Preliminary Placement Document
Subject to Completion
Not for circulation
Private and confidential
Serial No.____

EPIGRAL LIMITED

(formerly known as Meghmani Finechem Limited)

Epigral Limited ("**Company**") was originally incorporated as "*Meghmani Finechem Limited*" on September 11, 2007 at Gujarat, Ahmedabad as a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Our Company obtained a certificate of commencement of business on September 17, 2007, issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The name of our Company was changed to "*Epigral Limited*" as approved by our Shareholders by way of a resolution dated July 27, 2023, passed by way of postal ballot and a fresh certificate of incorporation pursuant to change of name dated August 4, 2023 was issued by the Registrar of Companies, Gujarat at Ahmedabad ("**RoC**"). For further details, please see the section entitled "*General Information*" on page 246.

Registered and Corporate Office: 'Epigral Tower', 5th, 6th and 7th floor, Behind Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad - 380 015, Gujarat, India.
Telephone: +91-79-29709606; **Website:** www.epigral.com; **Email:** info@epigral.com;

Corporate Identity Number: L24100GJ2007PLC051717

Issue of up to [●] equity shares of face value ₹10 each (the "**Equity Shares**") at a price of ₹[●] per Equity Share (the "**Issue Price**"), including a premium of ₹[●] per Equity Share, aggregating up to ₹[●] crores (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 35.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER.

Our Company's Equity Shares are listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**", together with NSE, the "**Stock Exchanges**"). The closing prices of the outstanding Equity Shares on BSE and NSE as on October 18, 2024 was ₹ 2,214.50 and ₹ 2,214.15 per Equity Share, respectively. Our Company has received in- principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to the Issue, from BSE and NSE each on October 21, 2024. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED BELOW) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS ("QIBs"). YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "*RISK FACTORS*" BEGINNING ON PAGE 47 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT OWN ADVISORS.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereafter)) has been delivered to the Stock Exchanges and a copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as prescribed under the Companies Act and the PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "*Issue Procedure*" beginning on page 202. The distribution of this Preliminary Placement Document or the disclosure of its contents without our Company's prior consent to any person, other than Eligible QIBs to whom this Preliminary Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

Except for this Preliminary Placement Document, the information on the websites of our Company, Subsidiary and its Associate, or any other website directly or indirectly linked to the websites of our Company, Subsidiary, or the website of the Book Running Lead Manager (as defined hereinafter) or its affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such website.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see "*Selling Restrictions*" on page 220. Also see, "*Transfer Restrictions*" on page 224 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

This Preliminary Placement Document is dated October 21, 2024

Book Running Lead Manager

EMKAY GLOBAL FINANCIAL SERVICES LIMITED

The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations, on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. It is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be issued through the Placement Document.

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company and the Equity Shares, which is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company and the Equity Shares are, in all material respects, true and accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on reasonable assumptions and information presently available to us. There are no other facts in relation to our Company and the Equity Shares to be issued pursuant to the Issue, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by us to ascertain such facts and to verify the accuracy of all such information and statements. The information contained in this Preliminary Placement Document has been provided by our Company and other sources identified herein.

This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. Distribution of this Preliminary Placement Document to any person other than the Eligible QIBs specified by the Book Running Lead Manager or its representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with the Equity Shares.

The Book Running Lead Manager has not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Manager nor any of its respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Manager and/or any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, its Subsidiary and Associate and the Issue of the Equity Shares or distribution of this Preliminary Placement Document. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied either on the Book Running Lead Manager or on any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person’s investigation of the accuracy of such information or such person’s investment decision, and each such person must rely on its own examination of our Company and the merits and risks involved in investing in the Equity Shares. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, tax, accounting or investment advice.

No person is authorized to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company or on behalf of the Book Running Lead Manager. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The distribution of this Preliminary Placement Document and the issue of Equity Shares and the offering of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for India, no action has been taken by our Company and the Book Running Lead Manager that would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the

Equity Shares in the Issue in certain jurisdictions, see "***Selling Restrictions***" and "***Transfer Restrictions***" beginning on page 220 and 224, respectively.

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see "***Selling Restrictions***" on page 220. Also see, "***Transfer Restrictions***" on page 224 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

In making an investment decision, the prospective investors must rely on their own examination of our Company and the Equity Shares and the terms of the Issue, including merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning this Issue. In addition, our Company and the Book Running Lead Manager is not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial advisor and/or legal advisor.

Each investor, subscriber, offeree or purchaser of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and it is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act and Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and rules made thereunder, and is not prohibited by SEBI or any other statutory, regulatory or judicial authority from buying, selling or dealing in securities, including the Equity Shares or otherwise accessing the capital markets in India. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document.

The information on our Company's website, viz, www.epigral.com or any website directly or indirectly linked to our Company or on the website of the Book Running Lead Manager or any of its respective affiliates, does not constitute nor form part of this Preliminary Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites. This Preliminary Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

The Company does not undertake to update the Placement Document to reflect subsequent events after the date of the Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of this Preliminary Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof.

Our Company and the Book Running Lead Manager are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of the Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations and the QIB shall be solely responsible for compliance with the provisions of the Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

The Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

NOTICE TO INVESTORS IN CERTAIN JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information to investors in certain other jurisdictions, see "***Selling Restrictions***" and "***Transfer Restrictions***" on page 220 and 224, respectively.

REPRESENTATIONS BY INVESTORS

All references herein to "you" or "your" in this section are to the prospective investors in the Issue. By bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to sections set forth in "***Notice to Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 3, 220 and 224, respectively, and to have represented, warranted, acknowledged to and agreed with our Company and the Book Running Lead Manager, as follows:

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or Subsidiary which is not set forth in this Preliminary Placement Document;

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable laws, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office), having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the SEBI FPI Regulations, FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

- You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Further, the aggregate limit of all FPIs investments, is up to 100%, being the sectoral cap applicable to the sector in which our Company operates. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations; Since Foreign Venture Capital Investor ("**FVCIs**") are not permitted to participate in the Issue, you confirm that you are not an FVCI.

- You will provide the information as required under the provisions of the Companies Act the PAS Rules and applicable SEBI ICDR Regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue and the list of Eligible QIBs including the aforementioned details shall be filed with the RoC and SEBI, as may be required under the Companies Act and other applicable laws;

- If you are Allotted Equity Shares, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges and in accordance with any other resale restrictions applicable to you. For more information, see *"**Selling Restrictions**"* and *"**Transfer Restrictions**"* on pages 220 and 224, respectively;

- You are eligible to invest in and hold the Equity Shares of the Company in accordance with the FDI Policy, read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign investments can only be made through the Government approval route, as prescribed in the FEMA Regulations;

- You are aware that this Preliminary Placement Document and the Placement Document has not been and will not be registered as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed, verified or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document has been filed (and the Placement Document shall be filed) with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

- You are aware that, our Company, the Book Running Lead Manager or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions that you may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the Book Running Lead Manager. The Book Running Lead Manager or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in a fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Manager may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Manager has advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information, which is not set forth in this Preliminary Placement Document;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;

- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank pari passu in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared.

- All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our Company, or our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company's present and future business strategies and environment in which our Company or Subsidiary will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. Neither our Company nor the Book Running Lead Manager or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category other than Eligible QIBs and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the Book Running Lead Manager;

- You are aware that in terms of the requirements of the Companies Act upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document, as applicable. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Manager;

- You are aware that if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety; including, in particular, "***Risk Factors***" on page 47;

- In making your investment decision, you have (i) relied on your own examination of the Company, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company, the Equity Shares and the terms of the Issue based on information as is publicly available, and in reliance of the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither our Company nor the Book Running Lead Manager nor any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Manager or its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, our Company, the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore a speculative investment;

- If you are acquiring the Equity Shares to be issued pursuant to the Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a "promoter" (as defined under the Companies Act and the SEBI ICDR Regulations) of our Company and are not a person related to any of our Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any of our 'Promoters', or members of our 'Promoter Group' (as defined under the SEBI ICDR Regulations) or persons or entities related thereto;

- You have no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on our Board, other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares. (A QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

- You agree that in terms of Section 42(7) of the Companies Act and Rule 14 of the PAS Rules, we shall file the list of Eligible QIBs (to whom this Preliminary Placement Document will be circulated) along with other particulars including your name, complete address, phone number, e-mail address, permanent account number and bank account details, including such other details as may be prescribed or otherwise required even after the closure of the Issue with the RoC and SEBI within 30 days of circulation of this Preliminary Placement Document and other filings required under the Companies Act;

- You will have no right to withdraw your Bid or revise your Bid downwards after the Bid/Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible, as per any applicable law;

- The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations (as defined hereinafter) and you shall be solely responsible for compliance, if any with all other applicable provisions of the SEBI Takeover Regulations;

- Your aggregate equity shareholding in our Company, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation;

    (i) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIB; and

(ii) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue, are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares will be obtained in time or at all. Neither our Company nor the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the Book Running Lead Manager has entered into a Placement Agreement with our Company whereby the Book Running Lead Manager has, subject to the satisfaction of certain conditions set out therein, undertaken to use their reasonable efforts to procure subscriptions for the Equity Shares on the terms and conditions set forth therein;

- You understand the contents of this Preliminary Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Manager nor any person acting on its behalf or any of the counsel or advisors to the Issue has, or shall have, any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Book Running Lead Manager or our Company or any other person, and neither the Book Running Lead Manager nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the Book Running Lead Manager and its affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the Book Running Lead Manager or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in "***Selling Restrictions***" on page 220 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "***Selling Restrictions***" on page 220;

- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "***Transfer Restrictions***" on page 224 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "***Transfer Restrictions***" on page 224;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws;

- You are outside the United States, and you are subscribing for the Equity Shares in an "offshore transaction" as defined in and in compliance with Regulation S, and are not our Company's or the Book Running Lead Managers' affiliate or a person acting on behalf of such an affiliate;

- You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Ahmedabad, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the Book Running Lead Manager and its respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and Rule 6 of the FEMA Rules;

- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Book Running Lead Manager;

- You represent that you are not an affiliate of our Company or the Book Running Lead Manager or a person acting on behalf of such affiliate;

- Our Company, the Book Running Lead Manager, its respective affiliates, directors, officers, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the Book Running Lead Manager; and

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including the affiliates of the Book Running Lead Manager, which is registered as a category I FPIs may issue, subscribe to or otherwise deal in offshore derivate instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. An FPI will collect the regulatory fee of USD 1,000 or any other amount, as may be specified by SEBI from time to time, from every subscriber of offshore derivative instrument issued by it and deposit the same with SEBI by way of electronic transfer in the designated bank account of SEBI. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to payment of applicable regulatory fee and in compliance with such other conditions as may be specified from the SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis **("Investment Restrictions")**. The SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of offshore derivative instruments and two or more subscribers of offshore derivative instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these Investment Restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with Consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Affiliates of the Book Running Lead Manager which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Manager do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Manager and does not constitute any obligations of or claims on the Book Running Lead Manager.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosure as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any

P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of any of the contents of this Preliminary Placement Document;

(2) warrant that the Equity Shares to be issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company;

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares of our Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER CONVENTIONS

Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'bidder(s)', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investor(s)', 'prospective investor(s)' and 'potential investor(s)' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, and references to 'our Company', 'Company', 'the Company' and the 'Issuer', are to Epigral Limited on a standalone basis and references to 'we', 'us' or 'the Group' are to Epigral Limited together with its Associate on a consolidated basis, unless the context otherwise indicates or implies or unless otherwise specified.

Currency and units of presentation

In this Preliminary Placement Document, all references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of Republic of India and '$', 'USD' and 'Dollar' are legal currency of United States of America and "Euro" or "€" are to the Euro, the official currency of the European Union. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

Our Company has presented certain numerical information in this Preliminary Placement Document in "crore" units. One crore represents 1,00,00,000, ten crore represents 10,00,00,000, hundred crore represents 1,00,00,00,000 and thousand crore represents 10,00,00,00,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than crore, such figures appear in this Preliminary Placement Document in such denominations as provided in the respective sources. Our quarterly results for the quarter ended June 30, 2024, are prepared and presented in crore, and our financials for Fiscal 2024, Fiscal 2023 and Fiscal 2022 are prepared in lakhs.

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies between the totals and the sum of the amounts listed are due to rounding off adjustments. All figures in decimals have been rounded off to the second decimal.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company reports its financial statements in Indian Rupees.

Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Page numbers

Unless stated otherwise, all references to page numbers in this Preliminary Placement Document are to the page numbers of this Preliminary Placement Document.

Financial Data and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year', 'Fiscal Year', 'fiscal' or 'FY' are to the twelve-month period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

In this Preliminary Placement Document, we have included the following financial statements of our Company prepared in accordance with Indian Accounting Standard notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended read with Section 133 of the Companies Act ("**Ind AS**"): (i) the audited consolidated financial statements of our Company, Subsidiary as of and for the Fiscal ended March 31, 2022 read along with the notes thereto (the "**Fiscal 2022 Audited Consolidated Financial Statements**"); (ii) the audited consolidated financial statements of our Company, Subsidiary and its Associate as of and for the Fiscal ended

March 31, 2023 read along with the notes thereto (the "**Fiscal 2023 Audited Consolidated Financial Statements**"); and (iii) the audited consolidated financial statements of our Company, Subsidiary and its Associate as of and for the Fiscal ended March 31, 2024 read along with the notes thereto (the "**Fiscal 2024 Audited Consolidated Financial Statements**", and collectively with Fiscal 2022 Audited Consolidated Financial Statements and Fiscal 2023 Audited Consolidated Financial Statements, the "**Audited Consolidated Financial Statements**").

We have also included the consolidated unaudited quarterly financial result of our Company and its Associate for the quarter ended June 30, 2024, prepared in accordance with the presentation and disclosure requirements of Regulation 33 of the SEBI Listing Regulations ("**Unaudited Consolidated Quarterly Financial Results**" and collectively with Audited Consolidated Financial Statements, "**Financial Statements**")

S R B C & Co LLP, Chartered Accountants, our Statutory Auditors have issued audit reports dated April 25, 2022, April 25, 2023, and April 22, 2024, on our Audited Consolidated Financial Statements as at and for Fiscals 2022, 2023 and 2024, respectively. The Unaudited Consolidated Quarterly Financial Results have been subjected to limited review by S R B C & Co LLP, Chartered Accountants, our Statutory Auditors and they have issued the review report dated July 24, 2024.

Our Company prepares its financial statements in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**") and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Also see, "*Risk Factors –Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition*." on page 69.

Except as specifically indicated otherwise and unless the context requires otherwise, (i) all financial information provided as at and for the Fiscal Year ended March 31, 2022 has been derived from the comparative financial information in the Audited Consolidated Financial Statements as at and for the Fiscal Year ended March 31, 2023, (ii) all financial information provided as at and for the fiscal year ended March 31, 2023 has been derived from the comparative financial information in the Audited Consolidated Financial Statements as at and for the fiscal year ended March 31, 2024, and (iii) all financial information provided as at and for the Fiscal Year ended March 31, 2024 has been derived from the Audited Consolidated Financial Statements as at and for the Fiscal Year ended March 31, 2024.

Unless otherwise stated or context required otherwise, the financial information for the three months period ended June 30, 2024 is derived from the Unaudited Consolidated Quarterly Financial Results. The Unaudited Consolidated Financial Results as at and for the three months ended June 30, 2024, are not comparable with our Audited Consolidated Financial Statements presented herein.

Our Statutory Auditors have provided no assurance or services related to any prospective financial information in this Preliminary Placement Document.

For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 93. All numerical and financial information as set out and presented in this Preliminary Placement Document, except for the information in the section "Industry Overview", for the sake of consistency and convenience have been rounded off or expressed in two decimal places in ₹ crores. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them and the sum or percentage change of such numbers may not conform exactly to the total figure given. The fiscal year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular 'Financial Year', 'Fiscal Year' or 'Fiscal' or 'FY' are to the twelve-months period ended on March 31 of that year.

Non-GAAP financial measures

Certain non-GAAP measures and certain other statistical information such as EBITDA, EBITDA Margins, ROE, Debt/Equity, Interest Coverage Ratio, ROCE, PAT Margins, etc. (together referred as "**Non-GAAP Measures**") presented in this Preliminary Placement Document are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of the refractory businesses, many of which provide such Non-GAAP Measures and other statistical and operational information when reporting their financial results. However, note that these Non-GAAP Measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to measures and statistical information of similar nomenclature that may be computed and presented by other companies. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardized term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance or liquidity. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Statements*" starting on page 249.

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INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organizations, industry publications and analysts and on data from other external sources, and on our knowledge of markets in which we compete. The accuracy and completeness of the industry sources and publications referred to by us, and the underlying assumptions on which such sources and publications are based, are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. The statistical information included in this Preliminary Placement Document relating to the various sectors in which we operate has been reproduced from various trade, industry and regulatory / government publications and websites, more particularly described in "*Industry Overview*" on page 133.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "*Assessment of Chemical Industry*, dated October 2024, (the "**CRISIL Report**"), which is a report commissioned and paid for by our Company and prepared by CRISIL pursuant to an engagement letter dated August 22, 2024, in connection with the Issue.

The CRISIL Report contains the following disclaimer:

"CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. The Client will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – This Preliminary Placement Document contains certain statistical and industry information which has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate"* on page 64.

Further, the calculation of certain statistical and/or financial information / ratios specified in the sections titled "***Business***", "***Risk Factors***", "***Management's Discussions and Analysis of Results of Operations and Financial Condition***" and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the CRISIL Report. Data from these sources may also not be comparable. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Accordingly, investment decisions should not be based solely on such information.

Our Company takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so our Company has relied on internally developed estimates. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by an independent source and neither our Company nor the Book Running Lead Manager can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute 'forward-looking statements'. The prospective investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could' 'estimate', 'expect', 'goal', 'intend', 'may', 'will', 'plan', 'objective', 'potential', 'project', 'pursue', 'seek to', 'shall', 'should', 'will', 'would', 'will likely result', 'will continue', 'will pursue', 'will achieve', 'is likely' or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements and any other projections include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document regarding matters that are not historical facts. These forward-looking statements contained in this Preliminary Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- Dependence on the success of our relationships with our customers, many of whom are multinational corporations and any adverse developments or inability to enter into or maintain such relationships;

- Dependence on our manufacturing facility and any unscheduled, unplanned or prolonged disruption of our manufacturing operations;

- Loss of one or more of our customers, which contribute a significant portion towards our revenue, the deterioration of their financial condition or prospects, or a reduction in their demand for our products;

- Significant indebtedness, and an inability to comply with repayment and other covenants in our financing agreements;

- Business and operational risks consequent to our operations, such as, the manufacture, usage and storage of various hazardous substances;

- Absence of long-term agreements with most of our suppliers for our raw materials and an increase in the cost of, or a shortfall in the availability or quality of such raw materials;

- Our operations in a competitive environment and the uncertainty to be able to compete successfully with similar products or that of substitute, if any;

- Any adverse developments in the markets from where we derive significant portion of our revenues;

- Failure to raise additional funds in the future to support our growth strategies.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Business*" and on pages 47, 93, 133 and 163, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure prospective investors that such expectations will prove to be correct. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither our Company nor the Book Running Lead Manager nor any of their respective affiliates undertakes any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public company with limited liability incorporated under the laws of India. All of our Directors and Key Managerial Personnel named herein are residents of India and all of the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Civil Procedure Code (as defined below), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the foreign judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards. The execution of a foreign decree under Section 44A of the Civil Procedure Code is also subject to the exception under Section 13 of the Civil Procedure Code as mentioned above.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such foreign judgement, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally, any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. Our Company and the Book Running Lead Manager cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchange. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US $), for the periods indicated. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all. (₹ per US$)

	Period End[(1)]	**Average[(2)]**	**High[(3)]**	**Low[(4)]**
Fiscal Ended:				
March 31, 2024	83.37	82.79	83.40	81.65
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
Months ended:				
September 30, 2024	83.79	83.81	83.98	83.49
August 31, 2024	83.87	83.90	83.97	83.73
July 31, 2024	83.74	83.59	83.74	83.40
June 30, 2024	83.45	83.47	83.59	83.07
May 31, 2024	83.30	83.39	83.52	83.08
April 30, 2024	83.52	83.41	83.52	83.23

Source: www.rbi.org.in and www.fbil.org.in, as applicable.

