EUR	265,200	802,600	224.52	668.97
	USD	4,015,595	6,099,925	3,044.11	4,465.51
Advance to Vendors	USD	2,639	-	2.00	-
Balance with bank in foreign currency	USD	426,497	-	323.29	-
Financial Liabilities					
Trade Payables	USD	547,927	283,208	415.37	207.33
Advance Received from customer	USD	134,287	115,277	107.60	84.39
Working Capital Borrowings	EUR	-	378,250	-	324.70
	USD	4,807,250	5,109,363	3,644.24	3,740.36
	USD	-	-	-	-
Net Asset / (liability)	EUR	265,200	424,350	224.52	364.27
Net Asset / (liability)	USD	(1,044,733)	592,077	(792.00)	433.43

2) Details of forward contracts outstanding at the year end used to hedge the outstanding foreign currency exposures

Particulars	Currency	Amount in foreign currency		Equivalent amount (Rs. Lakhs)	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Forward contracts entered into to hedge the receivable exposure	USD	4,962,458	2,150,000	3,726.17	1,573.93
Forward contracts entered into to hedge the receivable exposure	EURO	200,000	-	169.32	-
Forward contracts entered into to hedge the payable exposure	USD	302,050	750,000	229.00	549.05

The Company enters into forward contracts to offset foreign currency risks arising from the amounts denominated in currencies other than the Indian Rupee. The counter party in such forward contracts is a bank. These contracts are entered to hedge the foreign currency risks on the firm commitments.

Note 28 : Earnings Per Share**Basic Earning Per Share**

(Amount in Rs Lakhs)

Sr. No	Particulars	March 31, 2022	March 31, 2021
a)	Net Profit for the year attributable to the equity shareholders	579.16	1,021.89
b)	Opening number of equity shares outstanding	195,618,129	195,618,129
c)	Closing Number of Equity shares outstanding	195,618,129	195,618,129
d)	Effective weighted average no. of shares outstanding during the year (Refer Note 28.1 below)	195,618,129	195,618,129
e)	Basic earning per share (₹ 1/- per share) (P. Y. Rs. 1/- per share)	0.30	0.52



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

Diluted Earning Per Share

(Amount in Rs. Lakhs)

Sr. No	Particulars	March 31, 2022	March 31, 2021
a)	Net Profit for the year attributable to the equity shareholders	579.16	1,021.89
b)	Opening number of equity shares outstanding on diluted basis	195,618,129	195,618,129
c)	Closing Number of Equity shares outstanding on diluted basis	195,618,145	195,618,145
d)	Effective weighted average no. of shares outstanding during the year (Refer Note 28.1 & 28.2 below)	195,618,129	195,618,129
e)	Basic earning per share (₹ 1/- per share) (P. Y. Rs. 1/- per share)	0.30	0.52

28.1 The Company has issued and allotted 5,58,90,894 equity shares of Re. 1/- each to eligible equity shareholders on the book closure date (i.e. 21st July, 2021) as fully paid up bonus equity shares by capitalizing reserves.

The earning per share figures for the previous year have been restated to give effect of the allotment of the bonus shares, as required by IND-AS 33, 'Earning Per Share'. Accordingly the opening & closing no. of outstanding equity shares has been restated and consequently the EPS for the previous year has also been restated.

28.2 The Company has allotted share warrants for 65,20,606 equity shares of Re. 1/- each on a preferential basis at a price of Rs. 153.36 (including a premium of Rs. 152.36 per equity shares) on receipt of 25% of the issue price aggregating to Rs. 2,500 lakhs. On receipt of the balance 75% of the issue price within 12 months of date of allotment of the share warrants, each warrant will be converted into one equity share. Accordingly the diluted EPS for the year has been calculated considering the proportionate amount received against these share warrants.

Note 29 : Employee benefits**(a) Defined Contribution Plan**

The Company makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. The Company has recognized Rs.79.58 Lakhs towards Provident Fund and other fund contributions (March 31, 2021: Rs.79.65 Lakhs) in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Company are in accordance with rules framed by the Government from time to time.

(b) Defined Benefit Plans:**Gratuity**

The employee's gratuity fund scheme managed by a trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

The estimated rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary. The expected rate on plan assets is determined considering several applicable factor, mainly the composition of plan assets held assessed risk, historical result of return on plan assets and the company's policy for plan assets management.

The Company has a defined benefit plan for every employee who has completed five year or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

The Company has a defined unfunded obligation for leave encashment. Generally the leave encashment is paid to employees as and when claimed.



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

Defined benefit plans 1 - as per actuarial valuation on 31st March, 2022

(Amount in Rs Lakhs)

Particulars	Funded Plan Gratuity	
	March 31, 2022	March 31, 2021
Service Cost		
Current Service Cost	9.44	10.09
Past service cost and (gains)/losses from settlements	-	-
Net interest expense	22.80	21.90
Components of defined benefit costs recognised in profit or loss	32.24	31.99
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	-	-
Actuarial gains and loss arising from changes in financial assumptions	-	-
Actuarial gains and loss arising from experience adjustments	3.08	(9.03)
Actuarial gains and loss arising from demographic adjustments	-	-
Components of defined benefit costs recognised in other comprehensive income	3.08	(9.03)
Total	35.33	22.96
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	331.93	331.93
2. Fair value of plan assets as at 31st March	-	-
3. Surplus/(Deficit)	331.93	331.93
4. Current portion of the above	-	-
5. Non current portion of the above	-	-
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	331.93	317.85
2. Add/(Less) on account of Scheme of Arrangement/Business transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	9.44	10.09
- Past Service Cost	-	-
- Interest Expense (Income)	22.80	21.90
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	-
ii. Financial Assumptions	-	-
iii. Experience Adjustments	3.08	(9.03)
iv) (Gain)/Loss on Curtailments And Settlements	(10.00)	-
5. Benefit payments	(40.16)	(8.88)
6. Others (Specify)	-	-
7. Present value of defined benefit obligation at the end of the year	317.10	331.93
III. Change in fair value of assets during the year ended 31st March, 22		
1. Fair value of plan assets at the beginning of the year	-	-
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets	-	-
- Interest Income	-	-
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actual Return on plan assets in excess of the expected return	-	-
- Others (specify)	-	-
5. Contributions by employer (including benefit payments recoverable)	-	-
6. Benefit payments	-	-
7. Fair value of plan assets at the end of the year	-	-



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

Particulars	March 31, 2022	March 31, 2021
IV. The Major categories of plan assets - List the plan assets by category here Insurance Fund	-	-
V. Actuarial assumptions		
1. Discount rate	6.87%	6.87%
2. Expected rate of return on plan assets	N.A.	N.A.
3. Salary Increase Rate	4.00%	4.00%
4. Rate of Employee Turnover	2.00%	2.00%
5. Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
6. Mortality Rate After Employment	N.A.	N.A.
VI. Other Details		
1. No of Active Members	191.00	187.00
2. Per Month Salary For Active Members	57.81	53.97
3. Weighted Average Duration of the Projected Benefit Obligation	6.00	5.00
4. Average Expected Future Service	15.00	15.00
5. Projected Benefit Obligation (PBO)	317.10	331.93
6. Prescribed Contribution For Next Year (12 Months)	57.81	53.97
VII. Net Interest Cost		
1. Interest Cost	22.80	21.90
2. Interest Income	-	-
3. Net Interest Cost (1-2)	22.80	21.90

Maturity Analysis of Projected Benefit Obligation: From the Employer		
Particular	March 31, 2022	March 31, 2021
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	142.66	168.58
2nd Following Year	6.29	14.57
3rd Following Year	30.26	9.51
4th Following Year	13.46	25.53
5th Following Year	29.08	25.17
Sum of Year 6 To 10	88.30	81.01
Sum of Year 11 and Above	168.22	168.53

Sensitivity Analysis

Projected Benefit Obligation on Current Assumptions	317.10	-	331.93
Delta Effect of +1% Change in Rate of Discounting	(7.94)	-	(11.48)
Delta Effect of -1% Change in Rate of Discounting	20.51	-	13.15
Delta Effect of +1% Change in Rate of Salary Increase	19.82	-	12.44
Delta Effect of -1% Change in Rate of Salary Increase	(7.58)	-	(11.07)
Delta Effect of +1% Change in Rate of Employee Turnover	9.43	-	3.60
Delta Effect of -1% Change in Rate of Employee Turnover	0.64	-	(4.07)

Sensitivity analysis for each significant actuarial assumption is required to be given, (illustration for medical inflation given below. Company needs to provide for others)



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

A. Effect of 0.90% change in the assumed discount rate	0.02% DECREASE March 31, 2022	0.01% Increase March 31, 2021
Defined Benefit Obligation	6.87	6.87

	Year Ended	
	March 31, 2022	March 31, 2021
VIII. Experience Adjustments :	Gratuity	
1. Defined Benefit Obligation	(317.10)	(331.93)
2. Fair value of plan assets	-	-
3. Surplus/(Deficit)	-	-
4. Experience adjustment on plan liabilities [(Gain)/Loss]	(317.10)	(331.93)
5. Experience adjustment on plan assets (Gain)/(Loss)	-	-

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Additional Details	
Methodology Adopted for ALM -	Projected Unit Credit Method
Usefulness and Methodology adopted for Sensivity Analysis -	Sensitivity analysis is an analysis which will give the movement in liability if the assumption were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.
Stress Testing of Assets -	Not Done
Investment Strategy -	Not Discussed
Comment on Quality of Assets -	Since investment is with insurance company, Assets are considered to be secured.
Management Perspective of Future Contributions -	As per Actuarial Calculation

Notes	
*Gratuity is payable as per company's scheme as detailed in the report.	
*Actuarial gains/losses are recognised in the period of occurrence under Other Comprehensive Income (OCI)	
*All above reported figures of OCI are gross of taxation.	
*Salary escalation & attrition rate are considered as advised by the company, they appear to be in line with the industry practice considering promotion and demand & supply of the employees.	
*Maturity Analysis of Projected Benefit Obligation is done considering future salary, attrition & death in respective year for members as mentioned above	
*Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.	
*Value of asset provided by the client is considered as fair value of plan asset for the period of reporting as same is note valued by us.	

Note 30 : Corporate Social Responsibility

As required under Section 135 of the Companies Act, 2013, the Board in its meetings held on 19th October, 2018 has constituted a Corporate Social Responsibility Committee (CSR Committee). The Board of Directors of the Company has approved the CSR policy based on the recommendation of the CSR Committee and is in the process of identifying the activities for CSR spends.



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

Particular	Rs. in Lakhs
(a) Amount remaining unspent from previous years to be spent by the company -	113.37
(b) Gross amount required to be spent by the company during the year -	104.82
(c) Amount spent during the year 2021-2022 -	-
(d) Balance amount remaining unspent at the end of the year -	218.19

Reasons for not spending the amount

The CSR committee is in the process of identifying the project and implementing Institution on which the eligible CSR amount be spent.

Unprecedented covid-19 pandemic situation affected the market conditions globally and increased the working capital fund requirements along with squeezing the margins of the company.

Further, considering urgency and priority the available cash resources was utilised towards the completion of expansion project of the company on hand which was under performance linked incentive scheme (PLIS) approved by Government of India. The pandemic situation and other uncontrollable factors delayed the capital expansion project completion entailing escalation of the capital cost.

Both the above factors strained the liquidity of the company which resulted in the company being unable to fulfill its obligations towards CSR.

Note 31 : Contingent liabilities and commitments (to the extent not provided for)

Particular	March 31, 2022	March 31, 2021
(i) Contingent liabilities :		
(a) Contingent Liabilities for Income Tax, Service Tax and others:		
- Income Tax Act 1961 (F.Y. 2013-14) #	0.55	0.55
- Employees Provident Fund and Miscellaneous Provisions Act 1952#	58.77	58.77
- Employees Provident Fund and Miscellaneous Provisions Act 1952#	4.72	4.72
(ii) Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	813.33	2,000.27

#The Company is subject to legal proceedings and claims which have arisen in the ordinary course of business from Direct tax laws (TDS), Indirect tax laws and Other Laws. Future cash outflow, if any in respect of these matters are determinable only on receipt of judgements /decisions pending at various stages before the appellate authorities. The Management is of the opinion that the matters would be resolved in favour of the Company. The Company Management does not reasonable expect that these legal action when ultimately concluded and determined would have a material and adverse effect on the Company's result of operations or financial condition.

Note 32

A. Value of imports calculated on CIF basis

Particular	March 31, 2022	March 31, 2021
Raw Material, Stores and Components	590.97	1,210.80
Capital goods	13.20	-
Total	604.17	1,210.80

B. Expenditure in foreign currency

Particular	March 31, 2022	March 31, 2021
Other matters - Foreign travel, Corporate allocations etc.	6.64	-
Services Availed	11.03	145.67
Total	17.67	145.67



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

C. Earnings in Foreign Currency :

Particular	March 31, 2022	March 31, 2021
Export Revenue (FOB Value)	7,075.95	4,783.37
Total	7,075.95	4,783.37

* Includes revenue from related parties amounting to Rs. 875.60 Lakhs (P.Y. Rs. 818.53 Lakhs)

Note 33

Transfer Pricing

The Company has 'international transactions with associated enterprises' which are subject to Transfer Pricing regulations in India. These regulations, inter alia, require the maintenance of prescribed documents and information for the basis of establishing arm's length price including furnishing a report from an Accountant within the due date of filing the return of income.

For the fiscal year ended March 31, 2022, the Company has taken necessary steps including conducting a study as required by the regulations and the Accountant's report in this regard is awaited. In the opinion of the management, the transactions are carried out at arm's length and no adjustments is expected to arise thereon.

Note 34

Segment Reporting

In accordance with Ind AS 108, "Operating Segments", the Company has presented segment information on the basis of consolidated financial statements which form part of this report.

Note 35

Borrowing Cost

During the year, the Company has capitalized Rs. 395.58 Lakhs (P.Y. Rs. 25.24 Lakhs) as part of cost of qualifying CWIP as borrowing costs.

Note 36 : Significant estimates and assumptions

Estimates and Assumptions

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amounts sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

and the growth rate used for extrapolation purposes.

Defined Benefit Plans (Gratuity Benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Details about gratuity obligations are given in Note 29.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value target and the discount factor.

The Company has valued its financial instruments through profit & loss which involves significant judgements and estimates such as cash flows for the period for which the instrument is valid, EBITDA of investee company, fair value of share price of the investee company on meeting certain requirements as per the agreement, etc. The determination of the fair value is based on expected discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

Note 37: Related Party Transaction**I) List of related parties**

- | | |
|--------------------------|--|
| (A) Holding Company | Manekchand Panachand Trading Investment Co. Private Limited |
| (B) Subsidiary Companies | (i) Anuchem B.V.B.A. Belgium
(ii) Spidigo Net Private Limited |

(C) Key Management Personnel & Board of Directors

- | | |
|-----------------------------|---|
| i) Shri. Asit D. Javeri | Executive Chairman |
| ii) Shri. Anhishek A Javeri | Managing Director |
| iii) Smt. Seema A Javeri | Executive Director (Administration) |
| iv) Shri. Arvind R Doshi | Independent Director (Resigned w.e.f. 02.06.2021) |
| v) Shri. Priyam S Jhaveri | Independent Director |
| vi) Shri. Pradeep N Desai | Independent Director |
| vii) Shri. Amit M Mehta | Independent Director |
| viii) Smt. Ayesha S Patel | Additional Independent Director |
| ix) Shri. Nitin R Jani | Company Secretary |
| x) Shri. Rakesh Kothari | Chief Financial Officer (Appointed on 02.05.2022) |

(D) Associate Concerns / Companies under control / Significant influence of Key Managerial Personnel or the members of the Board of Directors

- i) Lifestyle Networks Limited
- ii) DHPL Marine Private Limited
- iii) Pthalb Color & Chemicals (India) Limited
- iv) Nanavati Speciality Chemicals Private Limited
- v) Nanavati Sons Private Limited
- vi) Phthalo Pigments Private Limited
- vii) Aayan Nanotech Private Limited
- viii) Tanishka Microencapsulation Private Limited
- ix) Trvo Enterprise LLP
- x) Finogra (India) Private Limited
- xi) S Amit Speciality Chemicals Private Limited
- xii) Perfo Chem (India) Private Limited
- xiii) S Amit & Co
- xiv) Chem Amit
- xv) Hi End Property Developers LLP
- xvi) Reaxa Chemistry Solutions LLP
- xvii) PAE Limited



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

ii) Disclosure in respect of material related party transactions during the year.

(Amount in Rs. Lakhs)

	Particular	March 31, 2022	March 31, 2021
(A)	Remuneration paid / payable		
	i) Shri. Asit D Javeri	168.00	168.00
	ii) Shri. Abhishek A Javeri	168.00	168.00
	iii) Smt. Seema A Javeri	168.00	168.00
	iv) Shri. Nitin R Jahi	92.80	92.80
(B)	Interest Paid		
	i) Manekchand Panachand Trading Investment Co. Pvt. Ltd.	47.67	-
	ii) Shri. Asit D Javeri	59.53	13.92
	iii) Shri. Abhishek A Javeri	6.00	2.03
	iv) Smt. Seema A Javeri	19.65	2.55
(C)	Revenue from sale of goods		
	i) Anuchem B.V.B.A. Belgium	919.24	840.28
	ii) Aayan Nanotech Private Limited	266.47	267.00
	iii) Lifestyle Networks Ltd	1.15	13.27
(D)	Purchase Of goods Capital goods		
	i) Aayan Nanotech Private Limited	151.20	245.00
	ii) Anuchem BVBA	13.20	-
(E)	Interest received / receivable		
	i) Spidgo Net Private Limited	92.15	66.43
	ii) PAE Limited	38.93	40.00
(G)	Director Sitting Fees		
	i) Shri. Arvind R Doshi	1.52	0.82
	ii) Shri. Priyam S Jhaveri	1.24	0.82
	iii) Shri. Pradeep N Desai	0.70	0.66
	iv) Shri. Amit M Mehta	1.30	0.30
(H)	Loan / Advances given during the year		
	i) Spidgo Net Private Limited	21.77	16.75
	ii) Lifestyle Networks Limited (Capital Advance)	-	140.98
(I)	Loan / Advances repayment received during the year		
	i) PAE Limited	149.70	-
	ii) Lifestyle Networks Limited (Capital Advance)	146.59	-
(J)	Loan Repaid During the Year		
	i) Shri. Asit D Javeri	-	75.00
(K)	Loans received during the year		
	i) Shri. Asit D Javeri	496.75	197.50
	ii) Shri. Abhishek A Javeri	-	50.00
	iii) Smt. Seema A Javeri	127.00	66.00
(L)	Liabilities Taken Over		
	(i) Spidgo Net Pvt Ltd	-	136.83
(M)	Closing Balances - Debit/(Credit)		
	i) Shri. Asit D Javeri	-537.71	-233.71
	ii) Shri. Abhishek A Javeri	-63.76	-51.88
	iii) Smt. Seema A Javeri	-347.43	-175.85
	iv) Anuchem B.V.B.A. Belgium	1,586.78	2,713.85
	v) Spidgo Net Private Limited	977.38	877.68
	vi) Aayan Nanotech Private Limited	95.92	61.23
	vii) PAE Limited	255.61	495.68
	viii) Lifestyle Networks Limited	28.57	171.05



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

Note 38 : Income Tax

(Amount in Rs. Lakhs)

Tax Expenses	March 31, 2022	March 31, 2021
Recognised in the statement of profit & loss		
Current tax	192.36	286.73
Deferred tax	75.43	(13.26)
	267.79	273.47
Recognised in other comprehensive income		
Deferred tax	5.35	22.79
	5.35	22.79
Total Taxes		
Current tax	192.36	286.73
Deferred tax	80.79	9.52
	273.15	296.25
The income tax expense for the year can be reconciled to the accounting profit as follows:		
	For the year ended March 31, 2022	For the year ended March 31, 2021
(Loss) / Profit before tax	847	1,295
Statutory income tax rate	25.17%	25.17%
Tax expenses	213.16	325.93
Effect of:		
Expenses disallowed for tax purposes	61.81	8.25
Non-taxable income	-	(32.47)
Others	(1.82)	(5.54)
	59.99	(29.76)
Total Tax Expenses	273.14	296.17

Note 40: Details of Benami Property held

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.