Period end, high, low and average rates are based on the FBIL reference rates and rounded off to two decimal places. The RBI reference rates are rounded off to two decimal places.

Notes:

1. The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.
2. Average of the official rate for each Working Day of the relevant period.
3. Maximum of the official rate for each Working Day of the relevant period.
4. Minimum of the official rate for each Working Day of the relevant period.

In case of holidays, the exchange rate on the last traded day of the month has been considered as the rate for the period end.

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DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the section "*Statement of Possible Tax Benefits*", "*Industry Overview*", "*Financial Statements*" and "*Legal Proceedings*" beginning on page 235, 133, 249 and 241, respectively, shall have the meaning given to such terms in such sections.

General and Company Related Terms

Term	Description
"Issuer", "Company", "Our Company", "the Company"	Unless the context otherwise indicates or implies, refers to Epigral Limited (*formerly as Meghmani Finechem Limited)*, a limited company incorporated under the Companies Act, 1956 having its Registered and Corporate Office at 'Epigral Tower', 5th, 6th and 7th floor, Behind Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad - 380 015, Gujarat, India
"we", "us" or "our" or "Group"	Unless the context otherwise indicates, requires or implies, (i) for any period prior to September 20, 2023, is a reference to our Company, its Associate together with our Subsidiary which existed for the relevant year/ period covered by the Audited Consolidated Financial Statements, Unaudited Quarterly Financial Statements on a consolidated basis, and (2) for any period on or after September 20, 2023, is a reference to our Company and our Associate, on a consolidated basis
Associate	ReNew Green (GJS Three) Private Limited
Audit Committee	The audit committee of our Board of Directors
Articles or Articles of Association	Articles of association of our Company, as amended from time to time.
Audited Consolidated Financial Statements	Collectively, Fiscal 2024 Audited Consolidated Financial Statements, Fiscal 2023, Audited Consolidated Financial Statements and Fiscal 2022 Audited Consolidated Financial Statements
Auditors / Statutory Auditors	Statutory auditors of our Company namely SRBC & Co LLP, Chartered Accountants
Board of Directors / Board	The board of directors of our Company or any duly constituted committee thereof.
Chief Financial Officer	The chief financial officer of our Company, being Sanjay Jain
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Gaurang Trivedi
Director(s)	The director(s) of our Company presently on our Board.
Equity Share(s)	The equity shares of our Company of face value of ₹ 10 each.
Fiscal 2024 Audited Consolidated Financial Statements	Our audited consolidated financial statements as of and for the Financial Year ended March 31, 2024, comprising the consolidated balance sheet as at March 31, 2024, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flow and the consolidated statement of changes in equity, for the year ended March 31, 2024, read along with the notes thereto including a summary of material accounting policies and other explanatory information prepared in accordance to Ind AS
Fiscal 2023 Audited Consolidated Financial Statements	Our audited consolidated financial statements as of and for the Financial Year ended March 31, 2023, comprising the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and loss (including other

Term	Description
	comprehensive income), the consolidated statement of cash flow and the consolidated statement of changes in equity, for the year ended March 31, 2023, read along with the notes thereto including a summary of material accounting policies and other explanatory information prepared in accordance to Ind AS
Fiscal 2022 Audited Consolidated Financial Statements	Our audited consolidated financial statements as of and for the Financial Year ended March 31, 2022, comprising the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flow and the consolidated statement of changes in equity, for the year ended March 31, 2022, read along with the notes thereto including a summary of material accounting policies and other explanatory information prepared in accordance to Ind AS
Fund Raising Committee	The fund-raising committee constituted by our Board of Directors.
Industry Report	The report titled *"Assessment of Chemical Industry"*, dated October, 2024 prepared and commissioned by our Company from CRISIL.
Independent Director(s)	The independent Director(s) of our Company as per section 2(47) of the Companies Act and Regulation 16(1)(b) of the SEBI Listing Regulations, being Manubhai Khodidas Patel, Sanjay Khatau Asher, Kanubhai Shakara Patel, Raju Swamy and Nirali Bhavin Parikh.
Independent Chartered Accountant	The independent chartered accountant of the Company namely, CNK Khandwala & Associates
Memorandum or Memorandum of Association/ MoA	Memorandum of association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee constituted by our Board of Directors
Promoter(s)	Maulik Jayantibhai Patel, Kaushal Ashishbhai Soparkar, Jayantibhai Meghjibhai Patel, Ashish Natawarlal Soparkar, Natwarlal Meghjibhai Patel, Rameshbhai Meghjibhai Patel and Anandbhai Ishwarbhai Patel
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered and Corporate Office/ Registered Office	'Epigral Tower', 5th, 6th and 7th floor, Behind Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad - 380 015, Gujarat, India
Registrar of Companies/RoC	The Registrar of Companies, Gujarat at Ahmedabad
Risk Management Committee	The risk management committee constituted by our Board of Directors
Scheme of Arrangement	Scheme of arrangement between Meghmani Organics Limited, Meghmani Organochem Limited and our Company and their respective shareholders and creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and other applicable laws approved vide order of the NCLT, Ahmedabad dated May 3, 2021
Shareholder(s)	The holders of the Equity Shares of our Company, from time to time
Subsidiary	The erstwhile subsidiary of our Company namely, Meghmani Advanced Sciences Limited which was voluntary struck off on September 20, 2023
Unaudited Consolidated Quarterly Financial Results	Unaudited consolidated financial results of our Company as at and for the three months ended June 30, 2024 prepared in accordance with Regulation 33 of the SEBI Listing Regulations.

Issue related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares by our Company, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms submitted by them, in consultation with the Book Running Lead Managerand in compliance with Chapter VI of the SEBI ICDR Regulations.
Allot/ Allotment/ Allotted	Unless, the context otherwise requires, allotment of Equity Shares to be issued pursuant to the Issue

Term	Description
Allottees	Eligible QIBs to whom Equity Shares are issued and Allotted pursuant to the Issue.
Application Amount / Bid Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue and determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form or such amount transferred/ paid to the Escrow Bank Account, as application, including any revisions thereof
Application Form	The form (including any revisions thereof) which will be submitted by an Eligible QIB for registering a Bid in the Issue during the Bid/ Issue Period. An indicative format of such form is set forth in *"Sample Application Form"* beginning on page 457.
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest thereto, as provided in the Application Form, to subscribe for the Equity Shares, pursuant to the Issue. The term "Bidding" shall be construed accordingly.
Bid Amount	The price per Equity Share indicated in the Bid multiplied by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue on submission of the Application Form.
Bid/Issue Closing Date	[●], the date after which our Company (or Book Running Lead Manager on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount
Bid/Issue Opening Date	October 21, 2024, the date on which our Company (or the Book Running Lead Manager on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Bid/Issue Period	Period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids including any revision and/or modifications thereof.
Bidder(s)	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form.
Book Running Lead Manager	Emkay Global Financial Services Limited
CAN / Confirmation of Allocation Note	Note or advice or intimation to successful Bidders confirming Allocation of Equity Shares to such successful Bidders after determination of the Issue Price and shall include details of amount to be refunded, if any, to such Bidders
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e. on or about [●].
Designated Date	The date of credit of Equity Shares, pursuant to the Issue, to the Allottee's demat account, as applicable to the respective Allottee
Eligible FPI(s)	Foreign portfolio investor, as defined under, the SEBI FPI Regulations and any other applicable law, that are eligible to participate in the Issue, other than individuals, corporate bodies and family offices
Eligible QIB(s)	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations which (i) is not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or (b) restricted from participating in the Issue under the applicable laws, and (ii) is a resident in India or is an eligible FPI participating through Schedule II of the FEMA Rules. However, FVCIs are not permitted to participate in the Issue.
Escrow Account	Non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened with the Escrow Bank, subject to the terms of the Escrow Agreement, into which the Bid Amount shall be deposited by Eligible QIBs and from which refunds, if any, shall be remitted to unsuccessful bidder, as set out in the Application Form.
Escrow Bank	Kotak Mahindra Bank Limited
Escrow Agreement	Agreement dated October 21, 2024 entered into amongst our Company, the Escrow Bank and the Book Running Lead Manager for collection of the

Term	Description
	Application Amounts and for remitting refunds, if any, of the amounts collected, to the unsuccessful Bidders
Floor Price	The floor price of ₹2203.29 per Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders of our Company accorded through their special resolution passed by way of postal ballot on September 16, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Fraudulent Borrower	An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Issue	The offer, issue and allotment of [●] Equity Shares at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share, aggregating ₹ [●] crores to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of Companies Act and the rules made thereunder.
Issue Price	₹ [●] per Equity Share
Issue Size	The issue of up to [●] Equity Shares aggregating up to ₹ [●] crores.
Monitoring Agency	CARE Ratings Limited
Monitoring Agency Agreement	Agreement dated October 21, 2024 entered into between our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of proceeds in relation to the Issue.
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Agreement dated October 21, 2024 entered into amongst our Company and the Book Running Lead Manager
Placement Document	The placement document to be issued by our Company in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act and rules made thereunder
Preliminary Placement Document	This preliminary placement document cum application form dated October 21, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act and rules made thereunder
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and section 42 along with other applicable sections of the Companies Act, 2013, read with applicable provisions of the PAS Rules.
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The letter from the Company to relevant Bidders intimating them of the Refund Amount, if any, to be refunded to their respective bank accounts.
Relevant Date	October 21, 2024 which is the date of the meeting of the Fund Raising Committee of the Board, a committee duly authorised by our Board, deciding to open the Issue.
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be Allocated Equity Shares pursuant to the Issue.
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulation.
Working Day	Any day other than the second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are

Term	Description
	authorised or obligated by law to remain closed in Mumbai, India or a trading holiday of the Stock Exchanges, as applicable.

Technical and Industry Related Terms

Term	Description
APAC	Asia-Pacific region.
API	Active Pharmaceuticals Ingredients
ASEAN	Association of Southeast Asian Nations
AT&C	Aggregate Technical and Commercial
CAD	Current Account Deficit
CAGR	Compound Annual Growth Rate.
CPI	Consumer Price Inflation
CPVC	Chlorinated Polyvinyl Chloride
CTC	Chloroform And Carbon Tetrachloride
DBT	Direct Benefit Transfer
ECH	Epichlorohydrin
EPA	Environmental Protection Agency
FMCG	Fast-Moving Consumer Goods
G-sec	Government Security
GVA	Gross Value Added
HCFCs	Hydrochlorofluorocarbons
HFCs	Hydrofluorocarbons
IIP	Index of Industrial Production
IMF	International Monetary Fund
KOH	Potassium Hydroxide
KTPA	Kilotonne Per Annum
MDC	Methylene Dichloride
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MMT	Million metric tonne
MoSPI	Ministry of Statistics and Programme Implementation
MPC	Monetary Policy Committee
NSO	National Statistical Office
OEM	Original Equipment Manufacturer
PLI	Production Linked Incentive Scheme.
PMKSY	PM Krishi Sinchai Yojana
RMG	Ready-Made Garments

Conventional and General Terms/Abbreviations

Terms	Description
₹ / Rs. / Re./ Rupees / INR	Indian Rupee
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS or Accounting Standards	Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate (as a %): (End Year Value/Base Year Value)^ (1/No. of years between Base year and end year) – 1 (^ denotes 'raised to')
CDSL	Central Depository Services (India) Limited
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CIT(A)	Commissioners Of Income Tax (Appeals)
CIN	Corporate Identity Number
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended

Terms	Description
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act	Companies Act, 2013, as amended and the rules, regulations, circulars, modifications and clarifications thereunder, to the extent notified
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate social responsibility.
CWIP	Capital Work in Progress
Depositories Act	The Depositories Act, 1996, as amended
Depository	NSDL and CDSL, depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018, as amended
Depository Participant	A depository participant as defined under the Depositories Act
DDT	Dividend distribution tax
DIN	Director Identification Number
EBIT	Earnings Before Interest and Tax
EGM	Extraordinary General Meeting
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization (excluding other income)
ESG	Environment, social and governance
EPS	Earnings per share
FBIL	Financial Benchmark India Private Limited
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, as amended and the Regulations issued thereunder
FEMA Non-Debt Rules/ FEMA Rules	The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 and any notifications, circulars or clarifications issued thereunder
Finance Act	The Finance Act, 2024
Financial Year / Fiscal Year/ Fiscal/ FY	Unless otherwise stated, the period of 12 months commencing on April 1 of a year and ending on March 31 of the next year
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
FPI/ Foreign Portfolio Investor(s)	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FPI Operational Guidelines	SEBI circular dated November 5, 2019, which issued the operational guidelines for FPIs
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally accepted accounting principles
GBP	Great Britain Pound Sterling
GDP	Gross Domestic Product
GoI / Government	Government of India, unless otherwise specified
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Ind AS	Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act read with the IAS Rules
Indian GAAP	Generally Accepted Accounting Principles in India
Income Tax Act/IT Act	The Income tax Act, 1961
KTPA	Kilo-tonnes per annum
Lacs/Lakhs	Lakhs
MCA	Ministry of Corporate Affairs, GoI

Terms	Description
N.A./ NA	Not Applicable
NAV	Net Asset Value
NCLT	National Company Law Tribunal
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
Non-Resident Indian(s) / NRI	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, as amended.
NRO	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after tax
PBT	Profit before tax
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
S&P CNX NIFTY	Regional stock market index endorsed by Standard & Poor's which is composed of 50 of the largest and most liquid stocks found on the National Stock Exchange of India
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Stock Exchanges	Collectively, BSE and NSE
STT	Securities Transaction Tax
TDS	Tax deducted at source
USA or U.S. or United States	The United States of America, its territories and possessions, and State of the United States and the District of Columbia
U.S. GAAP	Generally accepted accounting principles in the United States of America
$/ U.S.$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Securities Act / Securities Act	The United States Securities Act of 1933
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

SUMMARY OF BUSINESS

We are one of the leading Indian chemical companies, having production facilities of chlor alkali and its value-added derivative and speciality product in most integrated manners. Our products have applications across a wide spectrum of uses in the pipes, epoxy resin, alumina, textile, crop protection, refineries, pharmaceutical, paper & pulp, dyes & pigments, soap & detergent, refrigerant gases and many other vital industries. As of June 30, 2024, our product portfolio comprised over 10 products catering almost 15 high growth industries. With our rich legacy of operations of over 16 years, we have an established market position in some of our key products.

Currently, Epigral is the only producer for ECH with an installed of 50 KTPA. Further, our Company possesses the largest producer at a single location of producing 75,000 TPA of CPVC resin and plans to commission the first chlorotoluene value chain, becoming the sole producer of Chlorotoluene. *(Source: CRISIL Report).* Thus, complimenting the 'Make in India' and 'Atmanirbhar Bharat' initiative and driving sustainable development for a brighter and safer future.

Our extensive range of products include, Caustic Soda, Caustic Potash, Chlorine, Hydrogen, Hydrogen Peroxide, CPVC Resin & Compound, Epichlorohydrin, Chloromethanes and Chlorotoluene value chain.

The global caustic soda market is valued at US$ 26-27 billion in CY2024 and is projected to grow at a 5-7% CAGR over the next 5-6 years. The growth will be driven by rising demand from downstream industries such as water treatment, paper & pulp, alumina and soaps & detergents. The caustic soda market plays a critical role in the country's chemicals and manufacturing industries, accounting for approximately 25% of domestic chemicals production in fiscal 2024. *(Source: CRISIL Report)*

The size of the global caustic potash market is expected to reach ~$1.90 billion in calendar 2024, with a CAGR of ~10% over the last five years and expected growth of 8-9% over the forecast period. Global consumption stands at ~2.0 million metric tonne (MMT) in 2024 and is forecasted to reach ~3 MMT by 2030, growing at a CAGR of ~5%, up from the historical growth of ~4% over the past five years. Domestic caustic potash capacity was ~95 KTPA in fiscal 2024, with flat growth over the past five years and no significant expansion expected over the next 5-6 years. Consumption grew from ~90 KT in fiscal 2019 to ~100 KT in fiscal 2024, implying a CAGR of ~2%. Consumption is expected to grow at a CAGR of ~8% to ~155 KTPA. *(Source: CRISIL Report)*

The global hydrogen peroxide market is estimated at US$ 3.3-3.5 billion in CY2024.The market is projected to grow at a CAGR of ~4.3% over the next 5-6 years, reaching ~US$ 4.5 billion. The Asia-Pacific (APAC) region holds the largest share at ~45%, driven by a growing population, increasing use of disinfectants and rising paper demand, particularly in India and China. Hydrogen peroxide capacity in India has grown from 208 KTPA in fiscal 2019 to 360-365 KTPA in fiscal 2024, reflecting a 12% CAGR over the last five years, driven by capacity expansions from major producers. By fiscal 2030, capacity is expected to reach 420-425 KTPA with commissioning of new plants. Hydrogen peroxide consumption was 307 KTPA in fiscal 2019 and is estimated at 315-320 KTPA in CY 2024, with flat growth owing to reduced demand in fiscal 2020 during the pandemic. *(Source: CRISIL Report)*

The global market for CPVC resin is projected to reach ~US$ 1.8 billion in calendar 2024, growing at an annual growth rate of 10% during the forecast period. Demand is primarily driven by high growth in the residential sector, particularly in the APAC region. Demand for CPVC resin in India surged to 230-235 KTPA in fiscal 2024 and is expected to grow at a CAGR of ~14% on account of construction sector activity. Epigral dominates the market with a total capacity of ~75 KTPA of CPVC resin. *(Source: CRISIL Report)*

The global epichlorohydrin ("**ECH**") market is projected to reach ~US$ 2.90 billion in CY2024. It is expected to expand to US$ 4.5-5.0 billion in CY2030. Despite a 3-4% decline in market value over the past five years owing to lower price realisations, consumption volume has increased 3.0% over the last five years and is anticipated to grow at a CAGR of ~2% through 2030. Domestic demand for ECH stands at around 120-125 KTPA in fiscal 2024 and is expected to grow at CAGR of ~ 14% and expected to reach around 270-275 KTPA by fiscal 2030. Epigral is the only producer of ECH with an installed capacity of 50 KTPA. *(Source: CRISIL Report)*

The global chloromethane market is projected to expand to US$4.5-5.0 billion in CY2024 from US$3.9 billion in CY2019, reflecting a CAGR of ~4.5% over the last five years. It is expected to clock a CAGR of ~7% over the next 5-6 years. Domestic chloromethane consumption increased to 610-615 KT in fiscal 2024 from ~570 KT in fiscal 2023. It clocked a compound annual growth rate (CAGR) of ~15% over the last five years. Consumption is projected to rise ~6% annually to 800-820 KT in the next 5-6 years. Over the last five years, imports declined by ~20% on account of capacity addition by domestic players. *(Source: CRISIL Report)*

The global chlorotoluene market is projected to grow ~5% to US$1.9-2.3 billion in CY2024. It is expected to grow ~5.3% over the next 5-6 years to US$2.5-3.0 billion. By fiscal 2030, chlorotoluene production capacity is expected at 85-90 KTPA with commissioning of new plants by major players. This significant increase in production capacity is anticipated to boost chlorotoluene exports and lead to a decline in imports over the next 5-6 years, as increased domestic production meets rising demand. *(Source: CRISIL Report)*

We are an innovation led company with a track-record of absorption of complex chemical processes and development of specialised products customised to customer requirements. We have a research and development ("**R&D**") facility at Ahmedabad, Gujarat recognized by the Department of Scientific and Industrial Research ("**DSIR**") and Ministry of Science & Technology, Government of India. As of June 30, 2024, our research and development team comprise of over 14 employees, 3 of which have PhDs. We force our R&D on (i) new product development, (ii) new technology platform development and to serve the niche requirements of our customers, (iii) improvement of our productivity and yields and (iv) reduction of our resource consumption.