Note 41: Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or any other lender during the year.

Note 42: Relationship with Struck Off Companies

The Company does not have any transactions or balances with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the year and the previous year.

Note 43: Registration of Charges or satisfaction with Registrar of Companies (ROC)

During the year, there are no instances of any registration, modification or satisfaction of charges which are pending for registration, modification or satisfaction with Registrar of Companies (ROC) beyond the statutory period.

Note 44: Compliance with number of layers of companies

The Company is in compliance with the relevant provisions of the Companies Act, 2013 with respect to 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.

Note 45: Utilisation of Borrowed Funds and Share Premium under Rule 11(e)

No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries").

No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties").

Note 46:

The Company does not have any transactions not recorded in books of accounts that has been surrendered or disclosed as income during the year and previous year in the tax assessments under the Income Tax Act, 1961.

Note 47:

The Company has not traded or invested in any crypto currency or virtual currency during the year and previous year.

Note 48 :

There has been no fraud by the Company or on the Company during the year and previous year.

Note 49 : Impact of Covid-19

The outbreak of Corona virus (Covid-19) pandemic has caused significant disruption and slowdown of economic activities throughout the world and has impacted the operation of the Company's business during the year, by way of interruption in production, supply chain disruption, unavailability of personnels, the reduction in capacity of production facilities, etc. The Company, on the basis of internal assessment, believes that the pandemic is not likely to impact the carrying value of its assets. Further the probability of the occurrence of their forecasted transactions is not likely to be severely impacted by the emerging waves of the COVID-19 pandemic. The Company continues to closely monitor the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from estimates made as of the date of approval of the Standalone Financial Statements.

Note 50: Compliance with approved Scheme(s) of Arrangements

The Company had filed applications with the jurisdictional National Company Law Tribunals (NCLT) for the scheme of merger (by absorption) of its wholly owned subsidiary, Spidigo Net Private Limited, during the financial year 2020-21. The application for the subsidiary company was filed before the Ahmedabad bench of NCLT, within whose jurisdiction the registered office of the subsidiary was located. The final order for merger was delivered by the Ahmedabad bench of the NCLT on 24th November, 2021. However, the matter is still pending for disposal of the final order before the Mumbai Bench of the NCLT, under whose jurisdiction the registered office of the company is situated. Accordingly no impact for the scheme of merger as approved by the NCLT, Ahmedabad bench, has been given in these financials pending the approval by the Mumbai bench.

Note 51: Dividend

Dividends declared by the Company are based on the profits available for distribution. The Board of Directors have proposed a final dividend of 15% i.e. Rs. 0.15 (Previous year NIL) per equity share amounting to Rs. 293.43 Lakhs for the year 2021-22 (Previous year NIL) after the balance sheet date, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company and therefore, the proposed final dividend has not been recognised as the liability as at the balance sheet date in line with IndAS 10 on 'Events after the reporting period'.

Note 52: Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

Note 53: Borrowings from banks for Credit Facility

There is no material or significant deviation in the quarterly returns or statements of current assets filed by the Company with the banks or financial institutions vis-à-vis the books of accounts for the year. The deviations, if any, have been intimated by the Company to the banks or financial institutions, wherever necessary.

(Amount Rs in Lakhs)

Name of the Bank	Citibank NA			
	Quarter Ended	June 30, 2021	September 30, 2021	December 31, 2021
Particulars of Securities Provided	First Paripassu charge on stock & book debts and plant & machinery and factory land & building - Exclusive charge on debt mutual funds of 55 million			
Amount as per Books of Accounts (in Rs. Lakhs)	6,358.42	7,380.48	7,609.36	8,585.26
Amount as reported in the quarterly return/ statement (in Rs. Lakhs)	5,314.90	6,631.70	7,144.60	8,592.60
Amount of difference	1,043.52	748.78	664.76	(7.34)
Reason for material discrepancies	Refer Note (ii) below			

Name of the Bank	ICICI Bank			
	Quarter Ended	June 30, 2021	September 30, 2021	December 31, 2021
Particulars of Securities Provided	First Paripassu charge on immovable & movable fixed asset and current assets of the Company			
Amount as per Books of Accounts (in Rs. Lakhs)	-	7,958.07	8,394.86	9,315.64
Amount as reported in the quarterly return/ statement (in Rs. Lakhs)	-	7,181.70	7,694.60	9,322.90
Amount of difference	-	776.37	700.26	(7.26)
Reason for material discrepancies	Refer Note (ii) below			

- (i) The stock statements submitted to ICICI bank includes stock of store spares which are not included in the stock statement of Citibank due to the difference in the definition of Inventories as prescribed by the respective banks.
- (ii) The credit facilities from ICICI bank were sanctioned vide their letter dated 18th May, 2021. Therefore figures for the quarter ended 30th June, 2021 have not been given.
- (iii) The above difference are due to the fact that the valuation of inventory of raw material, work in progress & finished goods submitted to the banks were based on the previous quarter's costing figures as the same were due for submission to banks within a fortnight of month closing, whereas in the books of accounts the valuation was done current quarter costing. Owing to the unprecedented increase in raw materials prices during the course of the year, the difference in the costings for the quarters were significant.
- Moreover, the stock statements for the first three quarters submitted to the banks did not include the stock of the Network & Wireless division of the Company.

Note 54: Events Occuring after the balance sheet date

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization.

Note 55: Previous Year Figures

Previous year's figures have been regrouped, rearranged & reclassified where ever considered necessary.



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2022

Note 56: Financial Ratios

Sr No	Particulars	Numerator	Denominator	2021-22	2020-21	Variance %	Explanation for Variance
1	Current Ratio = Current Assets / Current Liabilities	21,057.47	16,764.11	1.26	1.35	-5.76%	
2	Debt-Equity Ratio = Total Debt / Shareholder's Equity	10,557.58	16,425.15	0.64	0.62	2.97%	
3	Debt Service Coverage Ratio = NPAT + Non-Cash Exp + Depr. + Int. / Debt Service	901.03	1,054.76	0.85	3.35	-74.46%	The company is at the end of an expansion carried out from increased borrowings without reflecting any revenue from the expansion which has resulted in the lower ratio for the year.
4	Return on Equity Ratio = NPAT - Pref. Dividend / Avg. Shareholder's Equity	579.16	14,878.51	3.89%	7.98%	-51.19%	Moved adversely due to decline in net profit after tax
5	Inventory Turnover Ratio = Cost of Goods Sold / Avg. Inventory	8,172.18	7,682.02	1.06	0.90	15.09%	Moved higher due to increase in turnover despite increased inventory and increased in raw material cost of consumption.
6	Trade Payable Turnover Ratio = Credit Purchase / Avg. Trade Payable	9,776.42	2,986.38	3.27	2.20	48.62%	Moved higher due to increased in turnover and better trade payable management.
7	Trade Receivable Turnover Ratio = Credit Sales / Avg. Receivable	12,074.21	4,916.58	2.46	1.54	49.74%	Moved higher due to increased in turnover and better trade receivable management.
8	Net Capital Turnover Ratio = Net Sales / Avg. Working Capital	12,074.21	4,517.11	2.67	2.20	21.49%	Moved higher due to increased in turnover and better working capital management.
9	Net Profit Ratio = Net Profit / Net Sales	579.16	12,074.21	4.80%	11.34%	-57.71%	Moved lower due to unprecedented hike in raw material prices, fuel prices and sea freight cost post sales contract acceptance with clients.
10	Return on Capital Employed = EBIT / Capital Employed	1,200.17	23,936.95	5.01%	7.79%	-35.65%	The company has deployed debt for expansion and the ratio is yet to reflect addition EBIT from the expansion as it was yet to be commercialised.
11	Return on Investment = Income generated from investments / Average Investments	24.35	651.14	3.74%	5.92%	-36.84%	Market related decline in return on investments.

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration Number : 121142W/W100122

Jayesh Dadia
Partner
Membership Number : 033973

Place : Mumbai
Date : 24th May 2022

For and on behalf of the Board of Directors

Asit D Javeri
Executive Chairman

Priyam S Javeri
Director

Abhishek A Javeri
Managing Director

Nitin R Jani
Company Secretary

Smt. Seema A Javeri
Executive Director
Administration

Rakesh Kothari
Chief Financial
Officer



INDEPENDENT AUDITORS' REPORT

To the Members of Sadhana Nitro Chem Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Sadhana Nitro Chem Limited** (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the consolidated balance sheet as at 31st March, 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained by us and the audit evidence obtained by other auditors in thereon in terms of their report referred to in other matters section below 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.

The Key Audit Matter	How the matter was addressed in our audit
Revision in terms of Leases due to waivers received and compliance with provisions subsequent measurement of IND-AS 116, 'Leases'	
As described in note no. 2.5 to the consolidated financial statements, the Group had adopted IND AS 116 Leases (Ind-AS 116) in with effect from 1 st April, 2019. Ind-As 116 introduced a new lease accounting model, wherein a lessee is required to recognize a right-of-use (RoU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payment during the lease term as per the contract/arrangement. Adoption of the standard involved significant judgment & estimates including determination of the discount rates. During the year under audit, the Holding Company received significant waivers on its lease obligations owing to the Covid-19 pandemic induced lockdowns enforced by various government authorities to curb the spread of the virus. Accordingly as mentioned in note no. 16 to the consolidated financial statements, the Holding Company re-valued its lease obligations in accordance with the provisions of Ind-As 116 which resulted in a net reduction in the value of Lease Liabilities.	Our audit procedures on re-evaluation of lease obligations in accordance with IndAS 116 include: <ul style="list-style-type: none"> - Reviewed the correspondence from the Lessors granting waiver in lease rentals during the current financial year including the waiver letters, invoices & credit notes; - Assessed the reasonableness of the discount rates applied in determining the revised lease liabilities & value of right-of-use asset. - Tested the completeness of the lease data by reconciling the Company's operating lease commitments, after taking into consideration the waivers received, to data used in computing RoU asset and the lease liabilities. - Assessed and tested the presentation and disclosures relating to Ind-As 116 including disclosures relating to revaluations & revisions due to waivers received.

**Emphasis of Matter**

We draw attention to Note No. 37 to the consolidated financial statements regarding the uncertainties arising out of the outbreak of Covid-19 pandemic and the assessment made by the management of the Holding Company on the operations of the Group and the financial reporting for the year ended 31st March, 2022. Such an assessment and the outcome of the pandemic, as made by the management of the Holding Company, are dependent on the circumstances as they evolve in the subsequent periods.

Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders information, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 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 and based on the work done/audit reports of other auditors, 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 Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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



- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(f) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and such companies incorporated in India which are its subsidiary companies have 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Company and its subsidiaries) 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 such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of one wholly owned subsidiary, located outside India, included in the consolidated financial results of the Group. This subsidiary accounts for total assets of Rs. 2,527.05 Lakhs as at 31st March, 2022, total revenue of Rs. 2,017.18 Lakhs and a net loss amounting to Rs. 117.83 Lakhs for the year ended on that date. These financial statements have been audited for the calendar year ended 31st December, 2021 by other auditors whose reports have been furnished to us by the Holding Company's management. Further the accounts of the



subsidiary have been drawn upto 31st March, 2022 and have been approved by the management and not subjected to audit.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit reports of other auditors and management accounts for the quarter ended 31st March, 2022.

This subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management.

Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- (b) The consolidated financial statements also include the unaudited financial information of one wholly owned subsidiary whose financial information reflects total assets of Rs. 173.70 Lakhs as at 31st March, 2022, total revenues of Rs. Nil for the year ended 31st March, 2022 and total net loss of Rs. 125.86 Lakhs for the year ended 31st March, 2022, as considered in the consolidated financial statements, whose financial statements have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this wholly owned subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid wholly owned subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Holding Company's Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Holding Company's Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of internal financial controls with reference to the Consolidated Financial Statements which includes one subsidiary company incorporated outside India and one subsidiary incorporated in India (the subsidiary company incorporated in India is exempted from reporting on internal financial controls over financial reporting vide MCA general circular 08/2017 dated 25 July, 2017 and the



subsidiary company incorporated outside India to which reporting on internal financial control is not applicable) and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

- g. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act:
In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its directors during the current year is in accordance with the provisions of Section 197 of 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31st March, 2022 on the consolidated financial position of the Group. Refer Note No. 30 to the consolidated financial statements.
 - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has not been any occasion in case of the Group during the year under report to transfer any sums to the Investor Education and Protection Fund. Therefore, the question of delay in transferring such sums does not arise.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 42 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary company incorporated in India or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 42 to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary company incorporated in India shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under (a) & (b) above, contain any material misstatement.
 - v. As stated in Note no. 47 to the consolidated financial statements
(a) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm's Registration No. 121142W/W100122

Jayesh Dadia
Partner
Membership No. 033973

Place of Signature: Mumbai
Date: 24th May, 2022
UDIN: 22033973AKETPU9292

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") referred to in paragraph 1 (f) on Report on Other Legal and Regulatory Requirements of our report

Opinion

We have audited the internal financial controls over financial reporting of Sadhana Nitro Chem Limited (hereinafter referred to as the "Company" or "Holding Company") as at 31st March, 2022 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, holding company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the holding company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the holding company and its subsidiaries based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the holding company and its subsidiaries.

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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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 future 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.

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm's Registration No. 121142W/W100122

Jayesh Dadia
Partner
Membership No. 033973

Place of Signature: Mumbai
Date: 24th May, 2022
UDIN: 22033973AKE TPU9292



Sadhana Nitro Chem Limited				
Consolidated Balance Sheet as at 31st March, 2022			(Amount in Rs. Lakhs)	
	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
A	ASSETS			
I	Non-current assets			
	(a) Goodwill on consolidation	3	536.23	536.23
	(b) Property, Plant and Equipment	3	5,544.87	7,200.69
	(c) Capital work-in-progress	3	5,544.31	2,097.62
	(d) Intangible Assets under developments	3	305.67	170.65
	(e) Financial Assets			
	(i) Investments	4	-	-
	(ii) Loans	5	-	17.26
	(iii) Other financial assets	6	281.63	212.14
	(f) Other non-current assets	8	2,119.51	1,837.09
	Total Non-current assets		16,736.21	12,171.67
II	Current assets			
	(a) Inventories	9	10,063.65	6,632.32
	(b) Financial Assets			
	(i) Investments	4	663.32	638.97
	(ii) Trade receivables	10	4,085.46	4,889.88
	(iii) Cash and cash equivalents	11	633.36	1,064.99
	(iv) Bank Balances other than (iii) above	12	186.40	19.42
	(v) Loans	5	287.06	411.40
	(vi) Other financial assets	6	378.77	313.58
	(c) Income Tax Asset		3,994.54	3,187.36
	(d) Other current assets	8	1,521.93	1,062.83
	Total Current Assets		21,884.69	18,250.75
	TOTAL		38,620.90	30,422.42
B	EQUITY AND LIABILITIES			
I	Equity			
	(a) Equity Share Capital	13	1,956.18	1,397.27
	(b) Other Equity	14	14,061.21	11,584.03
	Total Equity		16,017.39	12,981.30
II	Liabilities			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	3,459.90	2,801.15
	(ii) Lease Liabilities	16	682.53	303.28
	(iii) Other financial liabilities	17	255.15	243.66
	(b) Provisions	17	351.94	282.10
	(c) Deferred Tax Liabilities	7	-	-
	Total Non-current liabilities		4,769.53	3,630.19
III	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	7,097.69	5,520.19
	(ii) Lease Liabilities	16	392.71	102.44
	(iii) Trade payables	18	-	-
	(a) Due to micro & small enterprises		270.03	71.25
	(b) Due to other than micro & small enterprises		4,153.77	2,516.68
	(iv) Other financial liabilities	19	304.42	715.20
	(v) Other financial liabilities	17	374.92	387.38
	(b) Provisions	17	3,338.43	3,738.57
	(c) Income Tax Liabilities		702.01	759.23
	(d) Other current liabilities	20	-	-
	Total Current liabilities		17,833.98	13,810.94
	TOTAL		38,620.90	30,422.42

The accompanying notes are an integral part of the Standalone financials statement (refer Note 1-50)
As per our report of even date attached

<p>For Jayesh Dada & Associates LLP Chartered Accountants Firm Registration Number :121142W/W100122</p> <p>Jayesh Dada Partner Membership Number : 033973</p> <p>Place : Mumbai Date : 24th May 2022</p>	<p>For and on behalf of the Board of Directors</p> <table border="0"> <tr> <td>Asit D Javeri Executive Chairman</td> <td>Priyam S Jhaveri Director</td> </tr> <tr> <td>Abhishek A Javeri Managing Director</td> <td>Nitin R Jani Company Secretary</td> </tr> <tr> <td>Smt. Seema A Javeri Executive Director Administration</td> <td>Rakesh Kothari Chief Financial Officer</td> </tr> </table>	Asit D Javeri Executive Chairman	Priyam S Jhaveri Director	Abhishek A Javeri Managing Director	Nitin R Jani Company Secretary	Smt. Seema A Javeri Executive Director Administration	Rakesh Kothari Chief Financial Officer
Asit D Javeri Executive Chairman	Priyam S Jhaveri Director						
Abhishek A Javeri Managing Director	Nitin R Jani Company Secretary						
Smt. Seema A Javeri Executive Director Administration	Rakesh Kothari Chief Financial Officer						



Sadhana Nitro Chem Limited
Statement of Consolidated Profit and loss for the year ended 31st March 2022

Particulars		Note No.	(Amount in Rs. Lakhs)	
			As at March 31, 2022	As at March 31, 2021
(I)	INCOME			
	Revenue from operations	21		
	Other income	22	13,172.15	10,305.02
	Total Income		495.21	491.22
(II)	Expenses		13,668.36	10,796.24
	Cost of raw materials & packing materials consumed	23	9,285.34	5,242.17
	Changes in inventories of finished goods and work-in-progress	23	(1,837.10)	(1,305.50)
	Employee benefits expense	24	1,613.54	1,551.88
	Finance costs	25	456.73	342.51
	Depreciation and amortization Expenses	3		
	Depreciation			
	Other expenses			
	Total expenses	25	610.25	619.69
(III)	Profit before exceptional items and tax		2,707.39	2,375.51
	Exceptional items		12,777.16	8,930.23
(IV)	Profit Before Tax		891.20	1,866.01
(V)	Tax expense			
	Current tax		891.20	1,866.01
	Mat credit entitlement			
	Deferred tax		133.80	287.25
	Total Tax Expense		74.91	(13.74)
(VI)	Profit for the year		268.71	273.51
(VII)	Other Comprehensive Income/(Expense) (net off tax)			
	(i) Items that will not be re-classified subsequently to profit or loss		622.49	1,592.50
	Re-measurement on defined benefit plans			
	Change in Fair value of Current Investments through other comprehensive income		(2.31)	6.75
(VIII)	Total Other Comprehensive Income		18.22	14.72
(IX)	Total Comprehensive Income		15.92	21.47
(X)	VIII. Earnings per equity share (Rs)		618.41	1,613.97
	(1) Basic (Face Value Rs. 1 Per Share (FY Rs. 1 Per Share))	28		
	(2) Diluted (Face Value Rs. 1 Per Share (FY Rs. 1 Per Share))		0.32	0.51
			0.32	0.51

The accompanying notes are an integral part of the Standalone financials statement (refer Note 1-50)
As per our report of even date attached

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration Number : 121142W/W100122

Jayesh Dadia
Partner
Membership Number : 033973

Place : Mumbai
Date : 24th May 2022

For and on behalf of the Board of Directors

Asit D Javeri
Executive Chairman

Abhishek A Javeri
Managing Director

Smt. Seema A Javeri
Executive Director
Administration

Priyam S Javeri
Director

Nitin R Jani
Company Secretary

Rakesh Kothari
Chief Financial
Officer



Sadhana Nitro Chem Limited
Consolidated Statement of Cash Flows for the year ended 31st March 2022

(Amount in Rs. Lakhs)

Particulars	March 31, 2022		March 31, 2021	
A. Cash flow from operating activities		891.20		1,866.01
Profit before tax				
Adjustments for:				
Depreciation and amortisation expenses	610.25		619.69	
Interest on Lease Liability	70.36		40.00	
Interest expenses	386.37		301.05	
Interest Income	(157.06)		(44.15)	
Unrealised Foreign Exchange (Gain)/Loss	(25.07)		-	
(Gain) / Loss on Fair Valuation of Forward Contracts	(32.20)		(59.11)	
Profit on sale Of fixed Assets	-		(39.94)	
Sundry balance Written back	(227.12)		(296.91)	
Surplus / (Deficit) share in profit of subsidiary on audit of its accounts for the previous year	(4.95)		(272.04)	
Provision for Doubtful Debts/ Bad Debts	-		0.59	
Notional Interest & Rent on Deposits	(0.04)		0.05	
(Gain) / Loss on Fair Valuation of Lease Liability	(7.04)		(29.98)	
Sundry Balances Written off	0.31		16.32	
		613.81		235.57
Operating profit / (loss) before working capital changes		1,505.01		2,101.58
Changes in working capital:				
Inventories	(3,431.53)		(1,384.56)	
Trade receivables	969.34		(1,926.97)	
Loans & Advances	(8.66)		30.10	
Other Current Assets & financial assets	(749.83)		564.35	
Trade Payables	1,737.85		692.38	
Other Liabilities	302.79		102.60	
Provisions	5.94		(55.22)	
		(1,174.09)		(1,977.32)
Cash generated from operations		330.92		124.26
a. Direct Taxes (Paid)		(801.11)		(58.17)
Net cash flow from / (used in) operating activities (A)		(470.19)		66.09
B. Cash flow from / (used in) investing activities				
Purchase Of Property , plant and equipment	(3,824.69)		(881.69)	
Sale of Property , plant and equipment	-		82.00	
Advance given for Capital Expenditure	(282.42)		(1,540.03)	
Redemption/(investment) in margin deposits	(167.04)		8.76	
Repayment received for loans given	149.70		45.00	
(Acquisition)/Sale of Investment(Net)	242.96		(52.57)	
Interest received	-		2.73	
		(3,881.49)		(2,335.79)
Net cash flow from / (used in) investing activities (B)		(3,881.49)		(2,335.79)
C. Cash flow from / (used in) financing activities				
Borrowings - Net of Repayment	658.75		2,611.97	
Short Term Borrowings -Net of Repayment	2,133.18		572.91	
Interest Paid	(329.99)		(292.10)	
Money received against share warrant	2,500.00		-	
Payment towards lease liabilities	(409.23)		(86.51)	
		4,552.70		3,006.27
Net cash flow from / (used in) financing activities (C)		4,552.70		3,006.27
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		201.02		736.57
Cash and cash equivalents at the beginning of the year		358.08		(378.49)
Cash and cash equivalents at the end of the year		559.10		358.08



Sadhana Nitro Chem Limited
Consolidated Statement of Cash Flows for the year ended 31st March 2022

(Amount in Rs. Lakhs)

Particulars	March 31, 2022		March 31, 2021	
Cash and cash equivalent as per Note 11				
- cash in hand		1.61		1.18
- Balances with Banks (on current accounts)		631.75		1,093.82
- Bank overdraft / cash credit (Note 15B)		633.36		1,094.99
Balance as per statement of cash flows		(74.26)		(736.92)
		559.10		358.08
Figures in brackets represent outflows				
Notes :				
1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.				
2. Addition to property, plant and equipment include movements of capital work progress during the year. In terms of our report attached				
For Jayesh Dadia & Associates LLP Chartered Accountants Firm Registration Number : 121142W/W100122		For and on behalf of the Board of Directors		
Jayesh Dadia Partner Membership Number : 033973		Asit D Javeri Executive Chairman	Priyam S Jhaveri Director	
Place : Mumbai Date : 24th May, 2022		Abhishek A Javeri Managing Director	Nitin R Jani Company Secretary	
		Smt. Seema A Javeri Executive Director Administration	Rakesh Kothari Chief Financial Officer	



Sadhana Nitro Chem Limited
Notes forming part of Consolidated financial statements for 31st March, 2022

1. CORPORATE INFORMATION

1.1 Nature of Operations

Sadhana Nitro Chem Limited (the Parent Company) was incorporated on July 21, 1973. The Group is engaged in Manufacturing of chemical intermediates, heavy organic chemicals and performance chemicals and wireless network equipment and services. As on 31st March, 2022 Manekchand Panachand Trading Investment Company Pvt Ltd, holding company owned 63.99 % of the parent company's equity share capital. The parent company's shares are listed on the Bombay Stock Exchange (BSE). The consolidated financial statements comprises financials of the parent company and its subsidiaries (referred to collectively as "the Group")

1.2 Statement of Compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the "Act") and other relevant provisions of the Act. These consolidated financial statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Company's annual report date, March 31, 2022. These consolidated financial statements were authorized for issuance by the Company's Board of Directors on 24th May, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price which that would be received or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.2 Principles of Consolidation

- 2.2.1 Subsidiaries are entities controlled by the Parent Company. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The financial statements of the subsidiaries are included in the consolidated Ind AS financial statements from the date on which control commences until the date on which the control ceases.
- 2.2.2 The consolidated Ind AS financial statements comprise of the financial statement of the Parent Company and its subsidiaries referred herein in Para 2.2.9 below. The financial statements of the Parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra group transactions and unrealized profits resulting there from and are presented to the extent possible, in the same manner as the Group's independent financial statements.
- 2.2.3 In case of foreign subsidiary, revenue items are converted at the average rates prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the "Foreign Currency Translation Reserve".
- 2.2.4 The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Parent Company i.e., year ended March 31, 2022.
- 2.2.5 Non-controlling interests (NCI) in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.
- 2.2.6 Non-controlling interests in the net assets of consolidated subsidiaries consists of:
- The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
 - The non-controlling interests' share of movements in equity since the date parent subsidiary relationship came into existence.
 - The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown



separately in the Statement of Profit and Loss and Statement of Changes in Equity.

2.2.7 Loss of Control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in the Statement of Profit & Loss.

2.2.8 Goodwill

Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deduction for liabilities, calculated on the date of acquisition. Goodwill is deemed to have an indefinite useful life and is reported at the acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Statement of Profit & Loss.

2.2.9 The subsidiary companies/entities considered in the consolidated financial statements are:

- (a) Anuchem BVBA, Belgium - Wholly Owned Subsidiary
- (b) Spidigo Net Private Limited, India - Wholly Owned Subsidiary

2.3 Use of estimate

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of Fair valuation of financial instruments, useful lives of property, plant and equipment, valuation of deferred tax Assets & liabilities and provisions and contingent liabilities.

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 reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets & Liabilities

The Company reviews the carrying amount of deferred tax assets & Liabilities at the end of each reporting period. The policy for the same has been explained under Note 2.10.

Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to unwinding of discount over passage of time is recognized as finance cost. Provisions are reviewed at the each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract. A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and 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 the 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 not recognised in the financial statements. A contingent asset is neither recognised nor



disclosed in the financial statements. Fair value measurements and valuation processes

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The company has obtained independent fair valuation for financial instruments wherever necessary to determine the appropriate valuation techniques and inputs for fair value measurements. In some cases the fair value of financial instruments is done internally by the management of the Company using market-observable inputs. 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. The qualified external valuers establish the appropriate valuation techniques and inputs to the model. The external valuers report to the management of the Company their findings for every reporting period to explain the cause of fluctuations in the fair value of the assets and liabilities.

2.4 Revenue Recognition

i. Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue from sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/delivery of goods based on contract with customers.

Revenue is measured on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives and returns, if any, as specified in the contracts with customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discount/ incentive and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and arrangements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract. The Company has adopted Ind AS 115 Revenue from Contract with Customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

ii. Other Income

- a. Dividend income from investments is recognised when the shareholder's right to receive payment has been established which is when the shareholders approve the dividend. (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).
- b. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate



the lease. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.6 Foreign Currency Transactions & Translations

The functional currency of the Group is Indian rupee.

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date.

Exchange rate differences resulting from foreign currency transactions settled during the period including year-end translation of assets & liabilities are recognised in the statement of profit and loss.

Non-monetary assets which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of initial transaction.

Changes in fair value of forward contracts designated as fair value hedge are recognised in the statement of profit and loss.

2.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Capitalization of borrowing cost is suspended and charges to the statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 Government grants

(i) Government grants in respect of manufacturing units located in developing regions :

The Company is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlements on accrual basis on approval of the initial claim by the relevant authorities and there is reasonable assurance that the grants will be received.

(ii) Government grants in respect of additional Capital Expenditures :

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets is accounted for as deferred income. The grant is recognised as income over the life of a depreciable asset by accounting deferred income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

(iii) Export Incentives

Export incentives under various schemes are accounted for in the year of export.

2.9 Employee benefits

(1) Defined Contribution Plan:

Payments to defined contribution retirement benefit schemes viz. Company's Provident Fund Scheme and Superannuation Fund are recognised as an expense when the employees have rendered the service entitling them to the contribution.

(2) Defined Benefit Plan:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses; the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:



- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
 - net interest expense or income; and
 - remeasurement.
- (i) **Gratuity:** The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with Life Insurance Corporation for future payment of gratuity to the eligible employees.
- (ii) **Compensated Absences:** The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve month is treated as long-term employee benefit which are provided based on the number of days of un utilised compensated absence on the basis of an independent actuarial valuation.

2.10 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

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

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Taxes Paid 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 recognised as advance tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.



2.11 Property, Plant and Equipment

Property, plant and equipment held for use in production or supply of goods or services or for administrative purposes are stated at cost less accumulated depreciation/amortization less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

Depreciation is recognized (other than on capital work-in-progress) on a straight line basis over the estimated useful lives of assets in respect of property plant & equipment & computers acquired after 1st April 2006. Property plant & equipment including non factory building furniture fixtures & vehicles acquired prior to 1st April 2006 are depreciated under WDV Method at the rates prescribed under Schedule II of Companies Act, 2013. Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement.

The economic useful lives of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

Freehold land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss.

2.12 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization. Amortization is recognized on a straight line basis over their estimated useful lives of 5 years, which reflects the pattern in which the asset's economic benefits are consumed. The estimated useful life, the amortization method and the amortization period are reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the profit or loss when the asset is derecognised.

2.13 Impairment of tangible 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 to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is



increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit and loss.

2.14 Inventories

Inventories of raw materials, stock-in-trade, stores & spares, Fuel, packing material, work in progress, stock in trade and finished goods are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Stock of scrap and spent acid is valued at net realizable value. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Stores and spares are valued on weighted average cost basis and all others are valued on a FIFO basis.

2.15 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Investment in subsidiaries

Investment in subsidiaries are measured at cost as per IndAS 27 - Separate Financial Statements.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Financial guarantee contracts:

A Financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a holding company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of INDAS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of INDAS 18.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net of direct issue cost.



Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.16 Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.17 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

2.18 Current/Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

Current liabilities include the current portion of long term financial liabilities.

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents.

The Company has identified 12 months as its operating cycle.

2.19 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from other equity, net of any tax effects.

2.20 Fair Value Measurement

Fair value is the price that would be received from the sale of 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 an asset or transfer the liability takes place either:

- in the principle market for the asset or liability
- in the absence of principle market, in the most advantageous market for the asset or liability.

The principle or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when



pricing the asset or liability, assuming that market participants act in their economic best interest. The 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 incidental 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Determination of Fair Value

1) Financial Assets - Debt Instruments at amortized cost

After initial measurement the financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR.

2) Financial Assets - Debt Instruments at Fair Value through Other Comprehensive Income (FVTOCI)

Measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L.

3) Debt Instruments & derivatives at Fair Value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

4) Equity Instruments at Fair Value through Other Comprehensive Income

On initial recognition, the Company can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains / losses arising from changes in fair value recognized in other comprehensive income. This cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

5) Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit & loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Companies financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Fair value through Profit & Loss

Financial liabilities at fair value through profit & loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. All changes in fair value of such liabilities are recognised in statement of profit or loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the statement of profit and loss.

2.21 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders and is shown gross of Dividend



Distribution tax as a reduction from retained earnings under Other Equity.

2.22 Segment Reporting

The Group has two operating/reportable segment based on geographical area, i.e. domestic sales and export sales. The operating segments is managed separately as each involves different regulations, marketing approaches and other resources. These operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of segment operating results. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Group uses the same measurement policies as those used in its financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

Sadhana Nitro Chem Limited
Consolidated Statement of Changes in Equity for the year ended 31st March, 2022

A)		Amount in Rs. Lakhs							
Equity Share Capital									
Balance As April 01, 2020			931.51						
Issue of Bonus Shares (4,95,75,745 No of equity shares of Rs 1 Each)			465.76						
Balance at March 31, 2021			1,397.27						
Issue of Bonus shares (5,58,90,894) No of equity shares of Rs 1 Each)			558.91						
Balance at March 31, 2022			1,956.18						
B)									
Change in Other Equity (Amount in Rs. Lakhs)									
Particulars	Equity Share Capital	General reserve	Capital Reservations Reserve	Capital reserve	Transition reserve	Securities Premium	Retained earnings	Other Equity	Total Equity
Balance as at April 1, 2020	931.51	1,323.30	965.00	2.49	884.49	93.77	7,426.68	10,705.74	11,637.25
Profit for the year	-	-	-	-	-	-	1,592.50	1,592.50	1,592.50
Other Comprehensive income for the year, net of income tax	-	-	-	-	-	-	21.47	21.47	21.47
Total comprehensive income	-	-	-	-	-	-	1,613.97	1,613.97	1,613.97
Issue of Bonus shares	465.76	-	(371.99)	-	-	(93.77)	-	(655.76)	-
Reduction in revenue of subsidiary company in accordance with the audited accounts as at 31-03-2021	-	-	-	-	-	-	(452.86)	(452.86)	(452.86)
Add/(Less) Foreign Currency Monetary Item/translation difference account	-	-	-	-	-	-	182.93	182.93	182.93
Balance as at March 31, 2021	1,397.27	1,333.30	593.01	2.49	884.49	-	8,770.73	11,584.03	12,981.30

Sadhana Nitro Chem Limited
Consolidated Statement of Changes in Equity for the year ended 31st March, 2022

Particulars	(Amount in Rs. Lakhs)									
	a) Equity Share capital	b) Other Equity						Other Equity	Total Equity	
	Equity Shares Capital Subscribed	General reserve	Capital Redemption Reserve	Capital reserve	Transition reserve	Securities Premium	Retained earnings			
Balance as at April 1, 2021	1,397.27	1,333.30	583.01	2.49	884.49	-	8,770.73	11,584.03	12,981.30	
Profit for the year	558.91	-	(558.91)	-	-	-	622.49	622.49	622.49	
Issue of Bonus shares	-	-	-	-	-	-	-	(558.91)	-	
Other Comprehensive income for the year, net of income tax	-	-	-	-	-	-	15.92	15.92	15.92	
Total Comprehensive income for the year, net of income tax	-	-	-	-	-	-	15.92	15.92	15.92	
Reduction in revenue of subsidiary company in accordance with the audited accounts as at 31-03-2022	-	-	-	-	-	-	638.41	638.41	638.41	
Money Received Against Share Warrant	-	-	-	-	-	-	(4.95)	(4.95)	(4.95)	
Advt./envy/ Foreign Currency Monetary Item translation difference account	-	-	-	-	-	-	(87.36)	(87.36)	(87.36)	
Balance as at 31 st March, 2022	1,956.18	1,333.30	34.10	2.49	884.49	-	9,307.82	14,061.21	16,017.39	

<p>For Jayesh Dadia & Associates LLP Chartered Accountants Firm Registration Number : 121142W/W100122 Jayesh Dadia Partner Membership Number : 033973 Mumbai Date: 24th May, 2022</p>	<p>For and on behalf of the Board of Directors Asit D Javeri Executive Chairman Abhishek A Javeri Managing Director Smt. Seema A Javeri Executive Director Administration</p>	<p>Priyam S Jhaveri Director Nitin R Jani Company Secretary Rakosh Kothari Chief Financial Officer</p>
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Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022.