For the period ended June 30, 2024, our total consolidated capital expenditure and revenue expenditure on our R&D activities was ₹34.16 crores and ₹ 2.23 crores, respectively. The R&D facility has been built to address the Company's growing needs in speciality sector and sophistication to catalyze the identification of specialty chemical molecules that could be introduced in India.

We have an integrated manufacturing facility in India, located at Dahej, Gujarat comprises of production units, water reserves, treatment systems, quality control centre and a thermal based captive power plant. Our manufacturing facility had a total installed capacity of 6,560,000 MTs, 6,11,000 MTs, 6,11,000 MTs and 4,25,000 MTs for June 30, 2024, and in Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively. Our manufacturing facility is equipped with modern machinery and equipment which enable us to undertake various chemistry processes. Our manufacturing facility is integrated with significant backward and forward integration to optimize and improve efficiency. Our manufacturing facility is accredited with ISO 9001, ISO 14001, ISO 45001 and ISO 50001, reflecting its responsible alignment with quality management, international standard of environmental management, health and safety management and energy management. We are also REACH-registered and certified by Star-K Kosher, Halal India, Roundtable on Sustainable Palm Oil ("**RSPO**") and Responsible Care.

Our products are predominantly used as industrial intermediates and / or raw materials and hence we operate as a business-to-business manufacturing company. We market our products to over various domestic and export customers across 15 + countries across 4 continents.

For the three months period ended on June 30, 2024, and in Fiscal 2024, Fiscal 2023 and Fiscal 2022, our top 10 customers contributed 45.58%, 43.53%, 38.20% and 38.60%, respectively, of our revenue from operations. We enjoy long term relationships with a number of our customers, and we had business relationships of more than three years with our top 10 customers in Fiscal 2024. In the three months period ended on June 30, 2024, and in Fiscal 2024, Fiscal 2023 and Fiscal 2022, 6.47%, 4.44%, 3.96% and 0.07%, respectively, of our revenue from operations were from exports.

We believe our success in the chemicals markets is based on our ability to identify the products which has good market along with strengthening our integrated complex, using latest and best technology available to improve output and lesser wastage, designing plant to optimize and having strong quality control department to meet the stringent technical performance requirements of our customers. Deploying such modern machinery in the most efficient way, however, requires years of accumulated industrial know-how. Given our scale, we believe replicating such an installed base would require substantial capital investments, time and in-depth knowledge.

Our Company has a management team with extensive experience in the chemicals industry and a track record of operational excellence. in the chemicals industry. Our management team is backed by a core operational team that has vast experience in manufacturing. Our Board of Directors includes a combination of management executives and independent directors who bring in significant business expertise. We believe that the combination of our experienced Board of Directors and our dynamic management team positions us well to capitalize on future growth opportunities.

SUMMARY OF THE ISSUE

The following is a general summary of the term of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including under the sections *"**Risk Factors**", "**Use of Proceeds**", "**Placement and Lock Up**", "**Issue Procedure**" and "**Description of the Equity Shares**" beginning on pages 47, 81, 217, 202 and 230, respectively.*

Issuer	Epigral Limited
Face Value	₹ 10 per Equity Share
Issue Price	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
Floor Price	₹ 2203.29 per Equity Share. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders of our Company accorded through special resolution passed through a postal ballot dated September 16, 2024, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Issue of [●] Equity Shares aggregating up to ₹ [●] crores. A minimum of 10% of the Issue Size i.e. [●] Equity Shares shall be available for Allocation to Mutual Funds only, and balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution approving the Issue	August 14, 2024
Date of Shareholders' Resolution approving the Issue	September 16, 2024
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or restricted from participating in the Issue under the applicable laws including the SEBI ICDR Regulations. For further details, see "***Issue Procedure*****", "*Selling Restrictions*" and "*Transfer Restrictions***" on pages 202, 220 and 224, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered has been determined by our Company in consultation with the Book Running Lead Manager
Dividend	Please see section "***Description of the Equity Shares*****", and "*Dividends***" on pages 230, and 92 , respectively of this Preliminary Placement Document.
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, see "***Issue Procedure***" on page 202.
Taxation	For details of possible tax benefits available to the Company and to shareholders of the Company under the applicable direct tax laws in India, please see section "***Statement of Possible Tax Benefits***" on page 235
Equity Shares issued and outstanding immediately prior to the Issue	4,15,50,158 Equity Shares, being fully paid-up.
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares.

<table>
<tr><td>Listing</td><td>Our Company has received in-principle approvals from the BSE and the NSE each dated October 21, 2024 under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares to be issued pursuant to the Issue.</td></tr>
<tr><td>Trading</td><td>The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.

Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares issued pursuant to the Issue after Allotment and the credit of the Equity Shares to the beneficiary account with the Depository Participant, respectively in the Issue.</td></tr>
<tr><td>Lock-up</td><td>For details of the lock-up, see “Placement – Lock-up” on page 217.</td></tr>
<tr><td>Transferability Restrictions</td><td>Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Allotments made to VCFs, and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement.

Please see section “Transfer Restrictions” and “Selling Restrictions” on pages 220 and 224, respectively, of this Preliminary Placement Document.</td></tr>
<tr><td>Use of Proceeds</td><td>The gross proceeds of the Issue will aggregate to approximately ₹[●] crores. The net proceeds of the Issue, after deducting fees, commissions and expenses of the Issue, is expected to be approximately ₹ [●] crores.

See “Use of Proceeds” on page 81 for information regarding the use of Net Proceeds from the Issue.</td></tr>
<tr><td>Risk Factors</td><td>Please see section “Risk Factors” on page 47 for a discussion of risks you should consider before investing in the Equity Shares.</td></tr>
<tr><td>Closing Date</td><td>The Allotment of the Equity Shares pursuant to the Issue is, expected to be made on or about [●].</td></tr>
<tr><td>Ranking</td><td>The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank pari passu in all respects with the existing Equity Shares of our Company, including rights in respect of voting and dividends.

The Shareholders of our Company (who hold Equity Shares as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Bid/ Issue Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders’ meetings in accordance with the provisions of the Companies Act. Please see sections “Dividends” and “Description of the Equity Shares” on pages 92 and 230, respectively.</td></tr>
<tr><td>Security Codes/ Symbols for the Equity Shares</td><td><table>
<tr><td>ISIN</td><td>INE071N01016</td></tr>
<tr><td>BSE Code</td><td>543332</td></tr>
<tr><td>NSE Symbol</td><td>EPIGRAL</td></tr>
</table></td></tr>
</table>

SELECTED FINANCIAL INFORMATION

The following tables set forth our selected financial information and should be read together with the more detailed information contained in "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and the Audited Consolidated Financial Statements, and Unaudited Consolidated Quarterly Financial Results included in "***Financial Statements***" on pages 92 and 249, respectively**.**

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SUMMARY OF THE UNAUDITED CONSOLIDATED QUARTERLY FINANCIAL RESULTS

(₹ in crores unless otherwise stated

Particulars	For the three-month period ended June 30, 2024
Revenue from operations	651.20
Other income	2.40
Total income (I)	**653.60**
EXPENSES	
a) Cost of materials consumed	339.48
(b) Changes in inventories of finished goods and work-in-progress	19.87
(c) Employee benefits expenses	27.40
(d) Finance costs	14.25
(e) Depreciation and amortisation expenses	33.45
(f) Power and Fuel expense	30.31
(g) Other expenses	57.74
Total expenses (II)	**522.50**
Profit before exceptional items, share of profit/(loss) from associate and tax (I - II)	**131.10**
Share of Profit/(loss) from Associate	**(0.14)**
Profit before exceptional items and tax	**130.96**
Exceptional items	-
Profit before tax	**130.96**
Tax expense	
(1) Current tax	23.17
(2) Net deferred tax expense	21.92
Net Profit for the period	**85.87**
Other Comprehensive Income	
(i) Items that will not be reclassified to profit or loss in subsequent periods	(0.18)
(ii) Income tax relating to items that will not be reclassified to profit or loss as mentioned above	0.06
Total Comprehensive Income for the period (comprising Profit/ Loss and Other Comprehensive Income for the period)	**85.75**
Profit attributable to:	
Owners of the Company	85.87
Non-controlling Interest	-
Other Comprehensive Income attributable to:	
Owners of the Company	(0.12)
Non-controlling Interest	-

(₹ in crores unless otherwise stated

Particulars	For the three-month period ended June 30, 2024
Total Comprehensive Income attributable to:	
Owners of the Company	85.75
Non-controlling Interest	-
Paid up equity share capital (face value of ₹10 each)	41.55
Other equity	-
Earnings per share after exceptional item (not annualised)	
Basic (in rupees)	**20.67**
Diluted (in rupees)	**20.67**

Summary of Consolidated Balance Sheet information as at March 31, 2024, 2023 and 2022

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
I. Assets			
Non-Current Assets			
(a) Property, Plant and Equipment	1,744.68	1,778.86	1,039.40
(b) Capital Work in Progress	482.84	158.10	589.26
(c) Intangible Assets	21.96	25.19	28.43
(d) Financial Assets			
(i) Investments	20.58	20.55	-
(ii) Other Financial Assets	8.53	7.40	8.24
(e) Income Tax Assets (net)	5.92	6.40	2.55
(f) Other Non-Current Assets	7.90	16.24	8.84
Total Non-Current Assets	**2,292.41**	**2,012.74**	**1,676.72**
Current Assets			
(a) Inventories	262.99	211.83	154.14
(b) Financial Assets			
(i) Trade Receivables	178.76	166.32	256.32
(ii) Cash and Cash Equivalents	3.18	14.24	25.09
(iii) Bank Balances other than (ii) above	3.61	0.87	-
(iv) Loans	0.48	0.14	0.23
(v) Other Financial Assets	40.35	18.25	1.88
(c) Other Current Assets	12.56	7.85	9.29
Total Current Assets	**501.93**	**419.50**	**446.95**
Total Assets	**2,794.34**	**2,432.24**	**2,123.67**
II Equity and Liabilities			
Equity			
(a) Equity Share Capital	41.55	41.55	41.55
(b) Other Equity	1,212.55	1,027.55	684.42
Total Equity	**1,254.10**	**1,069.10**	**725.97**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	547.04	544.64	768.14
(ii) Lease Liabilities	0.09	1.35	2.62
(b) Provisions	4.88	2.72	2.90
(c) Deferred Tax Liabilities (net)	208.66	166.73	91.75
Total Non-Current Liabilities	**760.67**	**715.44**	**865.41**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	415.65	331.50	221.22

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(ii) Lease Liabilities	1.25	1.27	1.15
(iii) Trade Payables			
Total outstanding dues of Micro and Small Enterprise	40.51	8.41	9.15
Total outstanding dues of Creditors other than Micro and Small Enterprise	124.77	101.77	78.95
(iv) Other Financial Liabilities	171.85	192.74	186.16
(b) Other Current Liabilities	23.54	11.75	26.06
(c) Provisions	0.20	0.16	0.18
(d) Current Tax Liabilities (net)	1.80	0.10	9.42
Total Current Liabilities	**779.57**	**647.70**	**532.29**
Total Liabilities	**1,540.24**	**1,363.14**	**1,397.70**
Total Equity and Liabilities	**2,794.34**	**2,432.24**	**2,123.67**

Summary of Consolidated Profit and Loss Account information for the years ended as on March 31, 2024, 2023 and 2022

(in ₹ crores unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue			
Revenue from Operations	1,929.19	2,188.40	1,550.94
Other Income	6.57	7.98	4.11
Total Income (A)	**1,935.76**	**2,196.38**	**1,555.05**
Expenses			
Cost of Materials Consumed	1,071.60	1,211.76	759.41
Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	(10.78)	(96.97)	1.68
Employee Benefits Expenses	89.65	86.60	76.79
Finance Costs	73.49	65.50	44.27
Depreciation and Amortization Expenses	123.56	108.95	85.91
Power and Fuel Expenses	105.75	122.89	73.53
Other Expenses	191.77	175.17	130.04
Total Expense (B)	**1,645.04**	**1,673.90**	**1,171.63**
Profit before Exceptional Items and Tax	**290.72**	**522.48**	**383.42**
Share of profit(loss) from associate	0.03	(0.02)	-
Profit Before Tax (C) = (A-B)	**290.75**	**522.46**	**383.42**
Tax Expense:			
Current Tax	52.71	94.31	69.67
Net Deferred Tax Expense /(Credit)	42.17	74.86	60.96
Total Tax Expense (D)	**94.88**	**169.17**	**130.63**
Net Profit for the Year (E) = (C-D)	195.87	353.29	252.79
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss in subsequent periods			
Remeasurement Gain / (Loss) on Defined Benefit Plans	(0.73)	0.35	(0.05)
Income Tax effect on above	0.25	(0.12)	0.02
Total Other Comprehensive Income / (Loss) for the Year, net of Tax (F)	**(0.48)**	**0.23**	**(0.03)**
Total Comprehensive Income for the Year (G) = (E+F)	**195.39**	**353.52**	**252.76**
Profit attributable to:			
Owners of the Company	195.87	353.29	252.79
Non-controlling interests	-	-	-
Other comprehensive income attributable to:			

(in ₹ crores unless otherwise stated)

Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Owners of the Company	(0.48)	0.23	(0.03)
Non-controlling interests	-	-	-
Total comprehensive income attributable to:			
Owners of the Company	195.39	353.52	252.76
Non-controlling interests	-	-	-
Earnings per Equity Share (face value of ₹ 10 each) (in ₹)			
Basic	47.14	85.03	60.84
Diluted	47.14	85.03	60.84

Summary of Consolidated Cash Flow Statement information for the years ended March 31, 2024, 2023 and 2022

(in ₹ crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash Flow from Operating Activities			
Profit Before Taxation	290.72	522.48	383.42
Adjustment to reconcile profit before tax to net cash flow :			
Depreciation and Amortisation Expenses	123.56	108.95	85.91
Interest Income	(0.09)	(0.84)	(0.16)
Interest and Finance Charges	73.49	65.50	44.27
Unrealised Foreign Exchange (Gain)/Loss	(0.52)	(0.75)	0.29
Loss on Sale of Property, Plant & Equipment	0.05	0.00	0.07
Provision No Longer Required Written back	-	-	(0.12)
Sundry Balances Written off	(0.64)	(2.52)	-
Operating Profit before Working Capital changes	**486.57**	**692.82**	**513.68**
Adjustment for:			
(Increase) in Inventories	(51.17)	(57.69)	(100.18)
(Increase)/Decrease in Trade Receivables	(12.13)	90.42	(137.49)
(Increase) in Other Non-Current Financial Assets	(0.32)	(0.53)	(0.36)
(Increase)/Decrease in Other Non-Current Assets	(0.03)	0.04	(0.23)
(Increase)/Decrease in Other Current Financial Assets	(26.21)	(13.53)	0.24
(Increase)/Decrease in Other Current Assets	(4.71)	1.44	(3.43)
(Increase)/Decrease in Short Term Loans and Advances	(0.34)	0.08	(0.11)
Increase in Trade Payables	55.33	22.41	14.77
Increase in Long Term Provision	1.42	0.18	1.22
Increase/(Decrease) in Other Current Financial Liabilities	(12.08)	12.28	37.28
Increase/(Decrease) in Other Current Liabilities	11.79	(14.31)	18.81
Increase/(Decrease) in Short Term Provisions	0.05	(0.02)	0.07
Working Capital Changes	(38.40)	40.82	(169.41)
Cash Generated from Operation	**448.17**	**733.64**	**344.27**
Direct Taxes Paid (Net of Refund)	(50.53)	(107.48)	(60.45)
Net Cash Generated from Operating Activities	**397.64**	**626.16**	**283.82**
B. Cash Flow from Investment Activities			
Purchase of Property, Plant & Equipment (including CWIP and intangible assets)	(398.43)	(416.45)	(456.30)
Investment in Subsidiary/Associate	-	(20.54)	-
Other Investments	-	(0.03)	-
(Investment) of earmarked balances with bank	(2.75)	(0.87)	-
Redemption of Fixed Deposit	-	-	1.38
Interest Received	0.08	0.67	0.29
Net Cash (Used in) Investing Activities	**(401.10)**	**(437.22)**	**(454.63)**

(in ₹ crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
C. Cash Flow from Financing Activities			
Interest and Finance Charges Paid	(72.02)	(60.45)	(48.04)
Proceeds from Long-Term Borrowing	213.00	74.75	359.30
Repayment of Long-Term Borrowing	(196.26)	(139.10)	(120.04)
Proceed/(Repayment) from Short-Term Borrowing (Net)	129.24	11.57	5.11
Payment of Lease Liability	(1.44)	(1.41)	(1.11)
Dividend paid on Preference Shares	(14.75)	(13.86)	-
Dividend paid on Equity Shares	(10.37)	(10.37)	-
Redemption of Preference Shares	(55.00)	(60.92)	-
Net Cash (Used in)/Generated from Financing Activities	**(7.60)**	**(199.79)**	**195.22**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(11.06)**	**(10.85)**	**24.41**
Cash and Cash Equivalent at the beginning of the Year	**14.24**	**25.09**	**0.68**
Cash and Cash Equivalent at the end of the Year	**3.18**	**14.24**	**25.09**
Cash and Cash Equivalent comprises as under			
Cash on Hand	0.00	0.01	0.01
Balance with Schedule Banks in Current Accounts	3.18	14.23	25.08
Deposits with Schedule Banks	-	-	0.00
Cash & Cash Equivalent at the end of the Year	**3.18**	**14.24**	**25.09**

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 as per the requirements under Indian Accounting Standard ("**Ind AS 24**") notified under the Ind AS Rules read with Section 133 of the Companies Act, 2013, see "*Financial Information*", beginning on page 315.

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry and sectors in which we currently operate. We have described the risks and uncertainties that our management believes are material, but the risks set out in this Preliminary Placement Document may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in future. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company and Subsidiary and its Associate, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussions and Analysis of Financial Condition and Results of Operations" on pages 163, 133, and 93 respectively, as well as the financial, statistical and other information contained in this Preliminary Placement Document. In making an investment decision, prospective investors must rely on their own examination of us and the terms of this Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Epigral Limited on a standalone basis, and references to "we", "us", "our", are to Epigral Limited, together with its Subsidiary and its Associate, on a consolidated basis, considered together or individually, as applicable.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Preliminary Placement Document also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. For details, please refer to the section titled "Forward-Looking Statements" on page 20.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2022, 2023 and 2024 included herein is derived from the Audited Consolidated Financial Statements and the financial information for the three-month period ended June 30, 2024 is derived from the Unaudited Consolidated Quarterly Results included in this Preliminary Placement Document. For further information, see "Financial Information" on page 249. Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year.

The industry-related information contained in this section is derived from the CRISIL Report. We have commissioned and paid for the CRISIL Report pursuant to an engagement letter dated August 22, 2024, for the purposes of confirming our understanding of the industry in connection with this Issue. Neither we, nor the BRLM, nor any other person connected with the Issue has verified any information in the CRISIL Report. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Industry Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, "Presentation of Financial Information and Other Conventions" on page 15.