Particulars	(Amount in Rs.lakhs)												
	Freehold Land	Factory Buildings	Non factory Buildings	Plant & Equipment (ii)	Furniture & Fixtures	Computers	Vehicles (iii)	Software	Right To use of assets	Lease Office	Total	Capital work-in-progress (iv)	Intangible Under Development
Gross Carrying amount													
Balance as at April 1, 2020	1,651.44	610.62	117.37	5,568.27	49.88	86.93	487.45	110.00	529.57	31.87	9,236.39	1,462.65	40.00
Additions	-	-	77.12	30.32	-	6.63	-	-	64.38	-	180.45	634.97	130.65
Disposals (Refer Foot Note ii)	-	-	-	730.06	-	-	-	-	-	-	730.06	-	-
Revaluation due to change in lease terms	-	-	-	-	-	-	-	-	40.22	-	40.22	-	-
Balance as at March 31, 2021	1,651.44	610.62	194.49	4,858.53	49.88	96.56	487.45	110.00	553.73	31.87	8,646.56	2,097.62	170.65
Additions	-	4.23	-	76.95	-	3.93	3.53	-	169.78	-	258.43	4,446.69	135.02
Disposals (Refer Foot Note ii)	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation due to change in lease terms	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	1,651.44	614.85	194.49	4,935.48	49.88	102.49	490.98	110.00	723.51	31.87	8,904.99	6,544.31	305.67
Accumulated Depreciation													
Balance as at April 1, 2020	-	94.76	13.83	1,071.91	18.49	54.48	71.59	5.50	101.50	6.37	1,438.44	-	-
Depreciation for the Year	-	26.00	5.88	378.79	4.01	10.02	62.22	22.00	104.39	6.37	619.69	-	-
Disposals	-	-	-	612.26	-	-	-	-	-	-	612.26	-	-
Balance as at March 31, 2021	-	120.76	19.71	838.44	22.50	64.50	133.81	27.50	205.89	12.74	1,445.87	-	-
Additions (Depreciation for the Year)	-	24.33	7.58	553.07	3.54	10.81	62.16	22.00	120.39	6.37	610.25	-	-
Disposals (Refer Foot Note ii)	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	-	145.09	27.29	1,191.51	26.04	75.31	195.97	49.50	326.28	19.11	2,056.12	-	-
Net carrying amount													
Balance as at March 31, 2021	1,651.44	489.86	174.78	4,020.09	27.38	34.06	353.64	82.50	347.84	19.13	7,200.69	2,097.62	170.65
Balance as at March 31, 2022	1,651.44	469.76	167.20	3,743.97	23.84	27.19	295.01	66.50	397.23	12.76	6,848.87	6,544.31	305.67

Foot Note:

- (i) Plant & Equipment includes Office Equipments
(ii) Refer Note 15(a)(b) & (d) for information on Property plant & equipment pledged as security by the company
(iii) During the year ended March 31, 2021, the Wireless Network Equipment Services Division of the Holding Company has converted a significant portion of its plant & equipment in to stock in trade at book value of Rs 75.74 lakhs. The impact of the same has been given in the above note as disposal of assets during the year. The corresponding impact has resulted in increase in stock of wireless network equipment as at March 31, 2021.
(iv) During the year ended March 31, 2021 the company has received significant waivers in lease rentals due to lockdown imposed by the Central & state Governments owing to the spread of the Covid-19 pandemic. Accordingly the Company has revalued its lease obligations after considering the waivers received and recomputed the value of its lease liabilities and right of use assets. This has resulted in a reduction in the value of the right of use assets by an amount of Rs. 40.22 lakhs.



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

Capital Work in Progress

The ageing of Capital Work in Progress for Projects

For the year	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Ended 31.03.2021	2,097.62	634.97	1,307.21	155.44	-
Ended 31.03.2022	6,544.31	4,446.69	634.97	1,307.21	155.44

Ageing of Capital Work in Progress as at 31.03.2022

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	6,492.58	4,446.69	634.97	1,307.21	103.71
Projects temporarily suspended	51.73	-	-	-	51.73
Total	6,544.31	4,446.69	634.97	1,307.21	155.44

Ageing of Capital Work in Progress as at 31.03.2021

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	2,045.89	634.97	1,307.21	103.71	-
Projects temporarily suspended	51.73	-	-	51.73	-
Total	2,097.62	634.97	1,307.21	155.44	-

Intangible Assets Under Development

The ageing of Intangible Assets Under Development

For the year	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Ended 31.03.2021	170.65	130.65	40.00	-	-
Ended 31.03.2022	305.67	135.02	130.65	40.00	-

Ageing of Intangible Assets Under Development as at 31.03.2022

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	305.67	135.02	130.65	40.00	-
Projects temporarily suspended	-	-	-	-	-
Total	305.67	135.02	130.65	40.00	-

Ageing of Intangible Assets Under Development as at 31.03.2021

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	170.65	130.65	40.00	-	-
Projects temporarily suspended	-	-	-	-	-
Total	170.65	130.65	40.00	-	-



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

(Amount in Rs. Lakhs)

Note 3 : Intangible Assets

Sr. No.	Particular	As at March 31, 2022		As at March 31, 2021	
	Goodwill				
(a)	On Consolidation of Spidigo Net Private Limited (Refer Note (i) below)		636.23		636.23
	Total		636.23		636.23

Footnote

(i) During the financial year ended March 31, 2019 the company acquired the entire shares of Spidigo Net Pvt Ltd. As a result Spidigo Net Pvt Ltd has become its wholly owned subsidiary with effect from March 11, 2019 and Goodwill on consolidation amounting to Rs 6,36,23,270/- being the difference between the net assets and the value of investments recorded in the books of the holding company.

(Amount in Rs. Lakhs)

Note 4 A: Investments

Sr. No.	Particular	As at March 31, 2022		As at March 31, 2021	
		No. of shares	Rs	No. of shares	Rs
(i)	Non-current investments Investment in equity instruments of subsidiaries (Fully paid up)				
	Other Investments (At fair value through other comprehensive income)				
	Quoted	500	0.72	500	0.72
	Anco Communication Ltd	3,900	0.78	3,900	0.78
	Eneral Finance Ltd	18,000	5.08	18,000	5.08
	Indian Extractions Ltd	5,000	1.91	5,000	1.91
	Indo-biotech Ltd	2,000	0.81	2,000	0.81
	First object Technologies Ltd	1,300	0.13	1,300	0.13
	Maxworth orchards Ltd	5,000	1.31	5,000	1.31
	Ojas Technochem Products Ltd	35,700	10.75	35,700	10.75
	Less: Provision for decline other than temporary, in value of non current investments	-	10.75	-	10.75
	Footnotes :				
	(i) Aggregate cost of quoted investments	-	10.75	-	10.75
	Aggregate market value of quoted investments	-	10.75	-	10.75
	(i) (ii) Aggregate amount of impairment in value of investments	-	10.75	-	10.75

(Amount in Rs. Lakhs)

Note 4 B: Current Investments

Sr. No.	Particular	As at March 31, 2022		As at March 31, 2021	
		No. of Unit	Rs	No. of Unit	Rs
(i)	Investments measured at fair value through other comprehensive income In Mutual Fund				
	Quoted				
	L & T Long Duration Growth	1,298,141	298.22	1,298,141	287.89
	HDFC Long Duration Growth	662,552	310.17	662,552	298.22
	Aditya Birla Sun Life Low Duration Fund	10,248	54.93	10,248	52.86
	Total		663.32		638.97
	(i) Aggregate cost of quoted investments		552.57		552.57
	Aggregate market value of quoted investments		663.32		638.94

Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

Note 5: Loans

(Amount in Rs. Lakhs)

Sr. No.	Particular	As at March 31, 2022	As at March 31, 2021
A	Non Current (Unsecured Considered Good, unless otherwise stated)		
(i)	Loan To Staff	-	16.71
(ii)	Other	-	0.55
	Total	-	17.26
B	Current Loans (Unsecured Considered Good, unless otherwise stated)		
(i)	Loan to staff (Secured, Considered Good)	36.76	11.40
(ii)	Inter Corporate Deposits	250.30	400.00
	Total	287.06	411.40

Note 6: Other financial assets

(Amount in Rs. Lakhs)

Sr. No.	Particular	As at March 31, 2022	As at March 31, 2021
	Non Current Financial Assets (Considered Goods)		
	Security Deposits with Public Bodies and others	281.63	212.14
	Total	281.63	212.14
	Current Financial Assets (Considered Goods)		
	(i) Interest on Inter Corporate Deposits	11.63	102.00
	(ii) Interest Accrued on Bank Deposits	4.70	0.24
	(iii) Other receivable	63.32	7.86
	(iv) Advance to Vendors	299.12	203.49
	Total	378.77	313.58

Note 7: Deferred tax Liabilities/(Asset) (Net)

(Amount in Rs. Lakhs)

Sr. No.	Particular	As at March 31, 2022	As at March 31, 2021
	Deferred Tax Liability		
(i)	Depreciation on fixed assets	459.08	446.10
(ii)	Fair Valuation	25.17	20.51
	Gross Deferred Tax Liability (1)	484.25	466.62
	Deferred Tax Asset		
(i)	Employee Benefit obligations	(168.73)	(166.28)
(ii)	Other disallowable expenses	46.43	(18.24)
	Gross Deferred Tax Asset (2)	(122.31)	(184.52)
	Net Deferred Tax Liability/(Asset) (1-2)	361.94	282.10

Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

Movement in Deferred Tax during the year (Amount in Rs. Lakhs)

For the year ended March 31, 2022	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Deferred Tax Liability				
Plant Property Equipment	446.10	13.92	(0.94)	459.08
Fair Valuation	20.51	(1.48)	6.13	25.17
Gross Deferred Tax Liability (1)	466.62	12.45	5.19	484.25
Deferred Tax Asset				
Employee Benefit obligations	(165.28)	(1.73)	(0.78)	(168.79)
Other Disallowable Expenses	(18.24)	64.72	-	46.48
Gross Deferred Tax Asset (2)	(184.52)	62.99	(0.78)	(122.31)
Net Deferred Tax Liability/(Asset) (1-2)	282.10	75.43	4.41	361.94

Note 8: Other Assets

(Amount in Rs. Lakhs)

Sr. No.	Particular	As at March 31, 2022	As at March 31, 2022
A	Non Current		
(i)	Capital advance	2,119.51	1,837.09
	Total	2,119.51	1,837.09
B	Current		
(i)	Balance with Statutory/Revenue Authorities	1,543.98	983.80
(ii)	Prepaid Expenses	47.95	79.03
	Total	1,591.93	1,062.83

Note 9: Inventories (At lower of cost and net realisable value)

(Amount in Rs. Lakhs)

Sr. No.	Particular	As at March 31, 2022	As at March 31, 2022
	Valued & certified by the Management		
(i)	Raw materials (include Packing Materials)	1,596.76	173.62
(ii)	Work-in-progress	2,073.79	1,424.69
(iii)	Finished Goods	5,578.59	4,439.10
(iv)	Goods in Transit (Raw Material)	70.74	32.08
(v)	Stores & Spares	730.37	554.81
(vi)	Others (Fuel, scrap, etc.)	13.59	8.01
	Total	10,063.85	6,632.32

Footnotes:

- (i) Refer Note no 15C(d) for information on Inventories mortgaged as security for borrowings.

Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

Note 10: Trade receivables

(Amount in Rs. Lakhs)

Sr. No.	Particular	As at March 31, 2022	As at March 31, 2021
	Unsecured		
(i)	Considered good	4,050.86	4,865.28
(ii)	Considered doubtful	32.80	32.80
	Less: Allowance for doubtful debts	4,093.66	4,898.08
		(8.20)	(8.20)
	Total	4,685.46	4,889.88

Ageing of Trade Receivables (Outstanding for following periods from due date of payment)			
Undisputed Trade Receivables			
- Considered Good			
	Less than 6 months	1,739.60	2,128.93
	6 months to 1 year	2,153.17	2,128.74
	1 to 2 years	17.95	391.43
	2 to 3 years	19.05	207.43
	More than 3 years	135.09	41.56
- Considered doubtful			
	Less than 6 months	-	-
	6 months to 1 year	-	-
	1 to 2 years	-	-
	2 to 3 years	-	14.80
	More than 3 years	28.80	18.00
	Total	4,093.66	4,930.88

Footnotes:

- Trade receivables are dues in respect of goods sold in the normal course of business.
- The normal credit period allowed by the company ranges from 60 to 90 days.
- Refer Note no 15C(d) for information on Trade Receivables mortgaged as security for borrowings.
- Refer note no 27(i) for Credit Risk.

Note 11: Cash and Cash Equivalents

(Amount in Rs. Lakhs)

Sr. No.	Particular	As at March 31, 2022	As at March 31, 2021
(i)	Cash in hand	1.61	1.18
(ii)	Balance with bank	631.75	1,093.82
	Total	633.36	1,094.99

Note 12: Other Bank Balances

(Amount in Rs. Lakhs)

Sr. No.	Particular	As at March 31, 2022	As at March 31, 2021
(i)	Call and short term deposit accounts Deposits (under lien) with original Maturity <12 Months [Refer note below]	180.03	13.00
(ii)	Dividend Accounts	6.37	6.42
	Total	186.40	19.42



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

Footnotes:

- (i) Deposit with carrying amount of Rs. 13,00,425/- (March 21 -Rs 12,99,778) are subject to first charge against bank guarantees.
- (ii) Deposit with carrying amount of Rs. 50,00,000/- has been given as a security deposit to the Ministry of Pharmaceuticals, Chemicals & Fertilizers towards the PLI Scheme
- (iii) Deposit with carrying amount of Rs. 66,03,000/- has been given as a security deposit to North Arc Capital Private Limited against the borrowing of Rs. 6 crores from them
- (iv) Deposit with carrying amount of Rs. 49,00,000/- has been given as a security against Overdraft facility taken from HDFC Bank.

Note 13: Equity Share Capital

(Amount in Rs. Lakhs)

Sr. No	Particular	As at March 31, 2022	As at March 31, 2021
	Authorised Capital:* 30,00,00,000 Equity Shares of Rs 1/- each (March 31, 2021: 21,50,00,000 Equity Shares of Rs 1/- each) (Refer note no (i) below)	3,000.00	2,150.00
		3,000.00	2,150.00
	Issued Subscribed & Paid up: 19,56,18,129 Equity Shares of Rs 1/- each fully paid (Refer note no (i) below) (March 31, 2021: 13,97,27,235 Equity Shares of Rs 1/- each) (Refer note no (ii) below)	1,956.18	1,397.27
	Total	1,956.18	1,397.27

Footnotes:

- (i) During the year ended 31st March, 2022, the Company has issued and allotted 5,58,90,894/- equity shares of Rs. 1/- each to eligible shareholders of equity shares on the book closure date (i.e. 21st July, 2021) as fully paid up bonus equity shares by capitalizing reserves.
- (ii) During the year ended 31st March, 2021, the Company has issued and allotted 4,65,75,745 equity shares of Rs. 1/- each to eligible shareholders of equity shares on the book closure date (i.e. 18th September, 2020) as fully paid up bonus equity shares by capitalizing reserves.

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2022		As at March 31, 2021	
	Equity Share		Equity Share	
	No. of Shares	Amount in Rs. Lakhs	No. of Shares	Amount in Rs. Lakhs
Equity				
No of shares outstanding at the beginning of the year	139,727,235	1,397.27	93,151,490	931.51
Add: Additional shares issued during the year	-	-	-	-
Add: Increase on account of shares sub-divided during the year (Refer Note no (ii) above)	-	-	-	-
Add: Bonus Issue in the ratio of 2:1	55,890,894	558.91	46,575,745	465.76
Less: Shares forfeited/Bought back during the year	-	-	-	-
No. of shares outstanding at the end of the year	195,618,129	1,956.18	139,727,235	1,397.27

(c) Shareholders holding more than 5% shares in the Company :

Particulars	As at March 31, 2022		As at March 31, 2021	
	Equity Share		Equity Share	
	No of Shares	% of Holding	No of Shares	% of Holding
Equity Shares of Rs. 1/- each (FYRs. 1/-) fully paid				
Manekchand Panachand Trading Investment Co. Pvt Ltd	125,172,831	63.99%	89,409,165	63.99%
Asit Javeri	11,691,771	5.98%	8,351,953	5.98%

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

Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

(d) Equity Shares in the entity held by holding company:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of Shares	% of Holding	No of Shares	% of Holding
Manekchand Panachand Trading Investment Co. Pvt Ltd	125,172,831	63.99	89,409,165	63.99

(e) Details of changes in shareholding of promoters

Particulars	As at March 31, 2022		As at March 31, 2021		Increase / (Decrease) % of holding
	No of Shares	% of Holding	No of Shares	% of Holding	
Promoters' Holding (including Promoter Group)					
Manekchand Panachand Trading Investment Co Pvt Ltd	125,172,831	63.99%	89,409,165	63.99%	-
Asit A Javeri	11,691,771	5.98%	8,351,953	5.98%	-
Abhishek A Javeri	5,902,764	3.02%	4,216,280	3.02%	-
Seema A Javeri	384,867	0.20%	274,905	0.20%	-

As per records of the company, including its register of members, the above shareholding represents both legal and beneficial ownership of shares.