INTERNAL RISK FACTORS

1. ***Fluctuations in the cost of our raw material or other purchases or a shortfall in the supply of our raw materials, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations including its cash flows and financial condition.***

The raw materials we use in our manufacturing process are primarily sourced from third party suppliers. The success of our operations is contingent upon various factors, including our ability to procure raw materials at competitive rates. The tables below set forth our cost of materials consumed, also represented as a percentage of our total expenses, for the periods indicated:

Particulars	For the quarter ended June 30, 2024		For the Financial Year 2024		For the Financial Year 2023		For the Financial Year 2022	
	(₹ in crores)	(% of total expenses)	(₹ in crores)	(% of total expenses)	(₹ in crores)	(% of total expenses)	(₹ in crores)	(% of total expenses)
Costs of material consumed	339.48	64.97%	1,071.60	65.14%	1,211.76	72.39%	759.41	64.82%

Our raw materials include various items, major ones are glycerine, PVC resin, salt, coal, potassium chloride, methanol, etc., the prices of which have been volatile in the past. The pricing and supply of raw materials can be highly volatile due to a range of factors, such as fluctuations in demand and supply, broader economic and political conditions, transportation and labor costs, natural disasters, pandemics, and competitive pressures. As a result, we continue to remain susceptible to the risks arising out of raw material price fluctuations which could result in declining operating margins and adversely affect our business, financial condition and results of operations. There is no assurance that we will be able to establish new agreements with suppliers under favourable terms, which could impact our ability to procure raw materials in a commercially viable and timely manner, potentially affecting our business operations and profitability. Additionally, issues such as demand spikes, capacity constraints, or other operational problems faced by suppliers might lead to occasional shortages or delays. In the event of a significant or extended shortage of raw materials from any supplier, and in the absence of alternative sources, we might struggle to adhere to our production schedules and fulfil customer orders promptly. This situation would negatively impact our sales, profit margins, and customer relationships.

While we have been able to pass on increase in prices of raw material to our customers, there have also been occasions when we have been unable to pass on increases in raw materials prices to our customers. Any such increases in prices of raw materials in future could adversely affect our ability to price our products competitively. Some of our raw material imports may be regulated that, inter alia, allows the concerned authority to stop any import if it is deemed that the chemicals proposed to be imported may cause major accidents. We are unable to assure you that such regulations would not be made more stringent which would consequently restrict our ability to import raw materials from other jurisdictions. We also cannot assure you that, under these circumstances, we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials at favourable terms in a timely manner. Any restriction on import of raw materials could have an adverse effect on our ability to deliver products to our customers, and our business, financial condition and results of operations.

Further, in the future, if there are any trade restrictions, sanctions or higher tariffs being placed by India on imports from another country or similar restrictions placed by the exporting country for supply of products to India, such trade restrictions, sanctions or higher tariffs may significantly impact our sourcing decisions and It may lead to increased cost of purchase, and shortages of materials, which could impact our supply commitment to our customers and adversely affect our manufacturing activities. Accordingly, such trade restrictions, sanctions or higher tariffs could have a material adverse effect on our business, financial condition and results of operations.

2. ***Our Company's entire manufacturing facility is located at a single location and therefore, any localized social unrest, natural disaster or breakdown of services or any other natural disaster in and around the area can lead to a materially adverse effect on our business and financial condition.***

As on the date of this Preliminary Placement Document, our manufacturing facility is located in Dahej, Gujarat. Accordingly, our manufacturing operations is concentrated in one geographic area. The geographic concentration of our manufacturing facility heightens our exposure to adverse developments and economic shifts within this region. Any significant social, political, civil or economic disruptions, or instances of internal or external aggression or changes in the policies of state or local governments, in Dahej, Gujarat in general, could have an adverse effect on our business, results of operations and financial condition. If the Company experiences delays in production or shutdowns at any or all of these facilities due to any reason, including disruptions caused by disputes with its workforce or due to its employees forming a trade union, the Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

In the event of any disruptions at our manufacturing plants, due to natural or man-made disasters, workforce disruptions, delay in regulatory approvals, fire, failure of machinery, lack of continued access to assured supply of electrical power and water at reasonable costs, changes in the policies of the states or local government or authorities or any significant social, political or economic disturbances or civil disruptions in and around Bharuch, Gujarat, our ability to manufacture our products may be adversely affected. In addition to the loss as a result of a fire or industrial accident, any shutdown of our manufacturing plants could result in us being unable to meet with our commitments, result in modification of our business strategy, or require us to incur significant capital expenditure, which will have an adverse effect on our business, results of operation and financial condition. Disruptions in and around our manufacturing plant could delay production or require us to shut down the manufacturing plants. Any contravention of or non-compliance with the terms of various regulatory approvals applicable to the manufacturing plants may also require us to cease or limit production until such non-compliance is remedied to the satisfaction of relevant regulatory authorities. We cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labour involved in our manufacturing plants, which may hinder our regular operating activities and lead to disruptions in our operations, which could adversely affect our business, prospects, financial condition, cash flows and results of operations.

3. ***We are subject to certain risks consequent to our operations involving the manufacture, usage and storage of various substances. Additionally, we are required to obtain certain approvals, licenses, registration and permits for our business with respect to safety, health, environmental and labour laws and other applicable regulations. The failure to obtain or renew such licenses in a timely manner or non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations may adversely affect our business, financial condition and results of operations.***

Our Company provides a range of products, including CPVC Resin, CPVC Compound, Chlorotoluenes Value Chain, Epichlorohydrin, Chloromethanes, Hydrogen Peroxide, Caustic Soda, Chlorine, Hydrogen and Caustic Potash used for various applications such as pharmaceuticals, agrochemical, epoxy resin, water treatment chemicals, automotive, pharmaceuticals, paper reinforcement and infrastructure chemicals, refrigerant, Tetrafluoroethylene (TFE), paper and pulp, textiles, effluent treatment, etc. Our manufacturing processes involve manufacturing, storage and transportation of certain hazardous substances that we use in production that are corrosive, hazardous and toxic chemicals, and we are required to obtain approvals from various authorities for storing hazardous substances and are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business and for our Manufacturing Plant. A majority of these approvals impose controls on air and water discharge, storage, transport, handling, disposal and employee exposure to hazardous substances and are therefore granted for a limited duration. Some of these approvals expire from time to time and accordingly we make an application for obtaining the approval or its renewal from time to time.

We cannot assure you that the relevant authorities will issue or renew any expired permits or approvals in time or at all. Failure or delay in obtaining approvals or failure by us in obtaining, maintaining or renewing the required permits or approvals within the validity period of such approvals or permits, may result in interruption of our operations. Furthermore, under such circumstances, the relevant authorities may initiate penal action against us, restrain our operations, impose fines/penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all. Although we endeavour to obtain and maintain relevant regulatory approvals and permits applicable to our operations, such approvals and permits are subject to various conditions and in the event of our inability to comply with such conditions, the relevant regulatory authorities may suspend or revoke such approvals.

Further, we also generate, store and use hazardous wastes and permissible quantity of emissions at all our manufacturing facilities. We are, therefore, subject to operating risks associated with handling of such chemicals and any mishandling could lead to environmental damage, accidents and damage to property and equipment. While there have been no such instances during the last three financial year, we cannot assure you that we will not experience operating risks associated with handling of such hazardous materials in the future. In the event of occurrence of any such accidents, our business operations may be interrupted. Liabilities incurred as a result of these events have the potential to adversely affect our reputation with suppliers, business associates, regulators, employees and the public, which could, in turn, affect our financial condition and business performance.

In addition, we are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health and we are also inspected at regular intervals by various agencies to ensure our compliance with applicable laws and regulations. These laws, regulations and permits often require us to purchase and install pollution control equipment or to make operational changes to limit impacts or potential impacts on the environment and/or health of our employees. Further, our compliance with these laws and regulations and our obtaining the necessary governmental permits are often a prerequisite for customer orders. Any non-compliance with manufacturing standards as prescribes under law may have an adverse effect on our business, financial condition and results of operations.

In addition, the regulations governing our operations may be amended to impose more onerous obligations on us, which may result in increased costs or subject us to penalties or disruptions in our activities, any of which could adversely affect our business. While our manufacturing facility may be in compliance with applicable laws and regulations, we may be subject to additional regulatory requirements due to changes in governmental policies. Further, we may also incur additional costs and liabilities related to compliance with these laws and regulations that are an inherent part of our business. While we endeavour to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures, and an inability to comply with such regulatory requirements may attract a penalty.

4. ***Our operations are dependent on continuous R&D to develop and commercialise new products and our inability to identify and understand evolving industry trends, technological advancements, customer preferences and develop new products to meet our customers' demands may adversely affect our business.***

Our success depends significantly on our ability to commercialize our new products. In order to remain competitive, we must develop, test and manufacture new products, which must meet regulatory standards and receive requisite regulatory approvals. To accomplish this, we commit substantial effort, funds and other resources towards our R&D activities, and we have set-up first research and development centre at Ahmedabad recognized by the Department of Scientific and Industrial Research (DSIR) and Ministry of Science & Technology in relation to developmental activities, freezing specifications and developing the method of analysis for finished products, in process intermediates and raw materials. Till June 30, 2024, our total consolidated capital expenditure and revenue expenditure on our R&D activities was ₹34.16 crores and ₹ 2.23 crores, respectively. Our Company has employed 14 permanent R&D personnel as on June 30, 2024.

The development of new or improved products can be a lengthy process, and delays, inability to obtain necessary regulatory approvals, or product failures can negatively impact the business, results of operations, cash flows, and financial condition. Additionally, competitors may commercialize similar products before the company, which could affect the success of R&D activities and negatively impact business growth, results of operations, cash flows, and financial condition.

New products or enhancements to existing products cannot guarantee market acceptance. Technological advances and scientific discoveries can increase R&D expenses due to frequent product introductions and significant price competition. Some product development decisions may not meet expectations, leading to unprofitable investments. Additionally, ongoing investments in new product launches and R&D for future products could result in higher costs without proportionate increases in revenues. The company is indirectly affected if a particular final end product is discontinued. The industry is constantly changing due to technological advances and scientific discoveries, and if current technologies become obsolete, the company's business and results of operations could be adversely affected. The cost of implementing new technologies and upgrading manufacturing facilities could be significant and could adversely affect the business. Changes in market demand may also cause discontinuation of existing or planned development for new products. If the company fails to make the right investments or make them at the right time, its business, reputation, and financial conditions could be materially and adversely affected.

5. ***We do not have any long term agreements with most of our customers, and the loss of one or more of them or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.***

We typically do not have firm commitment or long-term supply agreements with our customers and instead rely on short term or spot purchases purchase orders to govern the volume and other terms of our sales of products, from our customers. The purchase orders we receive from our customers specify a price per unit, delivery schedule, and the quantities to be delivered, however, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our revenue and production schedules.

The table below sets out the revenue contribution as percentage of our total revenue from contracts with our top ten customers, for the three-month ended June 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Particulars	Three-month period ended June 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
	As a percentage of revenue from operations (%)	As a percentage of revenue from operations (%)	As a percentage of revenue from operations (%)	As a percentage of revenue from operations (%)
Top 10 customers	45.58%	43.53%	38.20%	38.60%

Additionally, certain customers have high and stringent standards for product quantity and quality as well as delivery schedules. Any failure to meet our customers' expectations and specifications could result in the cancellation or non-renewal of contracts or purchase orders. There are also a number of factors, other than our performance that could cause the loss of a customer. Customers may demand, among others, price reductions, setoff any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by moving more work in-house, or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition.

Accordingly, we face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies which may result in reduced quantities being manufactured by us. Cancellations, reductions or instructions to delay production (thereby delaying delivery of products manufactured by us) by any significant customer(s) could adversely affect our results of operations by reducing our sales volume, as well as by possibly causing delay in our customers' paying us for the order placed for purchasing the inventory with us which we would have manufactured for them. We may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss.

6. ***There are outstanding legal proceedings involving our Company. Any adverse decision in such proceedings may expose us to liabilities or penalties and may adversely affect our business, financial condition, results of operations and cash flows.***

As of the date of this Preliminary Placement Document, our Company is involved in certain legal matters, including both civil, and criminal. These cases are at various stages and are being reviewed by different courts, tribunals, and other authorities. We can't guarantee that the outcomes of these proceedings will be favourable to us. If the decisions go against us, it could significantly impact our business, financial health, operational results, and cash flow.

A summary of pending legal proceeds involving our Company is provided below:

(in ₹ crores)

Type of Proceeding	Number of cases	Approximate amount to the extent quantifiable
Civil Proceedings	1	26.70
Criminal Proceedings	1	0.50
Tax Proceedings	11	23.39

The amounts claimed in these proceedings have been disclosed to the extent ascertainable. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current or long-term liabilities. For further details, see "*Outstanding Litigation and Other Material Developments*" on page 241.

Bank loans availed by the Company are subject to certain covenants relating to Interest Service Coverage Ratio, Current Ratio, Debt Service coverage Ratio, Total Outside Liabilities to Total Net Worth, Fixed Assets Coverage Ratio, Ratio of Total Term Liabilities to Net Worth and Return on Property, Plant and Equipment's. Till now there has been due compliance with the covenants as per the terms of the loan agreements.

7. ***Exchange rate fluctuations may adversely affect our results of operations as our expenditure towards manufacturing process and sales from exports are denominated in foreign currencies. We may also engage in hedging transactions which involves certain risks.***

Our financial statements are prepared in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures and other capital purchases are denominated in foreign currencies, mostly in U.S. Dollars and Euros. Accordingly, we have currency exposures relating to buying and selling in currencies other than in Indian Rupees, particularly the U.S. Dollar and Euro. During the Fiscal 2024, Fiscal 2023 and Fiscal 2022, our revenues from our exports amounted to ₹85.71 crores, ₹86.69 crores and ₹1.12 crores, respectively, which constituted 4.44%, 3.96%, and 0.07%, respectively, of our consolidated revenues from operations. Our Company has made forex payments of ₹ 376.25 crores, ₹ 329.48 crores and ₹ 266.49 crores for Fiscal 2024, 2023 and 2022 respectively which is 19.50%, 15.06% and 17.18% of our revenue from operation respectively. Therefore, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements.

Since we have significant exposure in foreign exchanges, we may hedge risks arising out of exchange rate fluctuations and fluctuations in interest rates through various hedging instruments. If the hedging instrument expires, or is sold, terminated or exercised without replacement or rollover or if its designation as hedges is revoked certain risks which, if materializes, could adversely affect our profitability.

While we may hedge a portion of the resulting net foreign exchange position, we are still affected by fluctuations in exchange rates among the U.S. dollar and the Indian Rupee and we cannot assure you whether hedging or other risk management strategies will be effective. Accordingly, while we enter into hedging transactions to minimize our currency exchange risks, there can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar, Euro or other foreign currencies. Additionally, we have had net gains due to foreign currency transactions and translation in the Fiscal 2024, Fiscal 2023 and Fiscal 2022 of ₹4.87 crores, ₹3.16 crores and ₹1.12 crores, respectively. These gains and losses were related to instances where the market exchange rate at the time of transaction was in our favour or against us as compared to the rates we had applied when the transactions were accounted or hedged. For further information on our exchange rate risk management, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Principal Factors Affecting our Results of Operations – Foreign Exchange Rate Risk*".

8. ***Unplanned slowdowns or shutdowns in our manufacturing operations or under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.***

The success of any capacity expansion and expected return on investment on capital expenditure is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise. The product requirements of, and procurement practice followed by, our customers also affect our capacity utilization. In recent times, we have made significant investments for the expansion of our manufacturing capacities and are continuing to undertake additional investments to increase our existing capacity. In case of oversupply in the industry or lack of demand we may not be able to utilise our expanded capacity efficiently. As of June 30, 2024, the Company possessed a complement of the following manufacturing capacities:

Sr. No.	Product	Capacity as of June 30, 2024
1.	Caustic Soda	400 KTPA
2.	Caustic Potash	21 KTPA
3.	CPVC Resin	75 KTPA
4.	Epichlorohydrin	50 KTPA
5.	Chloromethanes	50 KTPA
6.	Hydrogen Peroxide	60 KTPA
7.	Captive power plant	132 MW
8.	Wind-Solar hybrid power plant	18.34 MW

For further information, see "*Our Business - Capacity and Capacity Utilization*" on page 174. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance.

We also face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies, which may result in reduced quantities being manufactured by us resulting in under-utilization of our existing manufacturing capacity. Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand for their products (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production and utilization of our manufacturing capacity for a particular product. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. This may lead to over production of certain products and under production of some other products resulting in a complete mismatch of capacity and capacity utilization. Any such mismatch leading to over or under utilization of our manufacturing facilities could adversely affect our business, results of operations, financial condition and cash flows.

9. ***The specialty chemicals industry provides for significant entry barriers. We face competition from both domestic as well as multinational corporations and our inability to compete effectively could result in the loss of customers, hence, our market share, which could have an adverse effect on our business, results of operations, financial condition and future prospects.***

The custom synthesis and manufacturing industry presents significant entry barriers, including customer validation and approvals, expectation from customers for process innovation and cost reduction, high quality standards and stringent specifications. In particular, our typical end customers are required to register the manufacturer with the regulatory bodies as a supplier of intermediate products or active ingredients. As a result, any change in the manufacturer of the intermediate product or active ingredient may require customers to expend significant time and resources, resulting in the acquisition of customers becoming a long process. From the product testing stage to the batch procurement phase, to the eventual customer approval stage acquiring a new end customer typically spans across a few months, depending on product complexity.

We face competition from both domestic and multinational corporations. The Indian specialty chemicals industry is fragmented in nature. Our failure to obtain new customers or to retain or increase our existing market share or effectively compete could adversely affect our business, financial condition and results of operations. Competition in our business is based on pricing, relationships with customers, product quality, customization and innovation. We face pricing pressures from multinational companies that are able to produce chemicals at competitive costs and consequently, supply their products at cheaper prices. We are unable to assure you that we shall be able to meet the pricing pressures imposed by such multinational competitors which would adversely affect our profitability. Also, see "*Our Business – Competition*" and "*Industry Overview*" on pages 176 and 133, respectively, for further details on competitive conditions that we face across our various business divisions.

10. ***Our Company could not comply with certain requirements in respect of Companies Act, 2013, compliances related to corporate governance requirements and certain other regulatory requirements. If such non-compliances occur in future, we may be exposed to penalties and regulatory actions by regulatory authorities including prosecution.***

During the financial year 2022, our Company had defaulted in *inter alia* submitting the share capital audit report and non-compliance regarding the composition of the audit committee to the Stock Exchanges for which our Company was penalized a total amount of ₹ 0.03 crores. We cannot assure you that such non-compliance will not occur in future. If such non-compliances occur in future, we may be exposed to penalties and regulatory actions by regulatory authorities. Penalties due to such non compliances may impact our financials and may impact our business.

11. ***Our insurance coverage may not adequately protect us against all losses, or the insurance cover may not be available for all the losses as per the insurance policy, which could adversely affect business, financial condition and results of operations.***

Our operations are subject to various risks inherent to the chemicals industry and to the sale and maintaining inventory of products, as well as other risks such as burglary, fire, directors and officer liability etc. We therefore maintain insurance coverage of ₹3,858.20 crores for as of June 30, 2024. While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, to the extent that we suffer loss or damage, for which we have not obtained or maintained insurance, or which is not covered by insurance, which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations and financial condition could be adversely affected. In addition, our insurance policies expire from time to time, and we may not be able to renew our policies in a timely manner, or at acceptable cost or at all.

In case any uninsured loss occurs, we could lose our investment in, as well as anticipated profits and cash flows from the asset. In addition, even if any such loss is insured, there may be a significant deductible on any claim for recovery prior to our insurer being obligated to reimburse us for the loss, or the amount of the loss may exceed our coverage for the loss. We cannot assure you that, in the future, any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Further, an insurance claim once made could lead to an increase in our insurance premium, result in higher deductibles and also require us to spend towards addressing certain covenants specified by the insurance companies.

12. ***We are subject to product liability exposure. Any potential claims in relation to the quality, use, or otherwise of our products may harm our reputation and/or have an adverse impact on our operations, revenue and profitability.***

We develop, manufacture, and sell a range of chemicals, which are primarily used as raw materials for products in end-use industries such as pipes, pharmaceuticals, construction equipment, textiles, paper pulp, epoxy, detergent, water treatment etc. The products that we produce are subject to risks such as contamination, adulteration and product tampering during their production, transportation, or storage. Accordingly, we may be exposed to risks of products recalls and returns. In addition, we may be exposed to potential product liability claims, and the severity and timing of such claims are unpredictable. Although we have not experienced any such claims in the past, we have taken insurance to protect us from such claims; however, this insurance coverage may be inadequate or not applicable to a particular set of claims. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling which may lead to the deterioration of our products.

Our Company has attained insurance coverage for product liability, public liability policy and Commercial General Liability (CGL) however, we continue to remain exposed to potential claims in relation to the quality and use of some of our products. For defending any product liability claim, we may have to incur substantial legal costs and may also have to divert our management's attention away from business operations. Further, any judgment/award or findings, against us in such claim, may harm our reputation, and may have an adverse impact on our revenue and profitability.

13. ***The agreements governing our indebtedness contain certain restrictive covenants and our inability to comply with these covenants could adversely affect our business, financial condition and results of operations.***

We have incurred indebtedness of ₹ 910.94 crores as of June 30, 2024 (which includes non-current borrowings of ₹ 542.35 crores and current borrowings of ₹ 368.59 crores), and we may avail debt facilities in the future to run our business. Our Debt Equity ratio for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, was 0.78 times, 0.82 times and 1.37 times, respectively. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. Further, our existing financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions and require us to obtain consents from respective lenders prior to carrying out specified activities and entering into certain transactions, any of which could adversely affect our business and financial condition. We are required to obtain prior approval from our lenders before undertaking certain matters including, among others, to effect any merger, amalgamation, reconstruction or consolidation; change or alter in any way the capital structure of the borrower; and effect any material change in shareholding of the borrower or our management/ ownership.

We cannot assure you that we will be able to obtain approvals to undertake any of these activities as and when required or comply with such covenants or other covenants in the future. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Our failure to meet our obligations under the debt financing agreements, including our repayment obligations under the financing arrangements could have an adverse effect on our business, results of operations, cash flows and financial condition.

These debt obligations are typically secured by a combination of security interests over our assets, including our manufacturing assets and hypothecation of movables and future receivables. The security allows our lenders to inter alia sell the relevant assets in the event of our default.

Further, if we incur more debt or if there is an increase in the applicable interest rates for our existing debt, our interest payment obligations will increase, and we may become subject to additional conditions from our lenders, including additional restrictions on the operation of our business. The financing agreements that we are party to, or which we may enter into in the future, may be unilaterally terminated by our lenders or our lenders could decline to lend to us under such agreements. Further, we cannot assure you that we will be able to raise additional financing in a timely manner on favourable terms, or at all. Any failure in the future to obtain necessary financing could result in a cash flow mismatch and adversely impact our growth plans. Any of these factors could have an adverse effect on our business, financial condition, our cash flows and results of operations.

14. ***We have contingent liabilities as per Ind AS-37, and our financial condition could be adversely affected if these contingent liabilities materialize.***

The following table sets forth our contingent liabilities as per Ind AS-37 as of March 31, 2024:

(in ₹ crores)

Particulars	As at March 31, 2024
Disputed Income Tax Liability[1]	16.63
Disputed Service Tax Liability[2]	0.54
Disputed Custom Duty Liability[3]	6.22
Disputed Other Civil liability[4]	2.34
(In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various Forums / Authorities. The Group has assessed that it is only possible but not probable, the outflow of economic resources will be required)	
In respect of Letter of Credit	54.25

1. *Income tax demand comprise demand from the Indian Income Tax authorities for payment of additional tax of ₹ 16.63 crores (31 March 2023: ₹16.63 crores), upon completion of their tax review for the assessment year 2016-17, 2017-18 and 2018-19. The tax demands are mainly on account of adjustment pertaining to 80 IA benefits claimed for captive power plant against sale of steam and power. Till FY 2022-23, the matter was pending before CIT(A) and Income Tax Appellate Tribunal (ITAT). During FY 2023-24, the Group has received favourable ITAT Order from Ahmedabad pertaining to AY 2016-17 and AY 2017-18 against which the Department has filed appeal before Gujarat High Court.*
2. *Service tax demand comprise demand from Service tax Authorities for payment of additional tax of ₹ 0.54 crores (31 March 2023: ₹ 0.54 crores), upon completion of their tax review for the financial year 2012-13 and 2014-15. The tax demands are on account of service tax on sales commission and classification of coal. The matter is pending before Commissioner of Excise Service Tax Appellate Tribunal (CESTAT).*
3. *Customs tax demand comprise demand from Custom Authorities for payment of additional tax of ₹ 6.22 crores (31 March 2023: ₹ 6.22 crores), upon completion of their tax review for the financial year 2012-13. The tax demands are on account of classification of coal. The matter is pending before Commissioner of Excise Service Tax Appellate Tribunal (CESTAT).*
4. *Other Legal demand comprise demand on account of civil litigation for payment to aggrieved party amounting to ₹ 2.34 crore (31 March 2023: Nil).The legal dispute is majorly on account of non-fulfilment of obligation by creditor and corresponding deductions. The matter is pending before High court.*

For further information relating to our contingent liabilities as of March 31, 2024, as per Ind AS 37, provisions, contingent liabilities and contingent assets, see "*Financial Statements*"- on page 249.

Most of the liabilities have been incurred in the normal course of business. If these contingent liabilities were to fully materialize or materialize at a level higher than we expect, it may materially and adversely impact our business, financial condition and results of operations.

15. ***We entered into related party transactions in Fiscals 2024, 2023, 2022 and in the three months period ended June 30 , 2024. We will continue to enter into such transactions and we cannot assure you that we may not achieve more favourable terms had such transactions not been entered into with related parties.***

We have, in the past, entered into related party transactions with various parties whose arithmetic aggregated absolute total amounts to ₹187.71 crores, ₹295.34 crores, and ₹296.43 crores for the Fiscals 2024, 2023 and 2022, respectively, in the ordinary course of our business. For further details, see "*Related Party Transactions*" on page 46. We cannot assure you that we will receive similar terms in our related party transactions in the future. For the future transactions with our related parties that we will enter into, we cannot assure you that we may not achieve more favourable terms had such transactions not been entered into with related parties.

Further, the Companies Act, 2013 has brought into effect specific compliance requirements with respect to related party transactions, such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions. Though we believe that all related party transactions entered into by us, were on an arm's length basis, in the ordinary course of business transactions and subject to the Board's or Shareholders' approval, as applicable, and in compliance with the applicable accounting standards, provisions of Companies Act, 2013, provisions of the SEBI Listing Regulations and other applicable law. We cannot assure you that such future transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

The Company has not entered into material related party transactions i.e., exceeding 10% or more of the turnover of the Company with related parties, which may have a potential conflict with the interest of the Company at large. Further, as required under Regulation 23 of the Listing Regulations, the Company has framed a Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions which is available on the website of the Company.

16. ***Certain of our intellectual property rights may not be adequately protected against third party infringement.***

We are the registered owners of certain trademarks including 'Epigral' and 'Epigral Enhance to Exceed' in various classes, and the Epigral Limited (erstwhile Meghmani Finechem Limited) logo. We cannot assure you that we will continue to have the uninterrupted use and enjoyment of these trademarks or logos and our other intellectual property rights. Further, we may not be able to protect our intellectual property rights against third party infringement and unauthorised use of our intellectual property which may adversely affect our business. The use of trade names or trademarks by third parties which are similar to our trade names or trademarks may result in confusion among customers and loss of business. In addition, any adverse experience of customers of such third-party products, or negative publicity attracted by such third-party products could adversely affect our reputation and brand and business prospects. We may also be susceptible to claims from third parties asserting infringement and other related claims relating to trademarks and brands under which we sell our products. Any such claim could adversely affect our relationship with existing or potential customers, result in costly litigation and divert management's attention and resources. An adverse ruling arising out of any intellectual property dispute could subject us to liability for damages and could adversely affect our business, results of operations and financial condition.

17. ***Our commercial success depends on the success of our customer's products with end consumers. Any decline in the demand for our customer's products would adversely impact the demand for our products.***

Our products are used by our customers on various applications across a wide spectrum of industries including the pipes, pharmaceuticals, agrochemical, epoxy resin, water treatment chemicals, automotive, pharmaceuticals, paper reinforcement and infrastructure chemicals, refrigerant, paper and pulp, textiles, effluent treatment etc. Our commercial success also depends to a large extent on the success of our customers' products with end consumers. The success of the end products manufactured by our customers depends on our customers' ability to identify early on, and correctly assess consumer market preferences. We cannot assure you that our customers will correctly assess consumer preferences in a timely manner or that demand for goods in which our products are used will not decline. If the demand for the products in which our products are used declines, it could have a material adverse effect on our business, financial condition and results of operations.

18. ***A significant disruption to our distribution network or any disruption of civil infrastructure, transport or logistic services, may create delays in deliveries of products distributed by us.***

We rely on various forms of transportation, such as marine, roadways and railways to receive raw materials required for our products and to deliver our finished products to our customers. Unexpected delays in those deliveries, including due to delays in obtaining customs clearances for raw materials imported by us, transportation strikes or increases in transportation and fuel costs, could significantly decrease our ability to make sales and earn profits. We may suffer losses due to damage or loss of raw materials and finished products in transit which may occur due to accidents or natural disasters. Manufacturing delays or unexpected demand for our products may also require us to use faster, but more expensive, transportation methods, which could adversely affect our gross margins.

In addition, labour shortages or labour disagreements in the transportation or logistics industries or long-term disruptions to the national and international transportation infrastructure that lead to delays or interruptions of deliveries could materially adversely affect our business. Further, we cannot assure you that we will be able to secure sufficient transport capacity for these purposes. While there have been no instances of unexpected delays due to accidents, natural disasters, labour shortages, labour disagreements etc., in the past three years till the date of the Preliminary Placement Document, any significant disruption to our distribution network or any disruption of civil infrastructure could lead to a failure by us to provide products distributed by us in a timely manner, which would adversely affect our business and results of operations.

19. ***Any adverse changes in regulations governing our business, products and the products of our customers, may adversely impact our business, prospects and results of operations.***

Government regulations and policies of India as well as the countries to which we export our products can affect the demand for, expenses related to and availability of our products. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. Any changes in government regulations and policies, such as the withdrawal of or changes in tax benefits, incentives and subsidies or anti-dumping duties levied by India or other countries, could adversely affect our business and results of operations. Further, regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the regulations governing the development of our products and their usage by our customers, including the development of licensing requirements and technical standards and specifications or the imposition of onerous requirements, may have an adverse impact on our operations.

Our Company may be required to alter manufacturing and/or distribution process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers. We cannot assure you that we will be able to comply with the regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products and/or we may be deemed to be in breach of our arrangements with our customers. Consequently, there is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, results of operations and financial condition.

20. ***Our performance may be adversely affected if we are not successful in forecasting customer demands, managing our inventory or working capital.***

We maintain adequate inventory of raw material requirements for the manufacture of the products, and we forecast the demand for raw materials on the basis of our operating levels and market insights on demand. Efficient inventory management is a key component of the success of our business, financial condition and results of operations. To be successful, we must maintain sufficient inventory levels and an appropriate product sales mix to meet our customers' demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding other inventory adversely affects our results of operations. If our raw materials purchase decisions do not accurately predict sourcing levels, customer trends or our expectations about customer demands and needs are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. In addition, our working capital requirements have increased in recent years due to the general growth of our business. If a client defaults in making its payment on a product to which we have devoted significant resources, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. All of these factors may result, or have resulted, in increases in our working capital requirements. If we are unable to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, it may adversely affect our business, financial condition and results of operations.

21. ***Our Promoters along with members of the Promoter Group will continue to retain a significant shareholding in us after this Issue, which will allow them to exercise significant influence over us.***

As of September 30, 2024, our Promoters along with the Promoter Group together hold 2,97,43,556 Equity Shares, or 71.58% of our issued, subscribed and paid-up Equity Share capital. Upon completion of the Issue, our Promoters along with the Promoter Group together will continue to hold majority of our post-Issue Equity Share capital. Accordingly, our Promoters will continue to exercise significant influence over our business policies and affairs and all matters submitted to our Board or Shareholders for approval, including the composition of our Board of Directors, the adoption of amendments to our charter documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. Further, any substantial change in our Promoters' shareholding may have an impact on the trading price of our Equity Shares which could have an adverse effect on our business, results of operations, financial condition and cash flows.

22. ***The success of our business depends substantially on our management team. Our inability to attract or retain such manpower could adversely affect our business and operations.***

Our success largely depends upon the knowledge and experience of our Promoters, Directors and our Key Management Personnel as well as our ability to attract and retain skilled personnel. Any loss of our Promoters, Directors and Key Management Personnel or our inability to attract and retain them and other skilled personnel could adversely affect our business, financial condition and results of operations. We depend on the management skills and guidance of our Promoters and Directors for development of business strategies, monitoring their successful implementation and meeting future challenges. Further, we depend on the expertise, experience and continued efforts of our Key Management Personnel. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Key Management Personnel are unable or unwilling to continue in his or her present position, it could be difficult for us to find a suitable or timely replacement and our business, financial condition and results of operations could be adversely affected.

In addition, we may require a long period of time to hire and train replacement personnel when personnel with technical expertise terminate their employment with us. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining personnel with technical expertise that our business requires.

There is significant competition for management and other skilled personnel in the speciality chemicals industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. In the event that we are not able to attract and retain talented employees as required for conducting our business, or if we are unable to motivate and retain existing employees, our business, financial condition and results of operations may be adversely affected. For further information, see "*Board of Directors*" on page 179.

23. ***We are subject to strict quality requirements, regular inspections and audits by our customers, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our business, financial condition and results of operations.***

We develop, manufacture and market a diverse range of speciality chemicals which have applications across a wide spectrum of uses in pipes, pharmaceuticals, agrochemical, epoxy resin, water treatment chemicals, automotive, pharmaceuticals, paper reinforcement and infrastructure chemicals, refrigerant, paper and pulp, textiles, effluent treatment amongst other industries. Some of our customers maintain strict qualification and/or certification procedures. Our products go through various quality checks at various stages including random sampling check and quality check internally. Some of our key customers have audited and approved our facilities and manufacturing processes in the past and may undertake similar audits periodically in the future. These successful audits play a critical role in customer retention, and any issues that arise in the course of these audit may lead to loss of the particular customer. Further, failure of our products to meet prescribed quality standards may result in rejection and reworking of our products. This may result in our customers cancelling present or future purchases of our products and could adversely affect our business, financial condition and results of operations.

We have ISO 9001, ISO 14001, ISO 45001 and ISO 50001 certification reflecting our responsible alignment with quality management, international standard of environmental management, health and safety management and energy management. We are also REACH-registered and certified by Star-K kosher, Halal India and Roundtable on sustainable palm oil (RSPO). While we have put in place quality control procedures, we cannot assure that our products will always be able to satisfy our prescribed quality standards. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the manufacturing of our products. Any failure on our part to successfully maintain quality standards for our products may affect our customer relationships, which may adversely affect our business, financial condition, results of operations and prospects.

24. The demand of our products in foreign countries is subject to international market conditions and regulatory risks that could adversely affect our business and results of operations.

In the three-month period ended June 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, revenue from operations from exports accounted for 6.47%, 4.44%, 3.96% and 0.07%, respectively, of our revenue from operations in such periods. For further information on revenues from the various geographies where we export our products, see "*Our Business – Exports*" on page 176. Therefore, any developments in the global specialty chemical industry or the industries in which our customers operate could have an impact on our sales from exports. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the European Community and the United States, among others, where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments. Any such imposition of trade barriers may have an adverse effect on our results of operations and financial condition.

25. We have incurred significant capital expenditure during the last three Fiscal Years. We may require substantial financing for our business operations and planned capital expenditure and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.

During the Fiscal 2024, Fiscal 2023 and Fiscal 2022, we incurred capital expenditure of ₹398.43 crores, ₹416.45 crores and ₹456.30 crores, respectively. A significant amount of our capital expenditure in these periods was aimed at increasing our manufacturing capacities. Our management adopts and implements business strategies that take into account a number of macro and micro economic considerations, including our current financial condition and expected levels of growth over the medium to long term.

There can be no assurance that our expansion plans will be implemented as planned or on schedule, or that we will achieve our increased planned output capacity or operational efficiency. If we experience significant delays or mishaps in the implementation of the expansion plans or if there are significant cost overruns, then the overall benefit of such plans to our revenues and profitability may decline. To the extent that the planned expansion does not produce anticipated or desired output, revenue or cost-reduction outcomes, our business, financial condition and results of operations will be adversely affected.

In the future, we may require substantial capital for our business operations and planned capital expenditure to maintain and grow our existing infrastructure, purchase equipment and develop and implement new technologies in our new and existing manufacturing facilities. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your investment in our Company and could adversely impact our Equity Share price.

26. ***Failure or disruption of our IT, manufacturing automation systems and/or ERP systems may adversely affect our business, financial condition and results of operations.***

We have implemented various information technology ("IT") and/or Systems Applications and Products ("SAP") solutions to cover key areas of our operations, procurement, dispatch and accounting. We also have various automation systems and software that automate our manufacturing and production. These systems are potentially vulnerable to damage or interruption from a variety of sources, which could result from (among other causes) cyber-attacks on or failures of such infrastructure or compromises to its physical security, as well as from damaging weather or other acts of nature. A significant or large-scale malfunction or interruption of one or more of our IT systems, SAP systems or manufacturing automation systems due to power loss, telecommunications failures, software malfunction, break-ins and similar events could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a significant invasion, interruption, destruction or breakdown of our information technology systems and/or infrastructure, malfunction of our data system security measures could enable unauthorized or authorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable or cause damage to our reputation. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations. Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT, manufacturing automation systems and/or SAP systems may lead to inefficiency or disruption of our operations and thereby adversely affecting our business, financial condition and results of operations.

Additionally, our proprietary data is stored electronically and may be vulnerable to computer viruses, cybercrime and similar disruptions from unauthorized tampering. If such unauthorized use of our systems were to occur, data related to our product formulas, product development and other proprietary information could be compromised. The occurrence of any of these events could adversely affect our business, reputation and expose us to potential litigations.

27. ***We may receive notices from regulatory authorities including environmental authorities, which may result in litigation, penalties, fines or cancellation or suspension of our operating licenses.***

Our operations, particularly at our manufacturing plants, are subject to stringent scrutiny, inspection and audit from third party environmental agencies, including governmental authorities. Certain such notices received are industry-wide notices that are dispatched by the authorities and are not specific to us. Additionally, we have, from time to time, also received show cause notices from the environmental authorities to which we seek to provide adequate responses. Typically, such notices require us to provide the regulatory authorities with information such as production data during a period, power and water consumption data, amongst others. While no such notice has materialized into a litigation and no material fines or penalties have been imposed by regulatory authorities in the past. We cannot assure you that such notices will not culminate in legal proceedings in the future, neither can we assure you that fines, penalties or damages will not be imposed on us pursuant to such notices.

Furthermore, if the authorities deem that our responses do not sufficiently address the concerns raised in these notices, there is also a possibility that the environmental authorities may cancel, suspend or withdraw the approvals, permits or consents granted to us or may order the closure of the manufacturing unit until the concerns are sufficiently addressed or remedied. In the event that such environmental notices result in litigation, fines or the cancellation of our licenses, our business, financial condition and results of operations may be adversely affected.