Note 14: Other Equity

Sr. No	Particulars	(Amount in Rs. Lakhs)	
		As at March 31, 2022	As at March 31, 2021
	Reserves and Surplus		
(i)	Capital Reserve		
	Opening and Closing balance (CR)		
	Additions	2.49	2.49
	Closing balance	2.49	2.49
(ii)	Capital Redemption Reserve		
	Opening balance (CRR)	593.01	965.00
	Less: Utilized for issued of Bonus shares	(558.91)	(371.99)
	Closing balance	34.10	593.01
(iii)	Securities Premium Account		
	Opening balance	-	93.77
	Less: Utilized for issued of Bonus shares	-	(93.77)
	Closing balance	-	-
(iv)	Retained Earnings		
	Opening balance (Retained Earnings)	8,770.73	7,426.68
	Profit for the year:	622.49	1,592.50
	Other Comprehensive income for the year, net of income tax	15.92	21.47
	a) Reduction in reserves of subsidiary company in accordance with the audited accounts as at 31.03.2021	(4.95)	(452.86)
	b) Surplus share in the profit of the subsidiary on finalization of the audited accounts of the subsidiary	-	-
	c) Dividend including Dividend Distribution tax	-	-
	Add / (Less): Foreign Currency monetary item translation	(97.36)	182.93
	Closing Balance	9,306.82	8,770.73
(v)	Revaluation Reserve		
	Opening balance (TRR)	884.49	884.49
	Add: Additions	-	-
	Closing balance	884.49	884.49
(vi)	General Reserve		
	Opening balance	-	-
	Add: additions (GR)	1,333.30	1,333.30
	Closing Balance	1,333.30	1,333.30



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

Sr. No	Particulars	As at March 31, 2022	As at March 31, 2021
(vi)	Money received against Share Warrant		
	Opening balance	2,500.00	-
	Add additions (SW)	2,500.00	-
	Closing Balance		
	Total	14,061.21	11,584.03

Capital Reserve:

Capital Reserve is utilised in accordance with the provisions of the Act.

Capital Redemption Reserve

Capital redemption reserve represents reserve created on redemption of preference shares. It is non distributable reserve. During the year ended March 31, 2021 the company has utilised the part of the reserve towards issued of bonus shares

Securities Premium Reserve

Securities Premium Reserve is used to record the premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act. During the year ended March 31, 2021 the company has utilised the whole of the reserve towards issued of bonus shares

Retained Earnings

The amount that can be distributed by the company as dividend to its equity shareholders

Transition Revaluation Reserve

Transition Reserve represents reserve created on transition from Accounting Standards to Ind AS.

General Reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purpose.

Sr. No.

Note 15 : Borrowings

(Amount in Rs. Lakhs)

Sr. No	Particular	As at March 31, 2022	As at March 31, 2021
	Long Term Borrowings		
(a)	Secured Borrowings:		
(i)	Term loan - Bank (Refer Note 15C(a) below)	655.44	106.88
(ii)	Term Loan - Others (Refer Note 15C(b) below)	3,631.71	2,956.58
		4,288.15	3,093.45
	Less: Current Maturity of Long term borrowings disclosed under the head Short Term Borrowings liabilities (Refer Note 16(i))	828.25	292.31
	Balance	3,459.90	2,801.15
	Total	3,459.90	2,801.15
	Short Term Borrowings		
(a)	Secured Borrowings		
(i)	Working Capital Loan from Banks denominated in (Refer Note (c)(i) and (ii))		
	Foreign Currency	3,644.24	4,065.06
	Indian Currency - Overdraft & Cash Credit	74.26	736.92
	Indian Currency - Export Credit	1,154.71	-
(b)	Unsecured Borrowings		
	Tata Capital	148.84	-
(i)	Inter Corporate Deposit (Refer note (d) below)	569.07	100.00
(ii)	Loan From Director	678.31	325.91
(c)	Current Maturity of Long term borrowings disclosed under the head Short Term Borrowings	828.25	292.31
	Total	7,097.69	5,520.19



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

C Footnotes:

- a Term loan from a bank is secured by charge on motor vehicles. Refer Note (f) below for terms of repayment, rate of interest etc.
- b Term loans - others are secured by charge on motor vehicles, plant and machinery, residential property situated at Roha, Raigad, Maharashtra and charge by way of lien on debt mutual fund of Rs. 52.86 lacs. Charge is yet to be registered in respect of two motor vehicles. Refer Note (f) below for terms of repayment, rate of interest etc.
- c(i) The company has foreign currency working capital facilities from a Bank at interest rate of libor plus 4.25% pa. These facilities are secured by exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery, charge by way of pledge on debt mutual funds of Rs 586.11 lacs. Further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantees of Holding Company.
- c(ii) Further, the Company has working capital facilities in Indian currency from a bank carrying interest rate ranging between 5.76% to 12.00% p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116 and further secured by personal guarantee of Chairman and Managing Director of the company.
- d Inter Corporate Deposits are carrying interest rate of 15% and repayable on or before April 2023.
- e Terms of repayment
Term Loan - Banks

Particulars	Rate of Interest	Year of Maturity	(Amount in Rs. Lakhs)			
			March 31, 2022		March 31, 2021	
			No of Installments Left	Amount Outstanding as at March 31, 2022	No of Installments Left	Amount Outstanding as at March 31, 2021
Bank Name						
HDFC Bank	8.50%	2023-24	14	5.48	26	9.77
HDFC Bank	8.50%	2023-24	14	5.48	26	9.77
HDFC Bank	8.25%	2022-23	12	23.44	24	45.02
HDFC Bank	8.25%	2022-23	12	22.03	24	42.32
ICICI Bank	9.25%	2025-26	36	600.00		
			Total	656.44	Total	106.88
			Less: Current maturity of long term borrowings shown in current liabilities			50.44
				200.14		
			Balance (A)	456.30		56.44
Term Loan - Others						
Financial Institution						
Hero Fincorp Ltd	12.75%	2022-23	6	4.28	18.00	11.39
Hero Fincorp Ltd	12.75%	2022-23	6	4.22	18.00	11.22
Hero Fincorp Ltd	12.75%	2022-23	9	4.39	21.00	9.31
Kotak Mahindra Prime Ltd	9.15%	2023-24	23	21.90	35.00	31.90
Kotak Mahindra Prime Ltd	9.15%	2023-24	23	21.90	35.00	31.90
Aditya Birla Finance Ltd	10.50%	2030-31	107	1,212.70	119.00	1,290.87
Bajaj Finance Ltd	9.75%	2026-27	4	1,500.00	48.00	1,000.00
North Arc Capital Ltd	14.00%	2024-25	24	475.32	36.00	600.00
Aditya Birla Finance Limited	10.50%	2028-29	72	387.00		
ECLGS						
			Total	3,631.71	Total	2,986.59
			Less: Current maturity of long term borrowings shown in current liabilities			241.87
				628.11		
			Balance (B)	3,003.60		2,744.71
			Total Balance (A + B)	3,459.90		2,801.15

Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

Note 16 : Lease Liabilities

(Amount in Rs. Lakhs)

Sr. No	Particular	As at March 31, 2022	As at March 31, 2021
A	Non Current	582.53	303.28
B	Current	392.71	102.44
	Total	1,075.25	405.71

Effective from April 1, 2019, the company adopted Ind AS 116 "Lease", applied to all lease contracts existing on April 1, 2019 using the modified retrospective approach and has taken the cumulative adjustment to retained earnings, on date of initial application. Due to transition, the nature of expenses in respect of certain leases under erstwhile standard has changed from 'Lease Rental' to Depreciation & Amortization expenses and Finance cost for the Right to use assets and on Lease Liability respectively.

Due to the accounting treatment as per this Standard, the current year profit has been increased by Rs. 2,16,47,948/- (Previous Year profit reduced by Rs. 57,67,363/-)

This increase in profit is primarily due to depreciation on assets taken on lease from Siemens Financial Services Private Limited not be charged to the Statement of Profit & loss since the same were not ready for use as at the balance sheet date.

During the year ended March 31, 2022 the company has received waivers in lease rentals due to lockdown imposed by state Governments owing to the spread of the Covid-19 pandemic. Accordingly the Company has revalued its lease obligations in accordance with the provisions of Ind AS 116. This revaluation resulted in a net reduction in the value of lease liabilities as at 01.04.2021. The company has recognized a net gain of Rs. 7,03,854 on the aforesaid revaluations during the year.

Details of Payments to be made towards Lease obligations

(Rs. Lakhs)

Particular	As at March 31, 2022	As at March 31, 2021
Lease liability paid during the year	409.23	86.51
Lease liability payable not more than 1 year	487.23	138.77
Lease liability payable not more than 5 year	746.65	479.11

Note 17: Provisions

(Rs. Lakhs)

Sr. No	Particular	As at March 31, 2022	As at March 31, 2021
A	Non Current		
	Employee Benefit Obligations		
	(i) Compensated absences	90.72	80.31
	(ii) Gratuity (Refer Note No. 29)	174.43	163.35
	Total	265.15	243.66
B	Current		
	Employee Benefit Obligations		
	(i) Compensated absences	232.26	218.80
	(ii) Gratuity (Refer Note No. 29)	142.66	168.58
	Total	374.92	387.38
Movement in provisions		Gratuity	
	Opening balance	331.93	317.85
	Add/Less Provision recognised / (reversed) during the year	(14.84)	14.08
	Closing balance	317.10	331.93

Note 18: Trade Payables

(Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
(i)	Due to Micro and Small Enterprises	270.03	71.25
(ii)	Due to other than Micro and Small Enterprises	4,153.77	2,516.68
	Total	4,423.80	2,587.93



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

(Rs. Lakhs)			
Sr. No	Particular	March 31, 2022	March 31, 2021
(a)	Ageing of Trade Payables (Outstanding for following periods from due date of payment)		
	i) Micro and Small Enterprises		
	Total outstanding dues of micro enterprise and small enterprises		
	Less than 1 year	267.97	266.56
	1-2 year	2.06	1.14
	2-3 year	-	-
	More than 3 years	-	-
	ii) Undisputed		
	Total outstanding dues of creditors other than micro enterprise & small enterprises		
	Less than 1 year	3,624.59	1,530.28
	1-2 year	156.99	131.27
	2-3 year	116.48	417.10
	More than 3 years	81.58	67.41
	iii) Disputed		
	Total outstanding dues of creditors other than micro enterprise & small enterprises		
	Less than 1 year	-	-
	1-2 year	-	174.17
	2-3 year	174.17	-
	More than 3 years	-	-
	Total	4,423.80	2,587.93

(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006

(Rs. Lakhs)		
Particular	As at March 31, 2022	As at March 31, 2021
a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of accounting year		
- Principal amount due to Micro and small enterprises:	270.03	71.25
- Interest due on above	-	2.38
b) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payments made to the supplier beyond the appointment day during each accounting year.	-	-
c) the amount of interest due and payable for the period where the principal has been paid but interest under the MSMED Act, 2006 not paid	-	2.38
d) The amount of interest accrued and remaining unpaid at the end of accounting year	10.08	10.08
e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above over actually paid to the small enterprises. For the purpose of disallowance as a deductible expenditure under section 23.	10.08	10.08

- (b) The Company has initiated the process of identification of suppliers registered under the Micro, Small & Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received as at the balance sheet date.
- (c) All trade payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note no 26(i).



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

Note 19 : Other financial liabilities

(Rs. Lakhs)

Sr. No	Particular	As at March 31, 2022	As at March 31, 2021
	Current Financial Liabilities		
(i)	Interest accrued but not due on borrowings	69.30	12.93
(ii)	Dividend, Redeemed Preference Share & Excess right issue (Unclaimed)	11.42	5.10
(iii)	Creditors for Capital Expenditure	647.69	502.05
(iv)	Unclaimed dividend	-	-
(v)	Advance From Customer	113.69	175.89
(vi)	Other payables	62.32	19.24
	Total	904.42	715.20

Note 20 : Other Liabilities

(Rs. Lakhs)

Sr. No	Particular	As at March 31, 2022	As at March 31, 2021
	Current		
(i)	Statutory Dues	377.67	347.29
(ii)	Employee Dues	324.34	294.40
(iii)	Security Deposit From Customer	-	113.74
(iv)	Other Current liabilities	-	3.80
	Total	702.01	759.23

Note 21 : Revenue from operation

(Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
	Sale of Product		
(i)	(a) Chemical Intermediates	12,924.34	10,072.22
	(b) Wireless Network Equipment	77.42	48.65
(ii)	Sale Of Service	-	18.63
(iii)	Other Operating Revenue		
	(a) Sale of scrap & sales other	38.63	17.24
	(b) Export Benefit	131.75	150.29
	Total	13,172.15	10,305.02

Note 21.1 : Detail of revenue from contract with customer recognised by the company net off indirect tax in the statement of profit and loss.

21.2 : Product wise Detail of Revenue

(Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
(a)	Sale of product		
	Product Type		
	MAP	608.96	355.62
	SND 27 (ODB2)	511.65	364.79
	Other	253.42	295.07



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

Note 22: Other Income

(Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
(i)	Interest income on		
	Bank deposits	5.11	0.11
	Loan to others	151.94	44.04
(ii)	Profit on Sale Of Fixed Assets	-	39.94
(iii)	Foreign Exchange Gain	20.56	-
(iv)	Gain On Forward Contracts	36.82	73.79
(v)	Mark To Market of Forward Contracts	32.20	-
(vi)	Miscellaneous Income	15.41	36.44
(vii)	Fair Value Lease Liabilities	7.04	-
(viii)	Sundry liabilities written back	227.12	296.91
	Total	486.21	491.22

Note 23: Cost of materials and packaging material consumed

(Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
	Inventory at the beginning of the year	173.62	385.24
	Add: Purchases	10,709.48	5,130.56
	Total	10,883.10	5,515.80
	Less: Inventory at the end of the year	1,596.76	173.62
	Cost of materials consumed	9,286.34	5,342.17
	Total	9,286.34	5,342.17

Particulars of Raw material & packaging materials Consumed

(Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
(i)	Benzene	1,268.12	860.42
(ii)	Nitric Acid	689.06	609.04
(iii)	Cast iron powder	631.15	308.66
(iv)	Oxum 65%	236.99	100.09
(v)	Packaging Material	32.59	26.41
(vi)	M M D PA	1,695.35	1,081.77
(vii)	Caustic Soda	1,376.20	434.05
(viii)	Other	3356.88	1,921.73
	Total	9,286.34	5,342.17

Note 23 : Change in inventory of Finished Goods and Work in progress

(Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
(i)	Opening Stock		
	Work in progress	1,424.69	1,200.12
	Finished goods	4,330.58	3,249.66
	Scrap	3.50	3.50
	Total (i)	5,758.78	4,453.27
(ii)	Closing Stock		
	Work in progress	2,073.79	1,424.69
	Finished goods	5,578.59	4,330.58
	Scrap	3.50	3.50
	Total (ii)	7,655.88	5,758.78
	Changes in Inventories Decrease/(Increase)/(i-ii)	(1,897.10)	(1,305.50)
	Total	(1,897.10)	(1,305.50)



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

Note 24: Employee Benefit Expenses

(Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
(i)	Salaries & bonus	1,480.52	1,404.90
(ii)	Contribution to provident fund, group gratuity, ESIC & other funds	80.52	82.05
(iii)	Gratuity (Refer Note No. 29(b))	22.24	31.99
(iv)	Leave Encashment expense	29.73	14.38
(v)	Staff welfare & Medical Expenses	0.53	18.54
	Total	1,613.54	1,551.86

Note 25: Finance Cost

(Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
	Interest expenses on		
(i)	Interest expense on term loans and other financial liabilities	147.76	23.22
(ii)	Interest on lease liability	70.36	40.00
(iii)	Interest on delayed Payment of tax	31.21	1.45
(iv)	Other borrowing cost	207.40	277.84
	Total	456.73	342.51

Note 3: Depreciation & Amortization

(Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
(i)	Depreciation of tangible assets	588.25	597.69
(ii)	Amortization of intangible assets	22.00	22.00
	Total	610.25	619.69



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

Note 26: Other Expenses

(Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
(i)	Power and fuel	1,219.32	638.03
(ii)	Rent	9.48	16.28
(iii)	Rates & Taxes	71.45	61.39
(iv)	Insurance	61.90	59.30
(v)	Printing & Stationery	3.02	4.47
(vi)	Postage, Telegram & Telephone & Internet (Communication Expenses)	13.27	31.69
(vii)	Traveling & Conveyance Expenses	53.04	31.76
(viii)	Legal & Professional fees	97.93	172.60
(ix)	Directors Fees	4.76	2.60
(x)	Electricity charges	7.93	10.23
(xi)	Security Charges	41.54	38.90
(xii)	Stores & spares Consumed	7.85	157.80
(xiii)	Repairs & Maintenance		
	Plant & Machinery	26.56	127.50
	Building	-	6.40
	Others (R&M)	40.85	60.97
(xiv)	Other Manufacturing Expenses	114.98	96.24
(xv)	Effluent Expenses	141.85	116.13
(xvi)	Research & Development Expenses	9.07	0.91
(xvii)	Payment to auditors (Refer Note (i) below)	11.00	12.00
(xviii)	Selling Expenses		
	Freight and Forwarding Expenses	294.98	261.43
	Commission Charges	27.40	156.16
	Local Freight & other expenses	275.60	94.05
(xix)	Bad debts & Sundry Debit Balances written off	-	2.47
(xx)	Provision For Doubtful Debt	-	0.59
(xxi)	Miscellaneous Expenses	162.61	102.30
(xxii)	Foreign exchange fluctuation	-	94.30
(xxiii)	Merger Expenses	3.20	4.25
(xxiv)	Sundry balance Written off	0.31	16.32
(xxv)	Notional Rent	0.81	-
(xxvi)	Subletting Charges	1.47	2.44
	Total	2,707.39	2,379.51

Footnotes:**(i) Payment to Auditors**

(Rs. Lakhs)

Sr. No	Particular	March 31, 2022	March 31, 2021
	As Auditor*		
(i)	Statutory Audit Fee	10.00	11.00
(ii)	Tax Audit Fee	1.00	1.00

Note No. 27: Financial Instruments and Risk Review**Capital Management**

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold the investor, creditor and customer confidence and to ensure future development of its business. The Company is focused on keeping strong total equity base to ensure independence, security as well high financial flexibility for potential future borrowings, if required without impacting the risk profile of the company. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods. The amount of future dividends of equity shares will be balanced with efforts to continue to maintain an adequate liquidity status.