28. ***We are dependent on third party transportation and logistics service providers. Any increase in the charges of these entities could adversely affect our business, financial condition and results of operations.***

As a manufacturing business, our success also depends on the uninterrupted supply and transportation of the various raw materials required for our manufacturing facility and of our products from our manufacturing facility to our customers, or intermediate delivery points such as ports, both of which are subject to various uncertainties and risks. We depend on road and water transportation to procure our raw materials and deliver our finished products to our customers. We rely on third-party transportation providers for procuring our raw materials as well as for distributing our products to our customers. This makes us dependent on various intermediaries such as domestic logistics companies and container freight station operators. We do not have formal contractual relationships with such logistic companies and freight forwarders. Transportation strikes may also have an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. We cannot guarantee that there will not be any delay in transportation and delivery of our products to our customers. Our shipping and forwarding charges for the three-month period ended June 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 were ₹10.46 crores, ₹23.14 crores, ₹29.04 crores and ₹16.64 crores respectively, which represents 1.6%, 1.2%, 1.3% and 1.1% of our revenue from operations for the aforesaid financial periods. Weather-related problems, strikes, or other events could impair our ability to procure raw materials from our suppliers or the ability of our suppliers to deliver raw materials to us which may in turn delay the process of manufacturing and supplying our products to our customers, leading to cancellation or non-renewal of purchase orders, and this could adversely affect the performance of our business, results of operations and cash flows. Additionally, unexpected delays in those deliveries, including due to delays in obtaining customs clearances for raw materials imported by us, transportation strikes or increases in transportation and fuel costs, could significantly decrease our ability to make sales and earn profits. Manufacturing delays or unexpected demand for our products may also require us to use faster, but more expensive, transportation methods, which could adversely affect our gross margins.

Labour shortages or labour disagreements in the transportation or logistics industries or long-term disruptions to the national and international transportation infrastructure that lead to delays or interruptions of deliveries could materially adversely affect our business. Further, we cannot assure you that we will be able to secure sufficient transport capacity for these purposes. While there have been no instances of unexpected delays due to accidents, natural disasters, labour shortages, labour disagreements etc., in the past three years till the date of the Preliminary Placement Document, any significant disruption to our distribution network or any disruption of civil infrastructure could lead to a failure by us to provide products distributed by us in a timely manner, which would adversely affect our business and results of operations.

While we aim to adequately insure ourselves against the risk involved in maritime transport, we may be responsible for the transport of our products and accordingly be exposed to the risk of theft, accidents and/or loss of our products in transit. While there have been no material instances of theft, accident or loss in the past three years, we cannot assure you that such incidents will not occur in future. Any such acts could result in serious liability claims (for which we may not be adequately insured) which could have an adverse effect on our business, financial condition and results of operations. Any recompense received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

29. ***Our failure to manage growth effectively may adversely impact our business, financial condition and results of operations.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. For further information, see "*Our Business – Strategies*" on page 171. Our ability to sustain growth depends primarily upon our ability to manage key issues such as our ability to sustain existing relationships with our clients, ability to obtain raw materials at better prices, ability to compete effectively, ability to scaling up our operations, adhering to high quality and execution standards, our ability to expand our manufacturing capabilities and our presence in India as well as globally, our ability to continue to develop specialty chemicals, the effectiveness of our marketing initiatives, selecting and retaining skilled personnel. Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategies. Sustained growth also puts pressure on our ability to effectively manage and control historical and emerging risks. Our inability to effectively manage any of these issues may adversely affect our business, financial condition and results of operations.

Our business growth could strain our managerial, operational, and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. There can be no assurance that our personnel, systems, procedures, and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Our inability to manage our business and implement our growth strategy could have a material adverse effect on our business, financial condition, and profitability.

30. ***If we are not able to compete successfully against existing and new competitors, we may lose customers and market share as well as reduce our margins.***

Some of the product divisions in which we operate are mature and highly competitive in India, as a limited number of large manufacturers compete for consumer acceptance, Competition is based upon brand perceptions, product performance and innovation, customer service and price.

Our ability to compete effectively may be affected by factors such as:

- our competitors may have substantially greater financial, marketing, research and development and other resources and greater market share in certain divisions than we do, which could provide them with greater scale and negotiating leverage with distributors, and suppliers;
- our competitors may have lower manufacturing, sales and distribution costs, and higher profit margins, which may enable them to offer aggressive retail discounts and other promotional incentives.

Any failure by us to compete effectively, including in terms of pricing or providing quality products, could have a material adverse effect on our business, results of operations and financial condition. Our ability to compete successfully will depend, in significant part, on our ability to reduce costs by such means as leveraging global purchasing, improving productivity, elimination of redundancies and increasing manufacturing at low-cost supply sources. If we are unable to compete successfully, our market share may decline, which may have a material adverse effect on our results of operations and financial condition.

31. ***Our business is manpower intensive and any unavailability of our employees or shortage of contract labour or any strikes lockout, work stoppages, increased wage demands by workmen or changes in regulations governing contractual labour may have an adverse impact on our cash flows and results of operations.***

Our business is manpower intensive, and we are dependent on the availability of our permanent employees and the supply of a sufficient pool of contract labourers at our manufacturing location. As June 30, 2024, we employed a total of 1023 full-time employees and approximately 1000 persons on contract labour. Unavailability or shortage of such a pool of workmen or any strikes, lockout, work stoppages, increased wage demands by workmen or changes in regulations governing contractual labour may have an adverse impact on our cash flows and results of operations. The number of contract labourers employed by us varies from time to time based on the nature and extent of work contracted to us and the availability of contract labour. We may not be able to secure the required number of contractual labourers for the timely execution of our projects for a variety of reasons including, but not limited to, possibility of disputes with sub-contractors, strikes, less competitive rates to our sub-contractors as compared to our competitors or changes in labour regulations that may limit availability of contractual labour.
We are subject to laws and regulations relating to employee welfare and benefits such as minimum wage, working conditions, employee insurance, and other such employee benefits and any changes to existing labour legislations, including upward revision of wages required by such state governments to be paid to such contract labourers, limitations on the number of hours of work or provision of improved facilities, such as food or safety equipment, may adversely affect our business and results of our operations. Further, there can be no assurance that disruptions in our business will not be experienced if there are strikes, work stoppages, disputes or other problems with sub-contractors or contract labourers deployed at our projects. This may adversely affect our business and cash flows and results of operations.

32. ***We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.***

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage onsite contract labour for performance of certain of our operations from time to time.
Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition and we may also be subject to legal proceedings in this regard. Thus, any order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition. If we are unable to renew the engagement with our independent contractors at commercially viable terms or at all, our business, results of operations, financial condition and cash flows could be adversely affected.

33. ***Significant disruptions of our information technology systems and/or infrastructure or breaches of our data security could adversely affect our business.***

We have information technology systems that support our business processes, including sales, order processing, production, distribution and finance. These systems may be susceptible to outages due to power loss, telecommunications failures, software malfunction, break-ins and similar events. Further, any such significant invasion, interruption, destruction or breakdown of our information technology systems and/or infrastructure by persons with authorized or unauthorized access could negatively impact our business and operations. In addition, our proprietary data is stored electronically and may be vulnerable to computer viruses, cybercrime and similar disruptions from unauthorized tampering. If such unauthorized use of our systems were to occur, data related to our product formulas, product development and other proprietary information could be compromised. The occurrence of any of these events could adversely affect our business, reputation and expose us to potential litigations.

34. ***We have significant planned capital expenditure, and such expenditure may not yield the benefits we anticipate. If we are unable to raise additional capital, our business, results of operations and financial condition could be adversely affected.***

We expect to incur significant capital expenditure in the coming future. We also intend to improve our operational efficiencies in our manufacturing process at the existing facility by undertaking de-bottlenecking exercises. Our capital expenditure plans are subject to a number of variables, including possible cost overruns; accidents, construction and development delays or defects; construction being affected by adverse weather conditions; satisfactory and timely performance by construction contractors; receipt of any governmental or regulatory approvals and permits; political risk; availability of financing on acceptable terms; and changes in management's views of the desirability of current plans, among others. We may also require additional financing in order to expand and upgrade our existing facilities as well as to construct new facilities. However, we cannot assure you that our operations will be able to generate cash flows sufficient to cover such costs. Further, our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions and the effect of events such as the COVID-19 pandemic, credit availability from banks, investor confidence, the continued success of our operations and laws that are conducive to our raising capital in this manner. Further, financing required for such investments may not be available to us on acceptable terms, or at all, and we may be restricted by the terms and conditions of our existing or future financing agreements. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, which could significantly affect financial measures such as our earnings per share. If we decide to raise additional funds through the issuance of equity, your ownership interest in our Company will be diluted.

Further, any inability to obtain sufficient financing could result in the delay, reduction or abandoning of our development and expansion plans. As a result, if adequate capital is not available, there could be an adverse effect on our business and results of operations. The actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes, weather- related delays and technological changes. Consequently, we cannot assure you that any expansion or improvement of our existing manufacturing facility or setting up of multi-purpose facility, will be completed as planned or on schedule, or that we will achieve our increased planned output capacity or operational efficiency. If we experience significant delays in the implementation of our expansion plans or if there are significant cost overruns, the overall benefit of such plans to our revenues and profitability may decline. If the expenditure that we incur does not produce anticipated or desired results, our profitability, cash flows and financial condition will be adversely affected.

35. ***This Preliminary Placement Document contains certain statistical and industry information which has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

This Preliminary Placement Document is inclusive of certain sections which include information based on or derived from the report of CRISIL dated October 2024 prepared and released by CRISIL Limited. The same is not related to our Company, Directors or Promoters. The Report has been commissioned and paid for with the objective of confirming our understanding of the industry in connection with the Issue.

Consequently, any information in this Preliminary Placement Document derived from, or based on, such third-party report should be read taking into consideration the foregoing industry sources and publications as also they are prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry data and publications are subject to change over time and may be based on estimates or assumptions that could prove inaccurate. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed, and dependability cannot be assured. While we have taken reasonable care in the reproduction of the statistical and industry related information, the industry related information has not been prepared or independently verified by us, the BRLM or any of our or their affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to subjective or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon.

These third-party reports are not a recommendation to invest or disinvest in any company. Accordingly, prospective investors should not place undue reliance on or base their investment decision solely on this information. In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Preliminary Placement Document based on, or derived from, the CRISIL Report. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Preliminary Placement Document.

36. ***Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.***

Our Company has paid dividends to its shareholders during the last two Financial Years. For information, see "*Dividends*" on page 92. However, our future ability to pay dividends will depend on various factors, including, earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictions under financing arrangements. Our business is capital intensive, and we may plan to make additional capital expenditures to complete our expansion projects, or to develop new projects. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and in accordance with our dividend distribution policy with applicable law. We cannot assure you that we will be able to pay dividends in the future

37. ***Credit and non-payment risks of our customers could have a material adverse effect on our business, financial condition and results of operations.***

The majority of our sales are to customers on an open credit basis, with standard payment terms of generally between 30 to 90 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit, we extend to what we believe is reasonable based on an evaluation of each customer's financial condition and payment history, we may still experience losses because of a customer being unable to pay. As a result, while we maintain what we believe to be a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate. As at March 31, 2024, our trade receivables amounted to ₹ 178.76 crores, , out of which ₹ 0.44 crores was outstanding for a period exceeding six months. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition and results of operations.

38. ***Information relating to the installed manufacturing capacity of our manufacturing facilities included in this Preliminary Placement Document are based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the historical installed capacity of our manufacturing facility included in this Preliminary Placement Document is based on various assumptions and estimates of our management and an independent chartered engineer in calculating of the installed manufacturing capacity of our manufacturing facility. These assumptions and estimates includes the standard capacity calculation practice of the industry in which we operate after examining the reactor capacities and other ancillary equipment installed at the facilities, the period during which the manufacturing facilities operated in a year/ period, product mix produced, assumption in relation to utilisation levels, expected operations, product manufacturing cycle, cleaning time, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies.

Further, the requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. We often increase capacity to meet the anticipated demand of our customers or significantly reduce production of certain products depending on potential orders. Certain products require lesser process time whereas certain products require more process time in the same manufacturing set-out that we have installed. Accordingly, actual production levels and rates may differ significantly from the installed capacity information of our facilities or historical installed capacity information of our facilities depending on the product type. Further, the installed capacity, capacity utilisation and other related information may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to capacity information that may be computed and presented by other competitors in the same industry. Undue reliance should therefore not be placed on our historical installed capacity information for our existing facilities included in this Preliminary Placement Document.

39. ***We have included certain financial and operational performance indicators, non-GAAP measures and certain other industry measures related to our operations and financial performance. These operational metrics, non- GAAP measures and industry measures may not be comparable with financial, or industry related statistical information of similar nomenclature computed and presented by other peer companies.***

We have included certain financial and operational performance indicators, including EBITDA, EBITDA Margin, PAT, PAT Margin, Net Worth, Net Debt, Debt Equity Ratio, Return on Equity and Return on Capital Employed (collectively, the "*Key Performance Indicators*" or "*KPI*") in this Preliminary Placement Document. The KPIs are supplemental measures of our operations and financial performance and are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or U.S. GAAP, and are prepared with internal systems and tools that are not independently verified by any third party and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems and tools have a number of limitations and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics under count or over count performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our measures for the applicable period of measurement. Limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business and financial operations.

Further, the KPI are not a measurement of our operations and financial performance under Ind AS or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS or IFRS, as reported in our Audited Consolidated Financial Statements. Although such KPI are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. The KPI may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies and has limited usefulness as a comparative measure.

40. ***Our statutory auditors have highlighted certain qualifications and modifications to their audit reports relating to our Audited Consolidated Financial Statements, which may affect our future financial results and the trading price of the Equity Shares.***

Under Indian Auditing Standards, statutory auditors may include an emphasis of matter, qualification and modification in their audit opinion under certain circumstances, including when a company's financial records have not been maintained in accordance with Ind AS. Our statutory auditors have included qualification and modification in the Audited Consolidated Financial Statements. Except as stated below, there are no reservations or qualifications or adverse remarks in the auditors' report in the last five Financial Years immediately preceding the year of filing the Preliminary Placement Document:

Financial Period/ Period	**Reservation, qualification, emphasis of matter or adverse remark**	**Impact on the financial statements and financial position of the Group**	**Corrective steps taken and/or proposed to be taken by the Company**
Fiscal 2024	Audit trail feature was not enabled for certain changes made using privileged / administrative access rights.	No effect on financial statements and financial position of the Group.	NA
Fiscal 2024	The Company has used funds raised on short-term basis for long-term purpose	No effect on financial statements and financial position of the Group.	Management has noted this and has made the allocation in the appropriate manner in the current financial year.
Fiscal 2024	Audit report of the associate company was not issued by its auditor till the date of consolidated financial statement of the Group.	No effect on financial statements and financial position of the Group.	NA
Fiscal 2024	Certain statutory dues were not deposited on account of any dispute for income tax and custom duty.	No effect on financial statements and financial position of the Group.	NA
Fiscal 2023	Audit report of the associate company was not issued by its auditor till the date of consolidated financial statement of the Group.	No effect on financial statements and financial position of the Group.	NA
Fiscal 2023	Certain statutory dues were not deposited on account of any dispute for income tax and custom duty.	No effect on financial statements and financial position of the Group.	NA
Fiscal 2022	Certain statutory dues were not deposited on account of any dispute for income tax, service tax and custom duty.	No effect on financial statements and financial position of the Group.	NA
Fiscal 2021	Certain statutory dues were not deposited on account of any dispute for service tax and custom duty.	No effect on financial statements and financial position of the Group.	NA

Fiscal 2020	Certain statutory dues were not deposited on account of any dispute for service tax and custom duty.	No effect on financial statements and financial position of the Group.	NA

For further information, see "*Management's Discussion on Financial Condition and Results of Operations – Auditors Observations*" on page 93.

Under Indian Accounting Standards, Statutory Auditors may include an emphasis of matter, qualification and modification in their audit opinion under certain circumstances based on requirements of auditing standards. There can be no assurance that our Statutory Auditors will not include such matters or any emphasis of matter, other modification, observations and qualification in the audit reports to our audited financial statements in the future, or that such modification will not affect our financial results in future fiscal periods. Investors should consider these matters of emphasis and related remarks in evaluating our financial condition and results of operations. Any such modification in the auditors' report on our financial statements in the future may also adversely affect the trading price of the Equity Shares.

41. ***There are certain disputed delays and deferrals in depositing/ payment of the statutory dues by our Company. Any delay/default in deposit of such statutory dues may lead to penalties and /or interest for delayed period and other adverse action by the concerned authorities.***

The statutory dues such as custom duty, and income tax have not been deposited on account of dispute are as follows:

Nature of the dues	Amount involved (in crores)	Period to which the amount relates	Forum where the dispute is pending
Custom Duty	5.99	2012-2013	CESTAT
Income Tax	5.41	2017-2018	CIT(A)

We cannot assure you that such instances will not occur in future. In case, such non-compliance persists, we may be exposed to penal action by concerned authorities. In case of imposition of penalties upon us, our business, financial position and operations may be adversely affected.

42. ***Our Company has ₹41 crores in outstanding redeemable preference shares. When these shares are redeemed, it could result in significant cash outflows, which may impact the Company's liquidity and overall financial position.***

As on date of the Preliminary Placement Document, our Company has ₹41 crores in outstanding redeemable preference shares issued pursuant to the Scheme of Arrangement by the NCLT order dated May 3, 2021. When these preference shares are redeemed, depending on various factors, such as the Company's cash reserves, business needs, and the availability of external funding, it could result in significant cash outflows, which may impact the Company's liquidity and overall financial position.

If the Company is unable to generate enough cash through its operations or secure financing when needed, it might have to rely on its working capital or take on additional debt. This could increase the Company's financial liabilities and put pressure on profitability and cash flow.

In addition, any unexpected challenges—such as a downturn in the market or changes in regulations—could make it difficult for the Company to meet its redemption obligations on time. This could lead to legal complications or affect the Company's reputation. Any delays or difficulties in redeeming these shares will not have a significant impact on the Company's financial health.

43. ***Our Company has taken on short-term borrowings to fund long-term investments or projects. This approach creates a risk because the borrowed funds need to be repaid in the near term, while the returns from these long-term investments may take time to materialize.***

Our Company has taken short-term borrowings to fund long-term investments or projects. If the Company cannot generate enough cash flow or refinance the short-term debt when it's due, it may face difficulties in meeting its repayment obligations.
This could force our Company to seek additional financing at higher interest rates, increasing costs and putting pressure on profitability. In times of tighter credit or rising interest rates, securing refinancing could become more difficult, adding further strain to our Company's financial stability.
The reliance on short-term funding for long-term needs could make our Company more susceptible to liquidity issues, particularly during periods of financial uncertainty or market volatility, potentially affecting its overall performance and financial health.

44. ***Conflicts of interest may arise out of common business objects between our Company and certain of our Promoters' companies.***

Our Promoters have interests in other companies that may undertake the same business as our Company in which our Promoters have an interest, are authorized to carry out, or engage in business similar to that of our Company. Conflicts of interests may arise in circumstances as Promoters have not signed any non-compete agreement with our Company as of date Any such present and future conflicts could have an adverse effect on our business, reputation, financial condition and results of operations.

EXTERNAL RISK FACTORS

45. ***Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor's reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence can cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholder's equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

46. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition.

Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

47. Changing laws, rules and regulations and legal uncertainties in India, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.

The regulatory and policy environment in which we operate is evolving and is subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition, cash flows and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India may implement new laws or other regulations and policies that could affect the digital payment and financial service industry in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition, cash flows and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations.

Furthermore, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent, may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We are also subject to these risks in all our overseas operations depending on each specific country. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition and financial performance. We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

48. Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.

The Audited Consolidated Financial Statements and the Unaudited Consolidated Quarterly Financial Results included in this Preliminary Placement Document have been prepared in accordance with Ind AS and accordance with Regulation 33 of the SEBI Listing Regulations, respectively. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

49. A slowdown in economic growth in India could cause our business to suffer.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. The domestic policy response includes localized micro-containment measures, state-specific movement restrictions, mobilization of health supplies and ramping up of health infrastructure.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects. Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

50. ***Investors may have difficulty enforcing foreign judgements against our Company, our Directors or our management.***

Our Company is a limited liability company incorporated under the laws of India. Majority of our Company's Directors, Key Management Personnel are residents of India and our assets, are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. A party seeking to enforce a foreign judgment in India may be required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999 to repatriate outside India any amount recovered pursuant to execution. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. Our Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

51. ***Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.***

There could be a downgrade of India's sovereign debt rating due to various factors, including changes in tax or fiscal policy, or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India, which may cause fluctuations in the prices of our Equity Shares. This could have an adverse effect on our business and financial performance, and ability to obtain financing for expenditures.

52. ***Applicants to this Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date.***

In terms of Regulation 179(1) of the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw or revise their Bids downwards after the Bid/Issue Closing Date. The Allotment of Equity Shares in the Issue and the credit of Equity Shares to the applicant's demat account with its depository participant could take approximately seven days to 10 Working Days from the Bid/Issue Closing Date. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events or material adverse changes in our business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of Allotment of Equity Shares in the Issue. The occurrence of any such event after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants will not have the right to withdraw their Bids in the event of any such occurrence. We may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

53. ***Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares or securities linked to Equity Shares may lead to the dilution of investors' shareholdings in our Company.

Except for the customary lock-up on our Company's ability to issue equity or equity linked securities discussed in "*Placement and Lock-up*" on page 217, there is no restriction on our ability to issue Equity Shares or our major shareholders' ability to dispose-off their Equity Shares, and we cannot assure you that we will not issue Equity Shares or that any major shareholder will not dispose of, encumber, or pledge, its Equity Shares. Future issuances of Equity Shares may dilute your shareholding and may adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the then current trading price of our Equity Shares. Sales of Equity Shares by our major shareholders may also adversely affect the trading price of our Equity Shares. For details, see "*Capital Structure*" on page 87.

54. ***You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as STT is paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India.

Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

55. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

The Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. The volatility of the Indian Rupee against other currencies may subject investors who convert funds into Indian rupees to purchase our Equity Shares to currency fluctuation risks. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.

Under the Companies Act, 2013, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting rights on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. Our decision to file a registration statement will depend on the costs and potential liabilities associated with any such registration as well as the perceived benefits of enabling holders in such jurisdiction to exercise their pre-emptive rights and any other factors we consider appropriate at such time. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to you by Indian law. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in our Company may be reduced.

56. ***Listed companies in India are highly regulated and we are subject to continuous reporting requirements.***

We are subject to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we incur significant legal, accounting, corporate governance and other expenses. We are subject to the SEBI Listing Regulations which requires us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a listed company, we are required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. We are also required to monitor trading in the Equity Shares in terms of the SEBI Insider Trading Regulations. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention are required. As a result, our management's attention may be diverted from our business concerns, which may affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

57. ***The trading price of the Equity Shares may be subject to volatility and you may not be able to sell the Equity Shares at or above the Issue Price.***

The Issue Price shall be determined by us in consultation with the Book Running Lead Managers, based on the Bids received, in compliance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with rules made thereunder. It may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to the Issue.

The trading price of the Equity Shares may fluctuate due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors and changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments.

For example, conditions in the Indian securities markets may cause the trading price of the Equity Shares to fluctuate. The Indian securities markets are generally smaller and more volatile than securities markets in developed economies. In the past, the Indian stock exchanges have experienced high volatility and other problems that have affected the market price and liquidity of the listed securities, including temporary exchange closures, broker defaults, settlement delays and strikes by brokers. Excessive volatility may, in turn, trigger the imposition of circuit breakers. See "***There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell the Equity Shares or the price at which Equity Shares can be sold at a particular point in time***." below. The closure of, or trading stoppage on, either of BSE and NSE could adversely affect the trading price of the Equity Shares.

In addition, if the stock markets in general, experience a loss of investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of the Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Additionally, in recent years, there have been changes in laws and regulations regulating the taxation of dividend income, which have impacted the Indian equity capital markets. See "Dividends" beginning on page 92. Any of these factors could adversely affect the market price and liquidity of the Equity Shares.

58. There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell the Equity Shares or the price at which Equity Shares can be sold at a particular point in time.

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on the Stock Exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform us of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares.

59. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

A company based in India may issue equity instruments to a person resident outside India subject to entry routes, sectoral caps and attendant conditions prescribed in the FEMA Rules. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required.

Further, in accordance with the Consolidated FDI Policy dated October 15, 2020, Government of India, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

60. The right of the Equity Shareholders to receive payments pursuant to the Equity Shares will be subject to tax and other liabilities upon insolvency of our Company.

The Equity Shares will be subordinated to other liabilities preferred by law, such as claims of the Government of India on account of taxes and certain liabilities incurred in the ordinary course of our Company's business (including workmen's dues, debts owed to secured creditors, wages and any unpaid dues owed to employees other than workmen, financial debts owed to unsecured creditors etc. in accordance with the mechanism as specified under Section 53 of the Insolvency and Bankruptcy Code, 2016). In the event that bankruptcy or insolvency proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy or insolvency are instituted by or against our Company, the payment of sums or dividends to the Equity Shares may be substantially reduced or delayed, or the shareholding in our Company may be significantly diluted or otherwise completely extinguished.

61. An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of the allotment of the Equity Shares.

The Equity Shares in this Issue are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of the Equity Shares in this Issue, eligible QIBs subscribing for each of the Equity Shares may only sell their Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

62. There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

our financial results and the financial results of the companies in the businesses we operate in;

the history of, and the prospects for, our business and the sectors in which we compete;

the valuation of publicly traded companies that are engaged in business activities similar to us; and

Significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

63. There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on the Stock Exchange.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be applied for or granted until the Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorising the issuance of the Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell the Equity Shares. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Furthermore, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

64. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of the Equity Shares between non residents and residents and issuances of shares to non-residents by our Company are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified under applicable law. If such issuances or transfers are not in compliance with such pricing guidelines or reporting requirements and does not fall under any of the specified exceptions, then prior approval will be required.

Additionally, as per the Press Note No. 3 (2020 Series) issued by the Department for Promotion of Industry and Internal Trade ("**DPIIT**") on April 17, 2020, investments from beneficial owners in countries that share a land border with India are subject to government approval. This also applies to any change in beneficial ownership of existing or future foreign direct investments in an Indian entity, which results in the ownership falling under the aforementioned restrictions, necessitating the Government of India's approval. The Ministry of Finance further amended the FEMA Non-debt Instruments Rules on April 22, 2020, to reflect this change. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Furthermore, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of the Equity Shares in India into foreign currency and repatriate that foreign currency from India may require a no-objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all. These foreign investment restrictions may adversely affect the liquidity and free transferability of the Equity Shares and could result in an adverse effect on the price of the Equity Shares.

The GoI may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the GoI experiences extreme difficulty in stabilizing the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the GoI's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms, or at all.

MARKET PRICE INFORMATION

As at the date of this Preliminary Placement Document, 4,15,50,158 Equity Shares are paid-up and outstanding.

The Equity Shares have been listed and traded on the BSE and the NSE since August 18, 2021. On October 18, 2024, the closing price of the Equity Shares on the NSE and the BSE was ₹ 2,214.15 and ₹ 2,214.50 per Equity Share, respectively. Since the Equity Shares are actively traded on the Stock Exchanges, the market price and other information for each of the NSE and the BSE has been given separately.

The following tables set forth the reported high, low, average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading volumes for Fiscal Year 2024, Fiscal Year 2023 and Fiscal Year 2022:

BSE

Fiscal Year	**High (₹)**	**Date of high[1]**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on the date of high (₹ in crores)**	**Low (₹)**	**Date of low [1]**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on the date of low (₹ in crores)**	**Average price for the year (₹) [2]**
2024	1,284.75	27-Feb-24	11,180	1.40	870.00	7-Aug-23	54,046	4.84	992.69
2023	1,736.60	20-Sep-22	71,154	11.99	810.60	29-Mar-23	11,666	0.99	1,276.17
2022*	1,064.00	24-Mar-22	20,136	2.07	386.35	18-Aug-21	6,483	0.26	795.86

(Source: www.bseindia.com)

Notes:

(1) *High and low prices in the above tables are of the high and low of intraday prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.*

(2) *Average price for the year represents the average of daily closing prices on each day of each year.*

** Data for period August 18, 2021 to March 31, 2022*

NSE

Fiscal Year	**High (₹)**	**Date of high[1]**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on the date of high (₹ in crores)**	**Low (₹)**	**Date of low [1]**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on the date of low (₹ in crores)**	**Average price for the year (₹) [2]**
2024	1,284.40	26-Feb-24	2,57,001	32.54	862.05	7-Aug-23	2,84,124	25.45	992.96
2023	1,736.00	20-Sep-22	4,43,847	74.73	815.00	28-Mar-23	38,706	3.18	1,276.19
2022*	1,064.80	24-Mar-22	1,43,060	14.61	387.10	18-Aug-21	96,452	3.90	795.74

(Source: www.nseindia.com)

Notes:

(1) *High and low prices in the above tables are of the high and low of intraday prices. In case of two days with the same high or low price, the date with the higher volume*

has been chosen.

(2) *Average price for the year represents the average of daily closing prices on each day of each year.*

** Data for period August 18, 2021 to March 31, 2022*

The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on BSE and NSE on the dates on which such high and low prices were recorded during each of the last six months:

BSE

Month ended	High (₹)	Date of high [(1)]	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on the date of high (₹ in crores)	Low (₹)	Date of low[(1)]	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ in crores)	Average price for the month (₹)[(2)]
September 2024	2,368.15	24-Sep-24	82,669	18.93	1,786.20	9-Sep-24	5,885	1.08	2,051.50
August 2024	2,025.90	22-Aug-24	12,891	2.57	1,693.90	6-Aug-24	10,062	1.76	1,875.35
July 2024	1,819.50	31-Jul-24	10,587	1.87	1,341.00	1-Jul-24	36,130	5.20	1,545.24
June 2024	1,430.00	20-Jun-24	25,202	3.52	1,107.45	4-Jun-24	8,107	0.95	1,315.49
May 2024	1,377.20	2-May-24	4,938	0.65	1,208.00	31-May-24	1,443	0.18	1,270.94
April 2024	1,438.75	23-Apr-24	23,309	3.21	1,114.20	1-Apr-24	4,587	0.53	1,326.46

(Source: www.bseindia.com)

Notes:

(1) High and low prices in the above tables are of the high and low of intraday prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.

(2). Average price for the month represents the average of daily closing prices on each day of each month.

NSE

Month ended	High (₹)	Date of high (1)	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on the date of high (₹ in crores)	Low (₹)	Date of low(1)	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ in crores)	Average price for the month (₹)(2)
September 2024	2,367.00	24-Sep-24	12,59,101	289.84	1,785.20	9-Sep-24	57,501	10.55	2,051.09
August 2024	2,026.00	22-Aug-24	3,49,077	69.60	1,692.40	6-Aug-24	1,31,888	23.03	1,876.11
July 2024	1,817.95	31-Jul-24	2,41,603	42.78	1,341.00	1-Jul-24	4,00,255	57.68	1,546.40
June 2024	1,436.00	21-Jun-24	82,240	11.47	1,110.05	4-Jun-24	90,415	10.56	1,316.30
May 2024	1,380.95	2-May-24	1,21,114	16.07	1,207.00	31-May-24	24,361	2.96	1,271.07
April 2024	1,443.25	23-Apr-24	2,09,228	28.89	1,101.70	1-Apr-24	1,19,483	13.80	1,326.19

(Source: www.nseindia.com)

Notes:
(1) High and low prices in the above tables are of the high and low of intraday prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.
(2). Average price for the month represents the average of daily closing prices on each day of each month.

The following table set forth the details of the number of Equity Shares traded and the turnover during the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 on the Stock Exchanges:

Financial Year Ended	Number of Equity Shares Traded		Turnover (₹ in crores)	
	BSE	NSE	BSE	NSE
March 31, 2024	21,51,236	2,28,94,007	220.72	2,401.36
March 31, 2023	43,77,327	3,70,01,121	590.70	5,075.04
March 31, 2022*	31,22,204	1,62,84,607	253.51	1,303.15

(Source: www.bseindia.com and www.nseindia.com)
*Note: * Data for period August 18, 2021 to March 31, 2022*

The following table set forth the details of the number of Equity Shares traded and the turnover during the six immediately preceding months:

Period	Number of Equity Shares Traded		Turnover (₹ in crores)	
	BSE	NSE	BSE	NSE
September 2024	3,25,203	42,49,259	69.20	911.80
August 2024	2,88,623	36,29,809	54.32	684.27
July 2024	3,61,471	47,35,916	57.13	760.78
June 2024	1,33,004	16,00,893	17.65	212.95
May 2024	1,12,747	10,91,721	14.31	139.05
April 2024	3,52,653	40,81,086	47.09	543.57

(Source: www.bseindia.com and www.nseindia.com)

The following table sets forth the market price on BSE and NSE on August 16, 2024, i.e., the first working day following the approval of the Board of Directors for the Issue:

Stock Exchange	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares trade	Turnover (₹ in crores)
BSE	1870.35	1876.60	1823.65	1839.30	4217	0.78
NSE	1850.60	1885.45	1821.10	1835.90	57126	10.55

(Source: www.bseindia.com and www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from this Issue shall be approximately ₹ [●] crores. Subject to compliance with applicable laws, the net proceeds from this Issue, after deducting fees, commissions and expenses relating to this Issue of approximately ₹[●] crores, will be approximately ₹[●] crores ("**Net Proceeds**").

Purpose of the Issue

Subject to compliance with applicable laws and regulations, we propose to utilise the Net Proceeds for the following objects, as may be approved by the Board:

a) Repayment/ prepayment, in full or part, of certain outstanding borrowings availed by our Company;

b) Funding capital expenditure towards purchase of fixed assets;

c) General corporate purposes.

(Collectively referred to "**Objects**")

Requirements of Funds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

(*in ₹ crores*)

Sr. No	Particulars	Amount
1.	Repayment/ prepayment, in full or part, of certain outstanding borrowings availed by our Company	Upto Rs. 250 Cr
2.	Funding capital expenditure towards purchase of fixed assets	Upto Rs. 50 Cr
3.	General corporate purposes(1)	[●]
Total Net Proceeds		[●]

(1) The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Our main objects clause and objects incidental or ancillary to the attainment of the main objects clause of the memorandum of association of our Company enables it to undertake the activities for which the borrowings were availed by it and which are proposed to be repaid or prepaid from the Net Proceeds. Further, the main objects clause and objects incidental or ancillary to the attainment of the main objects clause of the memorandum of association of our Company enables it to undertake the activities for which the borrowings were availed by it and which are proposed to be repaid or prepaid from the Net Proceeds.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with RoC, and the final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

Proposed schedule of Implementation and Utilisation of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

(*in ₹ crores*)

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment of the Net Proceeds during Fiscal 2025	Estimated deployment of the Net Proceeds during Fiscal 2026
Repayment/ prepayment, in full or part, of certain outstanding borrowings availed by our Company	Upto Rs. 250 Cr	Upto Rs. 250 Cr	-
Funding capital expenditure towards purchase of fixed assets	Upto Rs. 50 Cr	Upto Rs. 50 Cr	-
General corporate purposes (1)	[●]	[●]	[●]
Total Net Proceeds	[●]	[●]	[●]

(1) The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Our fund requirements and deployment plans for the Net Proceeds are based on management estimates, our business plan based on current market conditions, which are subject to change in the future, and have not been appraised by any bank or financial institution or any other independent agency.

Our fund requirements and proposed deployment schedule for the Net Proceeds are based on current general economic and market conditions and business needs, and the actual deployment of funds at each stage will depend on a number of factors, including our financial condition, business and strategy or external circumstances such as financial and market conditions, competitive environment, inflation, employment and disposable income levels, demographic trends, technological changes, changing customer preferences, interest or exchange rate fluctuations and finance charges, increasing regulations or changes in government policies, which may not be in our control.

Since, the Net Proceeds of the Issue are proposed to be utilised towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under the SEBI ICDR Regulations are not applicable: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project.

Details of use of Proceeds

A. Repayment/ prepayment, in full or part, of certain outstanding borrowings availed by our Company

Our Company has entered into various financial arrangements from time to time, with banks and financial institutions. The loan facilities availed by our Company include borrowing in the form of long-term borrowings and short-term borrowings. As of September 30, 2024, we had total outstanding borrowings of ₹895.19 crores comprising of non-current borrowings of ₹541.62 crores and current borrowings (including current maturities of long-term borrowings) of ₹ 353.57 crores including outstanding preference shares aggregating to ₹ 41.00 crores. Our Company proposes to utilise an estimated amount of upto ₹ 250 crores from the Net Proceeds towards full or partial repayment or pre-payment of certain unsecured and secured borrowings availed by our Company.

The selection of borrowings proposed to be repaid/pre-paid amongst our borrowing arrangements availed is based on various factors including (i) cost of borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding and the remaining tenor of the loan. However, the aggregate amount to be utilised from the Net Proceeds towards repayment or prepayment of borrowings in part or full, would not exceed ₹ 250 crores.

We believe that such repayment and/or pre-payment will help reduce our outstanding indebtedness on a consolidated basis, debt servicing costs improve our debt to equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The following table provides the details of borrowings availed by our Company as of September 30, 2024, which we have identified to repay or prepay, in full or in part, from the Net Proceeds:

Sr. No.	Name of Lender	Nature of Borrowing	Sanctioned amount as at September 30, 2024 (Rs. In crore)	Outstanding amount as at September 30, 2024 (Rs. In crore)	Interest Rate (% p.a.) as at September 30, 2024	Original Tenor	Purpose of raising the loan	Pre-payment penalty, if any
1.	HDFC Bank	Term Loan	150.00	16.67	9.25%	6 Years	Utilised for new Caustic soda and Captive Power Plant 36 MW	Nil
2.	Federal Bank	Term Loan	125.00	13.16	7.95%	6.5 Years	Utilised for New Hydrogen Peroxide Plant	Nil

3.	Axis Bank	Term Loan	350.00	310.05	8.15%	8 Years	Utilised for New Chlorotoluene Plant and New CPVC Expansion	Nil
4.	State Bank of India	Term Loan	190.00	112.95	8.50%	7 Years	Utilised for New Epichlorohydrin Plant	Nil
5.	HDFC Bank	Term Loan	284.75	213.56	9.30%	7 Years	Utilised for New CPVC plant and New expansion of CA III and CPP 36 Mega Watt B	Nil
6.	ICICI Bank	Working Capital Loan	140.00	56.18	8.05%	-	Utilised for Working Capital	Nil
7.	Standard Chartered Bank	Working Capital Loan	110.00	0.00	8.85%	-	Utilised for Working Capital	Nil
8.	HDFC Bank	Working Capital Loan	80.00	20.00	8.00%	-	Utilised for Working Capital	Nil
9.	State Bank of India	Working Capital Loan	100.00	75.00	7.80%	-	Utilised for Working Capital	Nil
10.	Kotak Mahindra Bank	Working Capital Loan	120.00	36.62	8.09%	-	Utilised for Working Capital	Nil
Total			**1,649.75**	**854.19**				

**As certified by CNK Khandwala & Associates, Chartered Accountants vide their certificate dated October 21, 2024.*

For the purposes of the Issue, our Company has obtained relevant consents and notified the relevant lender, as required under the facility documentation for undertaking the Issue. For details, see "*Risk Factors – 13- Our failure to meet our obligations under the debt financing agreements, including our repayment obligations under the financing arrangements could have an adverse effect on our business, results of operations, cash flows and financial condition*" on page 54. If the Net Proceeds are insufficient to the extent required for making payments for such costs, such excessive amount shall be met from our internal accruals. Our Company has obtained a certificate dated October 21, 2024, issued by our Independent Chartered Accountant, the utilisation of the proceeds of the loans, as indicated above has been towards the purpose availed for, as per the sanction letters / loan agreements of the respective loans.