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

(Rs. Lakhs)

Particular	March 31, 2022	March 31, 2021
Total equity attributable to equity shareholders of the company	16,017.39	12,981.30
As a percentage of total capital	60.27	60.94
Long term borrowings	3,459.90	2,801.16
Short term borrowings	7,097.69	5,520.19
Total borrowings	10,558.59	8,321.33
As a percentage of total capital	39.73	39.06
Total Capital (Equity and Borrowings)	26,575.98	21,302.63

Financial Risk Management Framework

The company has exposure to the following risks arising :

- a) Credit risk
- b) Liquidity risk
- c) Market risk

i) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions and other financial instruments.

The customer credit is managed by the company's established policy, procedures and controls relating to customer credit management. The company has established a credit policy under which each new customer is analysed individually for credit worthiness before the company's standard payment and delivery terms and conditions are offered. The company's review includes external ratings where available and other publicly available financial information. Outstanding customers receivables are regularly monitored and any shipment to major customers are generally covered by letter of credit or other forms of credit insurance.

The following table gives details in respect of percentage of revenues generated from top five customer.

(In %)

Particular	March 31, 2022	March 31, 2021
Revenue from top five customers	52.68	58.30

The company establishes an allowance for impairment that represents fixed estimate of expected losses in respect of trade and other receivable. The maximum exposure to credit risk as at reporting date is primarily from trade receivable amounting to Rs. 40,85,46,287/- (P.Y. Rs. 48,89,88,217/-). The movement in allowance for impairment in trade and other receivables during the year was as follows :

(Rs. Lakhs)

Allowance for impairment	March 31, 2022	March 31, 2021
Opening balance	8.20	8.20
Impairment loss recognised / reversed	-	-
Closing balance	8.20	8.20

Majority of the balance of trade receivables of the Company are from only 2 customers.

The total outstanding from these customers as at year end is Rs. 2981.20 lakhs (P.Y. 2857.60 lakhs)

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit ratings agencies.



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

ii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure as far as possible that will have sufficient liquidity to meet its liabilities when they are due under both normal and stressed conditions without incurring unacceptable losses or risking damage to company's reputation.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the company maintains the following line of credit.

The company has working capital facilities from a Bank at interest rate of libor plus 4% pa. These facilities are secured by an exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery, charge by way of pledge on debt mutual funds of Rs.5,52,56,918/- crores and further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantee of Holding Company.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2022

Particulars	(Rs. Lakhs)				
	Less than 1 year	1 to 2 years	2 - 5 years	5 - 10 years	Total
Long term borrowings	828.25	1,035.29	1,730.57	694.04	4,288.15
Short term borrowings	6,269.44	-	-	-	6,269.44
Trade payable	4,423.80	-	-	-	4,423.80
Other financial liabilities	904.42	-	-	-	904.42
Total	12,426.91	1,035.29	1,730.57	694.04	15,885.81

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2021

Particulars	(Rs. Lakhs)				
	Less than 1 year	1 to 2 years	2 - 5 years	5 - 10 years	Total
Long term borrowings	292.31	582.55	1,388.69	829.91	3,093.45
Short term borrowings	5,227.88	-	-	-	5,227.88
Trade payable	2,587.93	-	-	-	2,587.93
Other financial liabilities	597.47	-	-	-	597.47
Total	8,705.59	582.55	1,388.69	829.91	11,506.73

iii) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign Currency exchange rate risk

The Company operates internationally and major portion of the business is transacted in several currencies and consequently the company is exposed to foreign exchange risks through operating activities in foreign currency.



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

1) Details of foreign currency exposures as at the year end :

Particulars	Currency	Amount in foreign currency		Equivalent amount (Rs Lakhs)	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial Assets					
Trade Receivables	EUR	2,091,530	2,063,695	1,770.69	1,771.52
	USD	2,066,677	3,333,925	1,581.85	2,440.83
Advance to Vendors	USD	2,639	-	2.00	-
Balance with bank in foreign currency	USD	426,497	-	323.29	-
Financial Liabilities					
Trade Payables	USD	502,201	283,208	2.83	207.33
Advance Received from customer	USD	134,286	115,277	101.80	84.35
	EUR	1,977,444	-	912.16	-
Working Capital Borrowings	EUR	-	379,250	-	324.70
	USD	4,807,250	5,109,363	3,544.24	3,740.36
Net Asset / (liability)	EUR	1,614,086	1,685,445	856.52	1,446.82
Net Asset / (liability)	USD	(2,927,924)	(2,173,923)	(1,839.73)	(1,591.44)

2) Details of forward contracts outstanding at the year end used to hedge the outstanding foreign currency exposures

Particulars	Currency	Amount in foreign currency		Equivalent amount (Rs Lakhs)	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Forward contracts entered into to hedge the receivable exposure	USD	4,962,468	2,160,000	3,726.17	1,573.93
Forward contracts entered into to hedge the receivable exposure	EURO	200,000	-	169.32	-
Forward contracts entered into to hedge the payable exposure	USD	302,060	760,000	-	549.05

Note 28 : Earnings Per Share**Basic Earning Per Share**

(Rs Lakhs)

Sr. No	Particulars	March 31, 2022	March 31, 2021
a)	Net Profit for the year attributable to the equity shareholders	622.49	1,592.50
b)	Opening number of equity shares outstanding	195,618,129	195,618,129
c)	Closing Number of Equity shares outstanding	195,618,129	195,618,129
d)	Effective weighted average no. of shares outstanding during the year (Refer Note 27.1 below)	195,618,129	195,618,129
e)	Basic/Diluted earning per share (₹ 1/- per share) (P. Y. Rs. 1/- per share)	0.32	0.81

Diluted Earning Per Share

(Rs Lakhs)

Sr. No	Particulars	March 31, 2022	March 31, 2021
a)	Net Profit for the year attributable to the equity shareholders	622.49	1,592.50
b)	Opening number of equity shares outstanding on diluted basis	195,618,129	195,618,129
c)	Closing Number of Equity shares outstanding on diluted basis	197,248,281	195,618,129
d)	Effective weighted average no. of shares outstanding during the year (Refer Note 28.1 & 28.2 below)	195,618,129	195,618,129
e)	Basic earning per share (₹ 1/- per share) (P. Y. Rs. 1/- per share)	0.32	0.81



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Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

- 28.1 The Company has issued and allotted 5,58,90,894/- equity shares of Re. 1/- each to eligible equity shareholders on the book closure date (i.e. 21st July, 2021) as fully paid up bonus equity shares by capitalizing reserves. The earning per share figures for the previous year have been restated to give effect of the allotment of the bonus shares, as required by IND-AS 33, 'Earning Per Share'. Accordingly the opening & closing no. of outstanding equity shares has been restated and consequently the EPS for the previous year has also been restated.
- 28.2 The Company has allotted share warrants for 65,20,606 equity shares of Re. 1/- each on a preferential basis at a price of Rs. 153.36 (including a premium of Rs. 152.36 per equity shares) on receipt of 25% of the issue price aggregating to Rs. 2,500 lakhs. On receipt of the balance 75% of the issue price within 12 months of date of allotment of the share warrants, each warrant will be converted into one equity share. Accordingly the diluted EPS for the year has been calculated considering the proportionate amount received against these share warrants.

Note 29 : Employee benefits

(a) Defined Contribution Plan

The Company makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. The Company has recognized Rs. 79,57,496/- towards Provident Fund and other fund contributions (March 31, 2021: Rs 79,65,283/-) in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Company are in accordance with rules framed by the Government from time to time.

(b) Defined Benefit Plans:

Gratuity

The employee's gratuity fund scheme managed by a trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

The estimated rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary. The expected rate on plan assets is determined considering several applicable factor, mainly the composition of plan assets held assessed risk, historical result of return on plan assets and the company's policy for plan assets management.

The Company has a defined benefit plan for every employee who has completed five year or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

The Company has a defined unfunded obligation for leave encashment. Generally the leave encashment is paid to employees as and when claimed.

Defined benefit plans 1 - as per actuarial valuation on 31st March, 2022

(Rs Lakhs)

Particulars	Funded Plan Gratuity	
	March 31, 2022	March 31, 2021
Service Cost		
Current Service Cost	9.44	10.09
Past service cost and (gains)/losses from settlements	-	-
Net interest expense	22.80	21.90
Components of defined benefit costs recognised in profit or loss	32.24	31.99
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	-	-
Actuarial gains and loss arising from changes in financial assumptions	-	-
Actuarial gains and loss arising from experience adjustments	3.08	(9.03)
Actuarial gains and loss arising from demographic adjustments	-	-
Components of defined benefit costs recognised in other comprehensive income	3.08	(9.03)
Total	35.33	22.96



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(Rs Lakhs)

Particulars	Funded Plan Gratuity	
	March 31, 2022	March 31, 2021
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	331.93	331.93
2. Fair value of plan assets as at 31st March	-	-
3. Surplus/(Deficit)	331.93	331.93
4. Current portion of the above	-	-
5. Non current portion of the above	-	-
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	331.93	317.85
2. Add/(Less) on account of Scheme of Arrangement/Business transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	9.44	10.09
- Past Service Cost	-	-
- Interest Expense (Income)	22.80	21.90
4. Recognised in Other Comprehensive Income	-	-
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	-
ii. Financial Assumptions	-	-
iii. Experience Adjustments	3.08	(9.03)
iv. (Gain)/Loss on Curtailments And Settlements	(10.00)	-
5. Benefit payments	(40.18)	(8.88)
6. Others (Specify)	-	-
7. Present value of defined benefit obligation at the end of the year	317.10	331.93
III. Change in fair value of assets during the year ended 31st March, 22		
1. Fair value of plan assets at the beginning of the year	-	-
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets	-	-
- Interest Income	-	-
4. Recognised in Other Comprehensive Income	-	-
Remeasurement gains / (losses)		
- Actual Return on plan assets in excess of the expected return	-	-
- Others (specify)	-	-
5. Contributions by employer (including benefit payments recoverable)	-	-
6. Benefit payments	-	-
7. Fair value of plan assets at the end of the year	-	-
IV. The Major categories of plan assets		
- List the plan assets by category here		
Insurance Fund	-	-
V. Actuarial assumptions		
1. Discount rate	6.87%	6.87%
2. Expected rate of return on plan assets NANA	-	-
3. Salary Increase Rate	4.00%	4.00%
4. Rate of Employee Turnover	2.00%	2.00%
5. Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
6. Mortality Rate After Employment	N.A.	N.A.



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Particulars	(Rs.Lakhs)	
	Funded Plan Gratuity	
	March 31, 2022	March 31, 2021
VI. Other Details		
1. No. of Active Members		
2. Per Month Salary For Active Members	191.00	187.00
3. Weighted Average Duration of the Projected Benefit Obligation	57.81	53.97
4. Average Expected Future Service	6.00	5.00
5. Projected Benefit Obligation (PBO)	15.00	15.00
6. Prescribed Contribution For Next Year (12 Months)	317.10	331.93
	57.81	53.97
VII. Net Interest Cost		
1. Interest Cost		
2. Interest Income	22.80	21.90
3. Net Interest Cost (1-2)	-	-
	22.80	21.90

Maturity Analysis of Projected Benefit Obligation: From the Employer

Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	142.66	168.58
2nd Following Year	5.29	14.57
3rd Following Year	30.26	9.51
4th Following Year	13.46	25.63
5th Following Year	29.08	25.17
Sum of Year 6 To 10	88.30	81.01
Sum of Year 11 and Above	168.22	158.53

Sensitivity Analysis

Projected Benefit Obligation on Current Assumptions	317.10	-	331.93
Delta Effect of +1% Change in Rate of Discounting	(7.94)	-	(11.48)
Delta Effect of -1% Change in Rate of Discounting	20.51	-	13.15
Delta Effect of +1% Change in Rate of Salary Increase	19.82	-	12.44
Delta Effect of -1% Change in Rate of Salary Increase	(7.58)	-	(11.07)
Delta Effect of +1% Change in Rate of Employee Turnover	9.43	-	3.60
Delta Effect of -1% Change in Rate of Employee Turnover	0.64	-	(4.07)

Sensitivity analysis for each significant actuarial assumption is required to be given, (illustration for medical inflation given below. Company needs to provide for others)



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A. Effect of change in the assumed discount rate	0.02% Decrease March 31, 2022	0.01% Increase March 31, 2021
Defined Benefit Obligation	6.87	6.87

(Rs. Lakhs)

VIII. Experience Adjustments :	Year Ended	
	March 31, 2022	March 31, 2021
	Gratuity	
1. Defined Benefit Obligation	(317.10)	(331.93)
2. Fair value of plan assets	-	-
3. Surplus/(Deficit)	(317.10)	(331.93)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	-	-
5. Experience adjustment on plan assets [Gain/(Loss)]	-	-

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Additional Details	
Methodology Adopted for ALM - Usefulness and Methodology adopted for Sensitivity Analysis - Stress Testing of Assets - Investment Strategy - Comment on Quality of Assets - Management Perspective of Future Contributions -	Projected Unit Credit Method Sensitivity analysis is an analysis which will give the movement in liability if the assumption were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis. Not Done Not Discussed Since investment is with insurance company, Assets are considered to be secured. As per Actuarial Calculation

Notes

- * Gratuity is payable as per company's scheme as detailed in the report.
- * Actuarial gains/losses are recognised in the period of occurrence under Other Comprehensive Income (OCI).
- * All above reported figures of OCI are gross of taxation.
- * Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.
- * Maturity Analysis of Projected Benefit Obligation is done considering future salary, attrition & death in respective year for members as mentioned above.
- * Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.
- * Value of asset provided by the client is considered as fair value of plan asset for the period of reporting as same is note valuated by us.

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Note 30 : Contingent liabilities and commitments (to the extent not provided for)

Particular	(Rs Lakhs)	
	March 31, 2022	March 31, 2021
(i) Contingent liabilities :		
(a) Bank Guarantees/ Letter of Credit	-	-
(b) Contingent Liabilities for Income Tax, Service Tax and others	-	-
- Income Tax Act 1961 (F.Y. 2013-14) #	-	-
- Employees Provident Fund and Miscellaneous Provisions Act 1952#	0.55	0.55
- Employees Provident Fund and Miscellaneous Provisions Act 1952#	58.77	58.77
- Employees Provident Fund and Miscellaneous Provisions Act 1952#	4.72	-
(ii) Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	813.33	2,000.27

#The Holding Company is subject to legal proceedings and claims which have arisen in the ordinary course of business from Direct tax laws (TDS), Indirect tax laws and Other Laws. Future cash outflow, if any in respect of these matters are determinable only on receipt of judgements /decisions pending at various stages before the appellate authorities. The Management is of the opinion that the matters would be resolved in favour of the Company. The Management of the Holding Company does not reasonably expect that these legal action when ultimately concluded and determined would have a material and adverse effect on the Group's results, operations or financial condition.

Note 31: Borrowing Costs

During the year, the Holding Company has capitalized Rs. 395.58 lakhs (P.Y. Rs 25.24 lakhs) as part of cost of qualifying CWIP as borrowing costs.

Note 32: Segment Information**32.1 Primary Segment**

An operating Segment is a component of the entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance for which discrete financial performance is available.

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the type of goods & services delivered or provided. The group is in the business of manufacturing of chemical intermediates, heavy organic chemicals and performance chemicals and manufacture of wireless network equipment and services.

The accounting policies of the operating segments are the same as the accounting policies disclosed in Note No. 2 to these consolidated financial statements. The revenues, total assets and net profit as per the Statement of Profit & Loss represent the revenue, total assets & net profit of both the operating segments. However, since the revenue, profits & total assets of one of these segments (manufacture of wireless network equipment & services) is less than 10% of the combined revenue, profits & assets of all the operating segments, disclosures as required by Ind-As 108, 'Operating Segments' are not given.

32.2 Secondary Segment

The Group's secondary segments are the geographic distribution of activities. Revenue & receivables are specified by location of customers while the other geographic information is specified by locations of assets/liabilities.

The Group has two geographical segments based upon location of its customers with and outside India.

Particular	(Rs Lakhs)	
	March 31, 2022	March 31, 2021
Revenue		
India	-	-
Outside India	4,431.15	4,255.56
Total	8,609.25	8,049.46
Assets (Trade Receivables)		
India	-	-
Outside India	597.53	677.72
Total	3,387.94	4,212.15
	4,985.45	4,889.87



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Other than above, the following assets of the Anuchem BVBA, Belgium are held outside India (Rs. Lakhs)

Particular	March 31, 2022	March 31, 2021
a) Inventories	642.93	517.45

32.3 Reporting of Customers contributing more than 10% of revenue

Particular	March 31, 2022	March 31, 2021
Total number of customer contributing 10 % of revenue each	3	2
Total Revenue From Above Customers	5,777.41	3,883.12

Note 33 : Significant estimates and assumptions

Estimates and Assumptions

The preparation of the Group's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amounts sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined Benefit Plans (Gratuity Benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Details about gratuity obligations are given in Note 30.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a



Sadhana Nitro Chem Limited

Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value target and the discount factor.

The Group has valued its financial instruments through profit & loss which involves significant judgements and estimates such as cash flows for the period for which the instrument is valid, EBITDA of investee company, fair value of share price of the investee company on meeting certain requirements as per the agreement, etc. The determination of the fair value is based on expected discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

Note 34 : Related Party Transaction**I) List of related parties****(A) Holding Company**

Manekchand Panachand Trading Investment Co. Private Limited

(B) Key Management Personnel & Board of Directors

i) Shri. Asit D. Javeri	Executive Chairman
ii) Shri. Anhishek A Javeri	Managing Director & Chief Financial Officer
iii) Smt. Seema A Javeri	Executive Director (Administration)
iv) Shri. Arvind R Doshi	Independent Director (Resigned w.e.f. 02.06.2021)
v) Shri. Priyam S Jhaveri	Independent Director
vi) Shri. Pradeep N Desai	Independent Director
vii) Shri. Amit M Mehta	Independent Director
viii) Smt. Ayesha S Patel	Additional Independent Director (w.e.f. 07.12.2020)
ix) Shri. Nitin R Jani	Company Secretary

(C) Associate Concerns / Companies under control / Significant influence of Key Managerial Personnel or the members of the Board of Directors

- i) Chandra Net Limited
- ii) Lifestyle Networks Limited
- iii) Pthalco Color & Chemicals (India) Limited
- iv) Nanavati Speciality Chemicals Private Limited
- v) Nanavati Sons Private Limited
- vi) Aayan Nanotech Private Limited
- vii) Tanishka Microencapsulation Private Limited
- viii) Trivo Enterprise LLP
- ix) PAE Limited
- x) Finogra (India) Private Limited
- xi) S. Amit Speciality Chemicals Private Limited
- xii) Perfo Chem (India) Private Limited
- xiii) S Amit & Co
- xiv) Chem Amt



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Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

ii) Disclosures in respect of material related party transactions during the year. (Rs. Lakhs)

	Particular	March 31, 2022	March 31, 2021
(A)	Remuneration paid / payable		
	i) Shri. Asit D Javeri	168.00	168.00
	ii) Shri. Abhishek A Javeri	168.00	168.00
	iii) Smt. Seema A Javeri	168.00	168.00
	iv) Shri. Nitin R Jari	92.80	92.80
(B)	Interest Paid		
	i) Shri. Asit D Javeri	59.53	13.92
	ii) Shri. Abhishek A Javeri	6.00	2.03
	iii) Smt. Seema A Javeri	19.65	2.55
(C)	Guarantee Commission paid / payable		
	i) Shri. Asit D Javeri	-	-
	ii) Shri. Abhishek A Javeri	-	-
(D)	Revenue from sale of goods		
	i) Aayan Nanotech Private Limited	268.47	267.00
	ii) Lifestyle Networks Ltd	4.77	13.27
(E)	Purchase Of goods		
	i) Aayan Nanotech Private Limited	151.20	245.00
(F)	Interest Income Receivable		
	i) PAE Limited	38.93	40.00
(G)	Director Sitting Fees		
	i) Shri. Arvind R Doshi	1.52	0.82
	ii) Shri. Priyam S Jhaveri	1.24	0.82
	iii) Shri. Pradeep N Desai	0.70	0.66
	iv) Shri. Amit M Mehta	1.30	0.30
(H)	Loan / Advances given during the year		
	i) Lifestyle Networks Limited (Capital Advance)	-	140.98
(I)	Loan / Advances repayment received during the year		
	i) PAE Limited	149.70	-
	ii) Lifestyle Networks Limited (Capital Advance)	148.59	-
(J)	Loan Repaid During the Year		
	i) Shri. Asit D Javeri	-	75.00
(K)	Loans received during the year		
	i) Shri. Asit D Javeri	495.75	197.50
	ii) Shri. Abhishek A Javeri	-	50.00
	iii) Smt. Seema A Javeri	127.00	66.00
(L)	Closing Balances - Debit/(Credit)		
	i) Shri. Asit D Javeri	(505.59)	(233.71)
	ii) Shri. Abhishek A Javeri	(56.48)	(51.88)
	iii) Smt. Seema A Javeri	(327.36)	(175.65)
	iv) Aayan Nanotech Private Limited	55.92	61.23
	v) PAE Limited	255.61	495.68
	vi) Lifestyle Networks Limited	26.93	171.05



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

Note 35: Disclosures as required under Schedule III to the Companies Act, 2013 with respect to Consolidated Financial Statements

Name of Entity	Net Assets = Total assets - Total Liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % Of Consolidated net Assets	Amount in Rs Lakhs	As % of Consolidated Profit/(Loss)	Amount in Rs Lakhs	As % Of Consolidated Other Comprehensive Income	Amount in Rs Lakhs	As % Of Consolidated Total Comprehensive Income	Amount in Rs Lakhs
Parent Company Sadhana Nitro Chem Ltd	106.79%	16,426.12	93.03%	579.13	100%	15.92	93.21%	595.05
Foreign Subsidiary Anudham BVBA	-0.62%	(94.94)	-18.93%	(117.83)	0%	-	18.46%	(117.83)
Indian Subsidiary Sodigo Net Pvt Ltd	-5.99%	(920.61)	-20.22%	(125.86)	0%	-	19.71%	(125.86)
Sub Total	100.18%	15,410.57	53.89%	335.44	100.00%	15.92	55.04%	351.36
Total Elimination	-0.19%	(29.41)	48.11%	297.05	0.00%	-	44.96%	287.05
Grand Total	100.00%	15,381.16	100.00%	622.49	100.00%	15.92	100.00%	638.41

Note 36 : Fair Value Measurement

(a) Financial Instrument by category

Particulars	(Rs Lakhs)	
	March 31, 2022	March 31, 2021
Financial Assets		
Measured at Amortised Cost		
- Trade Receivables		
- Cash and Cash Equivalents	4,085.48	4,889.88
- Bank Balance other than Cash and Cash Equivalents	633.36	1,034.99
- Other Financial Assets	186.40	19.42
- Loans	660.40	525.72
Measured at Fair Value through Profit & Loss	287.06	428.65
Measured at Fair Value through other comprehensive income		
- Investment - Non-current		
- Investment - Current	663.32	638.94
Financial Liabilities		
Measured at Amortised Cost		
- Borrowings	10,557.59	8,321.33
- Trade Payables	4,423.80	2,587.93
- Lease Liabilities	1,075.25	405.71
- Other Financial Liabilities	904.42	715.20

(b) Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair value are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transaction in the same instrument nor are they based on available market data.

The investments included in level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within the range.

The Following table summarises fair value hierarchy of financial assets measured at fair value on recurring basis

As at March 31, 2022	Level 1	Level 2	Level 3
Measured at Fair Value through Profit & Loss			
Measured at Fair Value through other comprehensive income			
- Investment - Non-current	663.32	-	-
- Investment - Current	-	-	-

As at March 31, 2021	Level 1	Level 2	Level 3
Measured at Fair Value through Profit & Loss			
Measured at Fair Value through other comprehensive income			
- Investment - Non-current	638.97	-	-
- Investment - Current	-	-	-

Note 37 : Impact of Covid-19

The outbreak of Coronavirus (Covid-19) pandemic globally & in India has caused significant disruption and slowdown of economic activities throughout the world and has impacted the operation of the Group's business during the year, by way of interruption in production, supply chain disturbance, unavailability of personnel, the reduction in capacity of production facilities, etc.

The Group, on the basis of internal assessment, believes that the pandemic is not likely to impact the carrying value of its assets. Further the probability of the occurrence of their forecasted transactions is not likely to be severely impacted by the emerging waves of the COVID-19 pandemic. The Group continues to closely monitor the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from estimates made as of the date of approval of these Consolidated Financial Statements.

Note 38: Details of Benami Property held

No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.

Note 39: Willful Defaulter

None of the companies in the Group have been declared willful defaulter by any bank or financial institution or any other lender during the year.

Note 40: Relationship with Struck Off Companies

The Group does not have any transactions or balances with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the year and the previous year.

Note 41: Compliance with number of layers of companies

All the companies in the group are in compliance with the relevant provisions of the Companies Act, 2013 with respect to 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.

Note 42: Utilisation of Borrowed Funds and Share Premium under Rule 11(e)

No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries").

No funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties").

Note 43: The companies in the Group do not have any transactions not recorded in books of accounts that has been surrendered or disclosed as income during the year and previous year in the tax assessments under the Income Tax Act, 1961.

Note 44: The Group has not traded or invested in any crypto currency or virtual currency during the year and previous year.

Note 45: There has been no fraud by or on any company within the Group during the year and previous year.

Note 46: Compliance with approved Scheme(s) of Arrangements

The Company had filed applications with the jurisdictional National Company Law Tribunals (NCLT) for the scheme of merger (by absorption) of its wholly owned subsidiary, Spidigo Net Private Limited, during the financial year 2020-21. The application for the subsidiary company was filed before the Ahmedabad bench of NCLT, within whose jurisdiction the registered office of the subsidiary was located. The final order for merger was delivered by the Ahmedabad bench of the NCLT on 24th November, 2021. However, the matter is still pending for disposal of the final order before the Mumbai Bench of the NCLT, under whose jurisdiction the registered office of the company is situated. Accordingly no impact for the scheme of merger as approved by the NCLT, Ahmedabad bench, has been given in these financials pending the approval by the Mumbai bench.

Note 47: Dividend

Dividends declared by the companies in the Group are based on the profits available for distribution. The Board of Directors of the Holding Company have proposed a final dividend of 15% i.e. Rs. 0.15 (Previous year NIL) per equity share amounting to Rs. 2,93,42,719/- for the year 2021-22 (Previous year NIL) after the balance sheet date, subject to the approval of shareholders at the ensuing Annual General Meeting of the Holding Company and therefore, the proposed final dividend has not been recognised as the liability as at the balance sheet date in line with Ind AS 10 on 'Events after the reporting period'.

Note 48: Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Note 49: Events Occuring after the balance sheet date

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization.

Note 50: Previous Year Figures

Previous year's figures have been regrouped, rearranged & reclassified where ever considered necessary.

<p>For Jayesh Dadia & Associates LLP Chartered Accountants Firm Registration Number : 121142W/W100122</p>	<p>For and on behalf of the Board of Directors</p>	
<p>Jayesh Dadia Partner Membership Number : 033973</p>	<p>Asit D Javeri Executive Chairman</p>	<p>Priyam S Jhaveri Director</p>
<p>Place : Mumbai Date : 24th May 2022</p>	<p>Abhishek A Javeri Managing Director</p>	<p>Nitin R Jani Company Secretary</p>
	<p>Smt. Seema A Javeri Executive Director Administration</p>	<p>Rakesh Kothari Chief Financial Officer</p>



Spidigo Net Pvt. Ltd.
Balance Sheet as at 31st March, 2022

(Rs. Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	153.68	190.04
(b) Capital work-in-progress		-	-
(c) Financial Assets	3	0.55	0.55
(i) Loans	4	17.38	10.28
(d) Defered Tax Asset (net)			
		171.61	200.87
Current assets			
(a) Financial Assets	5	1.58	1.59
(i) Cash and Bank Balances	6	0.14	0.14
(ii) Other Financial Assets	7	18.09	18.10
(b) Other current assets			
		19.81	19.83
		191.42	220.70
Total Assets			
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	8	1.00	1.00
(b) Other Equity	9	(921.61)	(795.75)
		(920.61)	(794.75)
LIABILITIES			
Non-current liabilities			
(a) Provisions	10A	-	-
(b) Financial Liabilities	11	977.38	877.68
(i) Borrowings			
		977.38	877.68
Current liabilities			
(a) Financial Liabilities	11B		
(i) Borrowings			
(ii) Trade payables			
I. Due to Micro, Small and Medium Enterprises	12	39.43	39.43
II. Due to Others	10B	7.50	7.50
(b) Provisions	13	87.72	90.84
(c) Other current liabilities			
		134.65	137.77
		191.42	220.70
Total Equity and Liabilities			

The accompanying notes are an integral part of the Standalone Financial Statements. (Refer Notes 1-18)

For and on behalf of the Board of Directors
of Spidigo Net Private Limited

Abhishek Javeri
Director
DIN : 00273030

Seema Javeri
Director
DIN : 01768936



Spidigo Net Pvt. Ltd.
Statement of Profit and Loss for the period 31st March, 2022

(Rs Lakhs)

Particulars		Note No.	For the period ended March 31, 2022	For the period ended March 31, 2021
(i)	Revenue from operations	14	-	4.46
(ii)	Other Income	15	5.02	135.81
(iii)	Total Income (i + ii)		5.02	140.27
(iv)	EXPENSES			
	(a) Finance costs	16	93.59	66.43
	(b) Depreciation	2	35.36	44.68
	(c) Other expenses	17	1.45	4.84
	Total Expenses (iv)		131.40	115.95
(v)	Profit/(loss) before exceptional items and tax (iii - iv)			
(vi)	Exceptional Items		(126.38)	24.32
(vii)	Profit/(loss) before tax (v - vi)		(126.38)	24.32
(viii)	Tax Expense			
	(1) Current tax/ Short Tax		-	7.50
	(2) Short Tax		-	0.52
	(3) Deferred tax		(0.52)	(0.90)
	Total tax expense		(0.52)	7.12
(ix)	Profit/(loss) for the period (vii - viii)		(125.86)	17.20
(x)	Other Comprehensive Income			
	(i) Items that will not be re-classified subsequently to profit or loss		-	-
	Re-measurement on defined benefit plans		-	-
	Income Tax effect		-	-
	(ii) Items that will be re-classified subsequently to profit or loss		-	-
	Exchange differences in translating financial statements of a foreign operation		-	-
	Income Tax effect		-	-
(xi)	Total of Other Comprehensive Income (i) + (ii)		-	-
(xii)	Total Comprehensive Income (ix + xi)		(125.86)	17.20
(xiii)	Earnings per equity share (Rs)	18		
	(1) Basic		(1.259)	172
	(2) Diluted		(1.259)	172

The accompanying notes are an integral part of the Standalone Financial Statements. (Refer Notes 1-18)

For and on behalf of the Board of Directors
of Spidigo Net Private Limited

Abhishek Javeri
Director
DIN : 00273030

Seema Javeri
Director
DIN : 01768936



Spidigo Net Pvt. Ltd.
Cash Flow Statement for the year ended March 31, 2022

(Rs.Lakhs)

Particulars	March 31, 2022		March 31, 2021	
A. Cash flow from operating activities				
Profit before tax		(126.38)		24.32
Adjustments for:				
Depreciation and amortisation expenses	36.36		44.68	
Loss on Sale of Fixed Assets	-		(0.06)	
Interest Income	(0.02)		(3.64)	
Provision for Doubtful Advances / (Reversed)	(5.00)		(132.11)	
Sundry Liabilities written back	-		1.59	
Sundry Balances Written off	-		66.43	
Interest Expenses	93.60			
		124.94		(23.11)
Operating profit / (loss) before working capital changes		(1.44)		1.21
Changes in working capital:				
Loans and Other Financial Assets	-		(4.27)	
Trade Payables & Other Financial Liabilities & Provisions	1.88		(6.99)	
		1.88		(11.25)
Cash generated from operations		0.44		(10.04)
a. Direct Taxes (Paid)		(6.57)		(3.24)
Net cash flow from / (used in) operating activities (A)		(6.13)		(13.28)
B. Cash flow from / (used in) investing activities				
a. Interest Income	0.02		0.18	
b. Redemption of Fixed Deposits				
		0.02		0.18
Net cash flow from / (used in) investing activities (B)		0.02		0.18
C. Cash flow from / (used in) financing activities				
a. Secured Borrowings -Net of Repayment			13.11	
b. Unsecured Borrowings -Net of Repayment	99.70			
c. Interest Paid	(93.59)			
		6.10		13.11
Net cash flow from / (used in) financing activities (C)		6.10		13.11
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(0.01)		0.02
Cash and cash equivalents at the beginning of the year		0.59		0.57
Cash and cash equivalents at the end of the year		0.58		0.59

Notes:

Figures in brackets represent outflows

The accompanying notes are an integral part of the Standalone Financial Statements. (Refer Notes 1-18)

For and on behalf of the Board of Directors
of Spidigo Net Private Limited

Abhishek Javeri
Director
DIN : 00273030

Seema Javeri
Director
DIN : 01768936



Spidigo Net Pvt. Ltd.

Notes to Standalone financial statements for the year ended 31st March, 2022

1. CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES:**I. CORPORATE INFORMATION:**

The Company was incorporated on March 22, 2016. The Company is engaged in Internet Service Providing Services. As on 31st March, 2022 Sadhana Nitrochem Limited, holding company owned 100% of the company's equity share capital. The Company's registered office is located at Ahmedabad, Gujarat India and service facility is located at Ahmedabad, Surat and various locations in Gujarat India.

II. SIGNIFICANT ACCOUNTING POLICIES:

- (A) Statement of Compliance** The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the "Act") and other relevant provisions of the Act.

These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual report date, 30th September 2020. These standalone financial statements were authorized for issuance by the Company's Board of Directors.

- (B) Basis of Preparation of Financial Statements** These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price which that would be received or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- (C) Use of estimate** The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.
- Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax liabilities and provisions and contingent liabilities.

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 reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under in point no. (I).

Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to unwinding of discount over passage of time is recognized as finance cost. Provisions are reviewed at the each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a



contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and 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 the 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 not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The Company has obtained independent fair valuation for financial instruments wherever necessary to determine the appropriate valuation techniques and inputs for fair value measurements. In some cases the fair value of financial instruments is done internally by the management of the Company using market-observable inputs.

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. The qualified external valuers establish the appropriate valuation techniques and inputs to the model. The external valuers report to the management of the Company their findings for every reporting period to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 22B.

(D) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

i. Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

ii. Rendering of Services

Revenue from service transactions is recognised as the service is performed by the completed service contract method.

- Performance consists of the execution of a single act. Alternatively, services are performed in more than a single act, and the services yet to be performed are so significant in relation to the transaction taken as a whole that performance cannot be deemed to have been completed until the execution of those acts. The completed service contract method is relevant to these patterns of performance and accordingly revenue is recognised when the sole or final act takes place and the service becomes chargeable.

Revenue from sales and operation excludes Excise Duty, Sales Tax, Value Added Tax & GST

iii. Other Income

- a. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**(E) Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

(F) Foreign Currency

The functional currency of the Company is Indian rupee.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

(G) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(H) Employee benefits**(1) Defined Contribution Plan:**

Payments to defined contribution retirement benefit schemes viz. Company's Provident Fund Scheme and Superannuation Fund are recognised as an expense when the employees have rendered the service entitling them to the contribution.

**(I) Taxation**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

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

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

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 recognised 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 the asset will be realised. The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

(J) Property, Plant and Equipment

Property, plant and equipment held for use in production or supply of goods or services or for administrative purposes are stated at cost less accumulated depreciation/amortization less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

Depreciation is recognized on Property plant & equipment including non factory building furniture fixtures & vehicles (other than on capital work-in-progress) under WDV Method at the rates prescribed under Schedule II of Companies Act, 2013. Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement. The estimated useful lives of assets are stated below:

* Estimated useful life of assets consistent with the useful life specified in the Schedule II of the Companies Act, 2013

The economic useful lives of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated



technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part. Freehold land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss.

For transition to IND AS the company has elected to continue with the carrying value of all its property plant and equipment recognised as on 1st April 2016 transition date measured as per previous GAAP and used that carrying value as its deemed cost as of the transition date.

(K) Intangible Assets

Company has no intangible assets during the year.

(L) Impairment

Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction.

For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(M) Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net of direct issue cost.

Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(N) Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

(P) Current/Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within 12 months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period
- Current liabilities include the current portion of long term financial liabilities.



The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

(Q) Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from other equity, net of any tax effects.

(R) Fair Value Measurement

Fair value is the price that would be received from the sale of 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 an asset or transfer the liability takes place either:

- in the principle market for the asset or liability
- in the absence of principle market, in the most advantageous market for the asset or liability.

The principle or the most advantageous market must be accessible by the Company.

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

The 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 incidental 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Determination of Fair Value

1) Financial Assets - Debt Instruments at amortized cost.

After initial measurement the financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR.

2) Financial Assets - Debt Instruments at Fair Value through Other Comprehensive Income (FVTOCI)

Measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L.



3) Debt instruments, derivatives and equity instruments at Fair Value through Profit or Loss (FVTPL).

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

4) Financial Liabilities -

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit & loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Companies financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Fair value through Profit & Loss

Financial liabilities at fair value through profit & loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. All changes in fair value of such liabilities are recognized in statement of profit or loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the statement of profit and loss.



Spidigo Net Pvt. Ltd.
Statement of Change in Equity for the year ended March 31, 2022

A. Equity Share Capital

Particulars	(Rs. Lakhs)		
	Opening Balance	Changes during the year	Closing Balance
As at 31st March, 2022	1.00	-	1.00
As at 31st March, 2021	1.00	-	1.00

B. Other Equity

Particulars	(Rs. Lakhs)		
	Reserves and Surplus (Retained Earnings)	Other comprehensive income	Total
Balance as at 1st April, 2020	(824.71)	11.76	(812.95)
Addition during the year	17.20	-	17.20
Surplus in the Statement of Profit and loss	-	-	-
Balance as at 31st March, 2021	(807.51)	11.76	(795.75)
Balance as at 1st April, 2021	(807.51)	11.76	(795.75)
Addition during the year	(125.86)	-	(125.86)
Surplus in the Statement of Profit and loss	-	-	-
Balance as at 31st March, 2022	(933.37)	11.76	(921.61)

For and on behalf of the Board of Directors
of Spidigo Net Private Limited

Abhishek Javeri
Director
DIN : 00273030

Seema Javeri
Director
DIN : 01768936

Spidigo Net Pvt. Ltd.
Notes forming part of the financial statements for the year ended 31st March, 2022

(Rs. Lakhs)

Particulars	Gross Block			Depreciation			Net Block	
	As at 01.04.2021	Additions during the year during the year	Deductions during the year during the year	As at 31.03.2022	Additions during the year during the year	Deductions during the year during the year	As at 31.03.2022	As at 31.03.2021
Plant and Equipment	438.85	-	-	438.85	35.23	-	285.68	184.40
Furnitures & Fixtures	17.89	-	-	17.82	1.06	-	14.88	3.01
Office Equipment	3.16	-	-	3.16	0.07	-	2.98	0.25
Computer	26.50	-	-	26.50	-	-	25.18	1.32
Total	486.40	-	-	486.40	36.36	-	332.72	190.04
Previous year as at March 31, 2021	486.40	-	-	486.40	44.68	-	296.36	234.72

Particulars	Gross Block			Depreciation			Net Block	
	As at 01.04.2020	Additions during the year during the year	Deductions during the year during the year	As at 31.03.2021	Additions during the year during the year	Deductions during the year during the year	As at 31.03.2021	As at 31.03.2020
Plant and Equipment	438.85	-	-	438.85	43.02	-	264.45	227.42
Furnitures & Fixtures	17.89	-	-	17.89	1.42	-	13.82	4.07
Office Equipment	3.16	-	-	3.16	0.21	-	2.91	0.25
Computer	26.50	-	-	26.50	0.03	-	25.18	1.35
Total	486.40	-	-	486.40	44.68	-	296.36	234.72
Previous year as at March 31, 2020	486.40	-	-	486.40	55.23	-	251.68	289.96



Spidigo Net Pvt. Ltd.

Notes forming part of the financial statements for the year ended 31st March, 2022

Note 3: Loans

Particulars	(Rs Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Non Current Loans (Unsecured Considered Good, unless otherwise stated)		
Security Deposits	0.55	0.55
Total	0.55	0.55

Note 4: Deferred Tax Asset (Net)

Particulars	(Rs Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Deferred Tax Asset		
Employee Benefit obligations	10.81	10.28
On Account of Depreciation	-	-
Other disallowable expenses	6.57	-
Others	17.38	10.28
Items that will not be re-classified subsequently		
Re-measurement on defined benefit plans	-	-
Net Deferred Tax Liability/(Asset)		
Deferred Tax Asset	17.38	10.28

Footnote:

Deferred tax asset on unabsorbed depreciation as per the Income Tax Act, 1961 has been recognised, since it is probable that taxable profit will be available to adjust them in the future years. Unabsorbed depreciation which forms major portion of the Deferred Tax Asset can be carried forward and set off against the profits for unlimited number of years under the Indian Income Tax Act, 1961 and profitability projections based on current margins show sufficient profits for set-off in future.

Note 5: Cash and Bank Balances

Particulars	(Rs Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Cash & Cash Equivalents		
Cash in hand	-	-
Balance with bank in current account	0.58	0.59
Other Bank Balances		
Fixed Deposit under lien against bank guarantee	1.00	1.00
Total	1.58	1.59

Note 6: Other Financial Assets

Particulars	(Rs Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Other Current Financial Assets		
Advance to Suppliers	-	-
Prepaid Expenses	-	-
Advance to Employees	-	-
Bank FD Interest Accrued	0.14	0.14
Total	0.14	0.14
Unsecured, Considered Doubtful:		
Advance recoverable in Cash or Kind	347.77	352.77
Less: Provision for doubtful advances	(347.77)	(352.77)
Total	0.14	0.14



Spidigo Net Pvt. Ltd.
Notes forming part of the financial statements for the year ended 31st March, 2022

Note 7: Other Asstes (Rs Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Current Asstes (Unsecured Considered Good, unless otherwise stated)		
Balance with Statutory Authorities	11.59	11.59
Deposit With Court	6.50	6.50
Total	18.09	18.09

Note 8: Equity Share Capital (Rs Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Capital: 10,000 Equity Shares of Rs 10/- each (March 31, 2020: 10,000 Equity Shares of Rs 10/- each)	1.00	1.00
	1.00	1.00
Issued Subscribed & Paid up: 10,000 Equity Shares of Rs.10/- each fully paid 30th September, 2020	1.00	1.00
Total	1.00	1.00

Footnotes :

(i) The company has only one class of equity shares having at par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to number of shares held by share holder.

(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2022		As at March 31, 2021	
	Equity Share			
	No. of Shares	Amount (Rs Lakhs)	No. of Shares	Amount (Rs Lakhs)
Equity				
No of shares outstanding at the beginning of the year	10,000	1.00	10,000	1.00
Add: Additional shares issued during the year year	-	-	-	-
Less: Shares forfeited/Bought back during the year	-	-	-	-
No of shares outstanding at the end of the year	10,000	1.00	10,000	1.00

(iii) Equity Shares in the entity held by holding company:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Seema Asit Javeri	-	-	-	-
Ami Abhishek Javeri	9,999	100%	9,999	100%
Sadhana Nitro Chem Ltd	-	-	-	-
Abhishek Javeri as a Nominee of Sadhana Nitro Chem Ltd	1	0%	1	0%



Spidigo Net Pvt. Ltd.
Notes forming part of the financial statements for the year ended 31st March, 2022

Note 9: Other Equity

(Rs. Lakhs)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
i	Retained Earnings		
	Opening balance	(807.51)	(824.71)
	Add: Profit / (Loss) for the year	(125.86)	17.20
	Closing Balance	(933.37)	(807.51)
ii	Other Comprehensive Income (OCI)		
	Opening Balance	11.76	11.76
	Add: Movement in OCI (Net) during the year		
	Closing Balance	11.76	11.76
	Total	(921.61)	(795.75)

Note 10: Provisions

(Rs. Lakhs)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
A	Non Current		
	Employee Benefit Obligations (i) Gratuity	-	-
	Total	-	-
B	Current		
	Employee Benefit Obligations (i) Gratuity (Refer Note No. 19) Provision for Income Tax	7.50	7.50
	Total	7.50	7.50

Note 11: Borrowings

(Rs. Lakhs)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Non-Current Term Borrowings Inter Corporate Deposit [Refer Footnote (i)]	977.38	877.68
	Total	977.38	877.68

Note 12: Trade Payables

(Rs. Lakhs)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
	Micro and Small Enterprises (Refer Note A) Others	39.43	39.43
	Total	39.43	39.43

Note 12A: There is no amount due from any of the Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006".



Spidigo Net Pvt. Ltd.
Notes forming part of the financial statements for the year ended 31st March, 2022

Note 13: Other Liabilities (Rs Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Current Liabilities		
Statutory Dues	59.30	62.42
Advance From Customer	-	-
Deposit from Customer	-	-
Payable to Employees	25.93	25.93
Other Provision	2.49	2.49
Total	87.72	90.84

Note 14: Revenue from Operations (Rs Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Sales		
(a) Internet Service Sale	-	4.46
(b) Traded Goods	-	-
Total	-	4.46

Note 15: Other Income (Rs Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Income		
FD Interest Income	0.02	0.06
Balance Write Back	-	132.11
Provision for doubtful advance	5.00	3.64
Total	5.02	135.81

Note 16: Finance Cost (Rs Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest expense on term loans and other financial liabilities		
Bank Commission and Other Interest Charges	92.15	66.43
	1.44	-
Total	93.59	66.43

Note 17: Other Expenses (Rs Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Exp		
Rate & Taxes	-	2.38
Sundry Balances W/off	1.44	0.12
Audit Fees [1]	-	1.58
	-	0.75
Total	1.44	4.83



Spidigo Net Pvt. Ltd.
Notes forming part of the financial statements for the year ended 31st March, 2022

Note 18: Earning Per Share

Particulars	(Rs. Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Profit after tax attributable to Shareholders	(125.85)	17.20
Weighted average number of Equity Shares	0.10	0.10
Nominal value of equity share	0.00	0.00
Basic EPS	(1,258.55)	172.00

For and on behalf of the Board of Directors
of Spidigo Net Private Limited

Abhishek Javeri
Director
DIN : 00273030

Seema Javeri
Director
DIN : 01768936

**DIRECTOR'S REPORT**

The Directors of Anuchem BV are pleased to submit herewith the annual report and Audited statement of accounts for the year ended 31st December 2021

Review of business:

The principal activities of the company continued to be marketing of Chemicals. The Turnover during the year was EUR 3.303.142,86 (2020 - EUR 976.141,69). The Loss for the Year as at EUR 4320,80 (2020 Loss for the Year as at - EUR 28.438,44)

The directors opined that, barring unforeseen circumstances the performance of company is expected to improve in the current financial year.

DIVIDEND :

The directors have decided that there will be a no dividend for the year 2021.

AUDITORS :

The auditors, Mr Luc Verreyken of Agiver BV, accountantskantoor have expressed their willingness to continue as Auditors and the Directors will place a resolution before the general meeting for their re-appointment.

On behalf of board


A.D. Javeri
Director

Antwerpen, 27 April 2022

AUDITORS REPORT

AGIVER BV ACCOUNTANTSKANTOOR
BISSCHOPPENHOFLAAN 588
2100 DEURNE
REG. N° 4755 2N 53

To the shareholders of Anuchem BV :

I have audited the balance sheet of Anuchem BV as at 31st December 2021 and the related Profit and loss account which have been prepared on the basis of accounting policies stipulated under Chapter II of the royal decree of 8th October 1976.

The said accounting policies have not been altered in relation to the previous financial year. The profit and loss account is not being majorly influenced by yields and costs that have to be ascribed to the previous financial year.

I have conducted my audit in accordance with the auditing standards issued by IAB Accountants organisation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the companies circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also considered the overall adequacy of the presentation of information in the financial statement.

In my opinion the financial statement give a true and fair view of the state of affairs of the company at 31st December, 2021 and of the profit or Loss for the year then ended and have been properly prepared in accordance with the requirement of the Belgium Company law.

Antwerpen, 27 April 2022

For Agiver Bv
Luc Verreyken
Reg. N°. 4755 2N 53





**ANNUAL STATEMENT OF ACCOUNTS OF ANUCHEM BVBA
BALANCE SHEET AFTER DISTRIBUTION OF PROFIT**

As at 31-dec-2021

	2021 (currency : Euro)	2020 (currency : Euro)
LIABILITIES		
1) Shareholder's Funds		
a) Share Capital - issued Capital	18.750,00	18.750,00
b) Reserves :		
i) Legal reserve	1.875,00	1.875,00
ii) Profit and loss Account	22023,69	26.344,43
	<u>23898,69</u>	<u>28.219,43</u>
2) Current Liabilities		
a) Trade Payables	2.098.080,59	2.370.300,41
b) Services	6.254,75	5.977,64
c) Dividend Payable	5.625,00	5.625,00
	<u>2.109.960,34</u>	<u>2.381.903,05</u>
TOTAL OF LIABILITIES	<u>2.152.609,03</u>	<u>2.428.872,54</u>
ASSETS		
1) Non-current assets		
a) Fixed Assets		
Fixed Assets (gross)	1.830,97	1.830,97
Less - depreciation	<u>(1830,97)</u>	<u>(1830,97)</u>
	0,00	0,00
2) Current Assets		
a) Inventories	169.379,47	2.269.765,63
b) Receivables		
i) Trade receivables	1.877.005,37	61.376,38
ii) Advances to supplier	95.517,53	89.066,09
iii) Vat receivables	614,68	1.230,38
	<u>1.973.137,68</u>	<u>150.674,85</u>
3) Liquid resources	10.092,08	8.432,06
TOTAL OF ASSETS	<u>2.152.609,03</u>	<u>2.428.872,54</u>

AGIVER BVBA
Accountantskantoor
Reg nr 4755 24 53

Antwerp, 22 April 2022



**ANNUAL STATEMENT OF ACCOUNTS OF ANUCHEM BVBA
PROFIT AND LOSS ACCOUNT**

As at 31-dec-2021

	2021 (currency : Euro)	2020 (currency : Euro)
INCOME :		
Turnover	3 303 142,86	978 141,69
Interest received	697,16	31,72
Increase/decrease in closing stock	(2285021,62)	51383,88
Income(loss) on exchange fluctuation	123049,16	6985,37
	<u>1 141 867,56</u>	<u>1 036 542,66</u>
EXPENSES :		
Purchases	1 040 921,55	962 089,63
Clearing on forwarding charges	96 846,19	73 599,97
Travelling and administrative expenses	5 415,26	5 854,45
Local Taxes	969,00	968,00
Financial expenses	2 045,88	2 459,53
	<u>1 146 197,88</u>	<u>1 064 971,58</u>
PROFIT(LOSS) BEFORE TAXATION :	(4330,32)	(28428,92)
Less : Provision tax for the year	(9,52)	9,52
PROFIT(LOSS) AFTER TAX	(4320,80)	(28438,44)
Add : Carried over profit(loss) of last year	26344,49	54782,93
Less 1) Payment for dividend	0,00	0,00
profit(loss) to be carried over	22023,69	26344,49

AGIVER BVBA
Accountants Antwerp
Reg nr 4755 2N 53
Antwerp, 27 April 2022



NOTES ON ANNUAL STATEMENT OF ACCOUNT OF ANUCHEM BV FOR 2021

1) ACCOUNTING POLICIES:

The Principal accounting policies adopted by the company are as follows:

a) BASIS OF ACCOUNTING:

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standard.

b) STOCKS:

Stocks are valued at lower of cost or net realisable value.

c) CURRENCIES:

This accounts have been prepared in Euro (€)

d) FOREIGN CURRENCIES:

Revenue transactions in foreign currencies are translated in Euro at the exchange rate prevailing on the date of transaction.

At the end of the financial year the Assets and liabilities expressed in foreign currencies are translated in to Euro at the rate of exchange ruling at the end of financial year.

e) DEPRECIATION

Depreciation on Fixed assets is at the rate of 20% per annum on straight line basis.

f) TAXATION:

Tax payable is provided on taxable profit at the current tax rate.

2) SHARE CAPITAL

Authorised, allotted and fully paid-up: 700 shares of € 25.00 Euro each.

3) RECIEVABLES (due within one year)

	More than 6 Months		Others	
	2021	2020	2021	2020
a) Trade receivable	1.847.182,37	0,00	29.823,00	396.207,92
b) Advance to supplier	0,00	0,00	95.517,53	193.018,47
c) Vat receivable	-	-	614,58	583,85
	<u>1.847.182,37</u>	<u>-</u>	<u>125.955,11</u>	<u>589.810,24</u>

4) SUPPLIERS (due within one year)

	More than 6 Months		Others	
	2021	2020	2021	2020
a) For Purchases	2.098.080,59	2.010.199,91	0,00	360.190,80
b) For services	-	-	6.254,75	5.977,94
	<u>2.098.080,59</u>	<u>-</u>	<u>6.254,75</u>	<u>366.168,74</u>

AGIVER BV
Accountantskantoor
Reg nr 4758 2N 53

Antwerp, 27 April 2022

Verschueren Ronny
Director

Verschueren Luc
Auditor



NOTES ON ANNUAL STATEMENT OF ACCOUNT OF ANUCHEM BV FOR 2021

<u>TRAVELLING AND AMINISTRATIVE EXPENSES</u>	2021	2020
Fees & professional charges	5.342,26	5.781,95
Register and publication costs	73,00	72,50
Other business expenses	0,00	0,00
	<u>5.415,26</u>	<u>5.854,45</u>
 <u>CLEARING AND FORWARDING CHARGES</u>		
Freight sales	41.202,50	35.965,10
Freight purchase/storage	35.074,52	14.225,45
Freight insurance	8.569,17	10.407,42
Fee for bookkeeping	12.000,00	12.000,00
	<u>96.846,19</u>	<u>73.598,97</u>
 <u>LOCAL TAXES</u>		
Local taxes	969,00	968,00
	<u>969,00</u>	<u>968,00</u>
 <u>FINANCIAL EXPENSES</u>		
Interests	8,16	17,21
Bankcharges	2.037,72	2.442,32
Factoring fee + subscription	0,00	0,00
Interests on Factoring	0,00	0,00
Difference in payments	0,00	0,00
	<u>2.045,88</u>	<u>2.459,53</u>
 <u>LIQUID RESOURCES</u>		
Belfus (Usd)	1.789,62	893,40
Belfus (Euro) + Deposit factoring	8.302,46	7.538,57
	<u>10.092,08</u>	<u>8.432,06</u>
Cash Balance	0,00	0,00
	<u>10.092,08</u>	<u>8.432,06</u>

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Reg nr 4755,2N 53

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Verschaeren Ronny
Director

Verreyken Luc
Auditor



If undelivered please return to:
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