Given the nature of these borrowings and terms of repayment/prepayment, the aggregate outstanding amount may vary from time to time. Further, the amounts outstanding under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits.

B. Funding capital expenditure towards purchase of fixed assets.

We are upgrading of our existing manufacturing facility situated at Dahej, Gujarat, on an ongoing basis and as such procure equipment / machinery and develop infrastructure which are required for our business operations. Accordingly, based on the future requirements estimated by our management, we propose to utilize upto ₹ 50 crores from the Net Proceeds towards funding the capital expenditure towards procurement, erection and installation of fixed assets and related infrastructure at our existing manufacturing facility situated at Dahej, Gujarat. We expect to benefit from such investment as we believe our plans and strategy will allow us to meet the anticipated increase in the demand for our products in the future, enable us to supply to the growing markets more efficiently and more importantly, drive profitability.

The break-down of the estimated cost for procurement, erection and installation of fixed assets is set forth below, which is based on the existing purchase orders:

Sr No	Type of Work/ Equipment	Vendor	Qty	Amount (in ₹ crores)	Date of quotations	Validity Period
1	Pile work	M.S Enterprise	-	3.76	August 02, 2024	-

Sr No	Type of Work/ Equipment	Vendor	Qty	Amount (in ₹ crores)	Date of quotations	Validity Period
2	Centrifuge	Tomoe Engineering Co. Limited	8 Nos	5.47*	September 30, 2024	30 days
3	Fluid Bed Dryer	Shandong Tianli Energy	2 Nos	19.62*	July 24, 2024	-
4	MSGL Reactor	GMM Pfaudler	39	32.14	October 4, 2024	-
5	Heat Exchanger	Graphite India Limited	17 Nos	5.08	October 10, 2024	60 days
6	Structure Fabrication & Erection	Asian Sky Infrastructure Inc.	1	11.08	September 09, 2024	-
7	TMT Bars	N D Steel	1000 MT	5.11	October 18, 2024	10 days
	Total			82.26		

**For all imported equipment or machinery, our Company has assumed an exchange rate of 1 JPY to ₹ 0.56, 1 CNY=₹ 11.82, as on October 21, 2024.*

We are in process of placing orders with the vendors for the aforesaid fixed assets, including, equipment and machinery. We propose to utilize upto ₹ 50 crores from the Net Proceeds proportionately towards aforesaid payments based on the management's discretion and as per business requirements. No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. The quantity of equipment to be purchased is based on management estimates and our business requirements. Our Company shall have the flexibility to select the vendors as per the situation prevail and deploy such fixed assets, including, equipment and machinery according to the business requirements of our Company and based on estimates of our management.

C. General Corporate Purposes

The Net Proceeds will first be utilised for the Objects as set out above. Subject to this, our Company intends to deploy ₹[●] crores from the Net Proceeds towards our general corporate purposes, as approved by our management, from time to time subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with the circular bearing reference no. NSE/ CML/2022/56 dated December 13, 2022, issued by NSE and circular no. 20221213-47 dated December 13, 2022, issued by BSE. Such general corporate purposes may include, but are not restricted to, (i) funding growth opportunities including organic and inorganic acquisitions; (ii) meeting ongoing general corporate purposes or contingencies; and/or (iii) strategic initiatives; (iv) brand building and other marketing expenses; and (v) any other purpose as permitted by applicable laws.

The allocation or quantum of utilisation of funds towards the specific purposes described above will be determined by our management, based on our business requirements and other relevant considerations, from time to time. Our management shall have the flexibility in utilising surplus amounts, if any. In addition to the above, our Company may utilize the Net Proceeds towards other purposes relating to our business which are considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act and in accordance with the stated objectives and our business. Our Company's management shall have flexibility in utilizing any surplus amounts, if any, in accordance with the applicable law.

Interim use of Net Proceeds

In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals. Pending utilization of the Net Proceeds, our Company shall invest such proceeds in money market instruments including money market mutual funds, deposits in scheduled commercial banks or any other investment as permitted under the investment policy of our Company. Provided that in accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

Monitoring Utilization of Funds from the Issue

The Company has appointed CARE Ratings Limited as the Monitoring Agency in relation to the Issue. Our Board and Monitoring Agency shall monitor the utilization of the Gross Proceeds, and the Monitoring Agency shall submit a report to our Board as required under Regulation 173A of the SEBI ICDR Regulations. The Company will disclose the utilization of the Gross Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate instances, if any, of unutilized Gross Proceeds in the balance sheet of the Company for the relevant Financial Years.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. On an annual basis, our Company shall (i) prepare a statement of funds utilised for purposes other than those stated in this Preliminary Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilised; and (ii) disclose every year, the utilization of the Gross Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilised in full. Such report, along with the comments (if any) of the Monitoring Agency shall be submitted to the Stock Exchanges within 45 days from the end of each quarter and uploaded on the website of our Company at www.epigral.com, or such other time as may be prescribed under the SEBI Listing Regulations. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above or the Objects for which the Gross Proceeds were raised have been achieved. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Other confirmations

Neither our Promoters, Promoter Group nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the Objects. Neither our Promoters nor our Directors shall receive any proceeds from the Issue. Since the Issue is only made to Eligible QIBs, our Promoters, Directors or Key Managerial Personnel are not eligible to subscribe in the Issue.

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CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation and total debt as on March 31, 2024, based on our Audited Consolidated Financial Statements and our Company's capitalisation as adjusted to reflect the receipt of the gross proceeds of this Issue and the application thereof.

This table should be read together with "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", on pages 47, and 93, respectively and the related notes included elsewhere in this Preliminary Placement Document.

(₹ in crores unless otherwise stated)

Particulars	**Pre-Issue**	**Post-Issue**
	As at March 31, 2024 (on consolidated basis)	**As adjusted for the Issue (on consolidated basis)**
Borrowings		
Current borrowings*:		
Secured	375.65	[●]
Unsecured	40.00	[●]
Non-current borrowings*:		
Secured	492.04	[●]
Unsecured	55.00	[●]
Total borrowings (A)	962.69	[●]
Total equity		
Equity share capital*	41.55	[●]
Other equity (including non-controlling interest) *	1,212.55	[●]
Non-controlling interest	-	[●]
Total Equity (B)	1,254.10	[●]
Total Capitalization (C)	2,216.79	[●]
Non-current borrowings / Total equity	**0.44**	**[●]**
Total borrowings/ Total equity (A/B)	**0.77**	[●]

**These terms shall carry the meaning as per Division II of Schedule III of the Companies Act, 2013.*
*** To be updated upon finalization of the price.*

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(In ₹, except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORIZED SHARE CAPITAL**	
	12,05,00,000 Equity Shares of face value of ₹ 10 each	1,20,50,00,000
	20,00,000 Preference Shares of face value of ₹ 100 each	20,00,00,000
	43,26,28,796 Preference Shares of face value of ₹ 10 each	4,32,62,87,960
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	4,15,50,158 Equity Shares of face value of ₹ 10 each	41,55,01,580
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	[●] Equity Shares aggregating to ₹ [●] in crores (1)	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares of face value of ₹ 10 each	[●]
E.	**CAPITAL RESERVE**	
	Before the Issue	(246,68,00,000)
	After the Issue	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue	NIL
	After the Issue (2) (3)	[●]

(1) The Issue has been authorized by the Board of Directors pursuant to its resolution dated August 14, 2024. The Shareholders have authorized and approved the Issue by way of a special resolution passed by way of a postal ballot dated September 16, 2024, and the results of which were declared on September 17, 2024.

(2) The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue. Adjustments do not include Issue related expenses.

(3) To be determined upon finalization of Issue Price

Equity Share Capital History of our Company

The following table sets forth the history of the Equity Share capital of our Company since incorporation:

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of allotment	Consideration	Cumulative Equity shares
September 11, 2007	50,000	10	10	Initial subscription to Memorandum of Association	Cash	50,000
March 31, 2008	3,51,33,333	10	NA	Allotment pursuant to transfer of land, building, plant and machinery	Other than cash	35,18,33,330
March 31, 2008	1,10,57,853	10	30	Further Allotment	Cash	4,62,41,186
March 16, 2009	1,10,00,000	10	30	Further Allotment	Cash	5,72,41,186

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of allotment	Consideration	Cumulative Equity shares
March 31, 2009	43,08,813	10	30	Further Allotment	Cash	6,15,49,999
August 31, 2012	92,10,000	10	30	Further Allotment	Cash	7,07,59,999
April 26, 2018	50,00,000	10	30	Further Allotment	Cash	7,57,59,999
February 11, 2019	(3,45,66,885)	10	NA	Cancellation of Equity Shares pursuant to scheme of amalgamation with MAPL and MOL-1	Other than cash	4,11,93,114
May 20, 2021	(2,35,45,985)	10	NA	Cancellation of Equity Shares pursuant to scheme of arrangement involving MOL-1, MFL, MOL-2 and its shareholders and creditors	Other than cash	1,76,47,129
May 20, 2021	2,39,03,029	10	NA	Allotment pursuant to composite scheme of arrangement involving MOL-1, MFL, MOL-2, its shareholders and creditors.	Other than cash	4,15,50,158

Except as stated in "- *Equity Share Capital History of our Company*", our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash.

Preference Share Capital History of our Company

Our Company, pursuant to Scheme of Arrangement duly approved by NCLT Order dated May 05, 2021, converted 21,09,19,871 Optionally Convertible Redeemable Preference Shares to 21,09,19,871 redeemable preference shares of face value of ₹10, which are cumulative and carry a coupon/dividend rate of 8.00% per annum, with a redeemable tenure of 20 years from the date of allotment ("**Preference Shares**"). The Preference Shares carry a right to exercise the option of early redemption. As on the date of this Preliminary Placement Document, 1,69,91,98,71 preference shares for an amount aggregating to ₹ 169.91 crores have been redeemed. As on the date of this Preliminary Placement Document, there are 4,10,00,000 Preference Shares which are still outstanding aggregating to ₹41.00 Crores.

Particulars	Aggregate value at face value (except for securities premium account)
AUTHORIZED SHARE CAPITAL	
43,26,28,796 Preference Shares of face value of ₹ 10 each	4,32,62,87,960
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE	
4,10,00,000 Preference Shares of face value of ₹ 10 each	41,00,00,000

The Preference Shares were redeemed in the following manner:

Particulars	No. of preference shares redeemed	Face Value of preference shares	Aggregated amount of preference shared redeemed (₹)
Issuance date May 03, 2021	21,09,19,871	10	2,10,91,98,710
Redemption in Fiscal 2022*	-		-
Redemption in Fiscal 2023*	(6,09,19,871)	10	(60,91,98,710)
Redemption in Fiscal 2024*	(5,50,00,000)	10	(55,00,00,000)
Redemption in Fiscal 2025* (till the date of Preliminary Placement Document)	(5,40,00,000)	10	(54,00,00,000)
	(16,99,19,871)	10	(1,69,91,98,710)
Balance as on the date of Preliminary Placement Document	4,10,00,000		41,00,00,000

Warrants

As on the date of this Preliminary Placement Document, there are no outstanding warrants issued by our Company.

Employee stock option schemes

As on the date of this Preliminary Placement Document, there are no Equity Shares issued by our Company under any Employee stock option scheme.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them is set forth in the section "*Details of Proposed Allottees*" on page 248.

Shareholding Pattern of our Company

The pre-Issue and post-Issue shareholding pattern of our Company is set forth below.

Sr. No.	Category	Pre-Issue^		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held**	% of shareholding
A.	**Promoter's holding#**				
1.	**Indian**				
	Individual and HUF	2,97,43,511	71.58	[●]	[●]
	Corporate	0	0	[●]	[●]
2.	**Foreign**	0	0		
	Sub-total (A)	**2,97,43,511**	**71.58**	[●]	[●]
B.	**Non-Promoter's holding**				
1.	**Institutional investors (domestic)**				

Sr. No.	Category	Pre-Issue^		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held**	% of shareholding
	Mutual Funds	20,227	0.05	[●]	[●]
	Alternate Investment Funds	53,552	0.13	[●]	[●]
	NBFCs registered with RBI	65	0.00	[●]	[●]
2.	**Institutional investors (foreign)**				
	Foreign Portfolio Investors Category I	5,37,765	1.29	[●]	[●]
	Foreign Portfolio Investors Category II	72,262	0.17	[●]	[●]
3.	**Central Government/State Government(s)/ President of India**				
	State Government/Governor	10,339	0.02	[●]	[●]
4.	**Non-institutional investors**				
	Key Managerial Personnel	1,000	0.00	[●]	[●]
	Investor Education and Protection Fund	12,432	0.03	[●]	[●]
	Individual share capital up to ₹ 0.02 crores	61,58,189	14.82	[●]	[●]
	Individual share capital in excess of ₹ 0.02 crores	20,75,811	5.00	[●]	[●]
5.	**Non-Resident Individuals**	6,10,490	1.47	[●]	[●]
6.	**Bodies Corporate**	12,28,517	2.96	[●]	[●]
7.	**Any Other**			[●]	[●]
	Clearing members	340	0.00	[●]	[●]
	HUF	5,48,070	1.32	[●]	[●]
	LLP	4,74,726	1.14	[●]	[●]
	Unclaimed or Suspense or Escrow Account	817	0.00	[●]	[●]
	Trusts	2,045	0.00	[●]	[●]
	Sub-total (B)	**1,18,06,647**	**28.42**	[●]	[●]
C.	**Non-Promoter Non-Public shareholder**				
1.	Custodian/ DR Holder	0	0	[●]	[●]
2.	Employee Benefit Trust	0	0	[●]	[●]
	Sub-total (C)	0	0	[●]	[●]
	Total (A+B+C)	**4,15,50,158**	**100.00**	[●]	[●]

#Includes shareholding of the members of the Promoter Group.
^Based on beneficiary position data of our Company as on October 18, 2024.

Other Confirmations

The Promoters, members of the Promoter Group, the Directors and the Key Managerial Personnel of our Company do not intend to participate in the Issue. No change in control in our Company will occur consequent to the Issue.

Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of postal ballot dated August 14, 2024, the notice of which was dispatched on August 17, 2024 to the Shareholders for the approval of this Issue.

Equity Shares allotted pursuant to this Issue cannot be sold by the Allottee for a period of one year from the date of allotment, except on recognised stock exchanges in India

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue.

At any given time, there shall be only one denomination of the Equity Shares of our Company.

All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Preliminary Placement Document.

In the past year, our Company has not issued any equity shares out of revaluation reserves or for consideration other than cash. Furthermore, we confirm that there are no outstanding shares, except for the preference shares amounting to ₹ 41 crores issued pursuant to the Scheme of Arrangement

DIVIDENDS

The declaration and payment of dividends by our Company, if any will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act.

Our Board has approved and adopted a formal dividend distribution policy on April 25, 2022 in terms of Regulation 43A of the SEBI Listing Regulations ("**Dividend Distribution Policy**"). In accordance with the Dividend Distribution Policy, the dividend pay-out shall be determined by the Board after taking into account a number of factors, including but not limited to current year's profits, future outlook, with due consideration of internal and external environment, operating cash flows and treasury position, financial ratios, earning per share possibilities of alternative usage of cash, e.g., capital expenditure etc., with potential to create greater value for shareholders, providing for unforeseen events and contingencies with financial implications, other factors that may be considered relevant from time to time. For further information, see "*Description of the Equity Shares*" on page 230.

The following table details the dividend paid by our Company on the Equity Shares:

(in ₹ crores except as otherwise mentioned)

Particulars	From April 1, 2024 to June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
No. of Equity Shares	4,15,50,158	4,15,50,158	4,15,50,158	4,15,50,158
Face value per share (in ₹)	10.00	10.00	10.00	10.00
Interim Dividend (in ₹ crore)	Nil	-	10.38~~9~~	Nil
Final Dividend (in ₹ crore)	Nil	20.77~~8~~	10.38~~9~~	Nil
Aggregate Dividend (in ₹ crore)	Nil	20.77~~8~~	20.77~~8~~	Nil
Dividend per share (in ₹)	Nil	5.00	5.00	Nil
Rate of dividend (%)	Nil	50%	50%	Nil
Dividend Distribution Tax (%)	Nil	-	-	Nil

The form, frequency and amount of future dividends on the Equity Shares will depend upon our Company's future earnings, cash flow, financial condition and other factors and shall be at the discretion of its Board of Directors and subject to approval of the shareholders of our Company. The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. There is no assurance that any future dividends will be declared or paid or that the amount thereof will not be decreased. For details, see *"Risk Factors – Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.*" on page 93.

The Equity Shares to be offered in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*This discussion contains forward-looking statements, that involve risks and uncertainties and reflects our current views with respect to future events and financial performance. We caution investors that our business and financial performance is subject to substantive risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth under the sections titled "Forward-Looking Statements" and "Risk Factors" on pages 20 and 47, respectively, and elsewhere in this Placement Document. We prepared our Audited Consolidated Financial Statements in accordance with the Indian Accounting Standards prescribed under section 133 of the Company Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS**") and our and Unaudited Consolidated Quarterly Results in accordance with Regulation 33 of the SEBI Listing Regulations. Ind AS differs in some material respects from US GAAP and IFRS and other accounting principles with which prospective investors may be familiar.*

Our financial year ends on March 31 of every year, so all references to a particular Fiscal are to the twelve-month period ended March 31 of that year. Unless otherwise stated or unless the context requires otherwise, (i) all financial information provided as at and for the fiscal year ended March 31, 2022 has been derived from the comparative financial information in the Audited Consolidated Financial Statement as at and for the fiscal year ended March 31, 2023, (ii) all financial information provided as at and for the fiscal year ended March 31, 2023 has been derived from the comparative financial information in the Audited Consolidated Financial Statement as at and for the fiscal year ended March 31, 2024, and (iii) all financial information provided as at and for the fiscal year ended March 31, 2024 has been derived from the Audited Consolidated Financial Statement as at and for the fiscal year ended March 31, 2024. Additionally, unless otherwise stated and context requires all the financial information as at and for the three months ended June 30, 2024, has been derived from the Unaudited Consolidated Quarterly Financial Results.

Certain information in this section includes extracts from a report by CRISIL Limited titled 'Assessment of Chemical Industry' dated October 2024 (the "CRISIL Report"), which has been exclusively commissioned and paid for by us in connection with this Issue. The relevant industry sources are indicated at all relevant places within this section. For more information, see "Risk Factors ——35 - This Preliminary Placement Document contains certain statistical and industry information which has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate." on page 64. None of our Company, the Book Running Lead Manager or any other person connected with the Issue has independently verified all the information contained in the CRISIL Report.

Overview

We are one of the leading Indian chemical company, having production facilities of chlor alkali and its value-added derivative and speciality product in most integrated manners. Our products have applications across a wide spectrum of uses in the pipes, epoxy resin, alumina, textile, crop protection, refineries, pharmaceutical, paper & pulp, dyes & pigments, soap & detergent, refrigerant gases and many other vital industries. As of June 30, 2024, our product portfolio comprised over 10 products catering almost 15 high growth industries. With our rich legacy of operations of over 16 years, we have an established market position in some of our key products.

Currently, Epigral is the only producer for ECH with an installed of 50 KTPA. Further, our Company possesses the largest manufacturing capacity at a single location of producing 75,000 TPA of CPVC resin and set up first plant of Chlorotolunene. *(Source: CRISIL Report).* Thus, complimenting the 'Make in India' and 'Atmanirbhar Bharat' initiative and driving sustainable development for a brighter and safer future.

Our extensive range of products include, Caustic Soda, Caustic Potash, Chlorine, Hydrogen, Hydrogen Peroxide, CPVC Resin & Compound, Epichlorohydrin, Chloromethanes and Chlorotoluene Value Chain,.

The global caustic soda market is valued at ~US$ 26-27 billion in CY2024 and is projected to grow at a 5-7% CAGR over the next 5-6 years. The growth will be driven by rising demand from downstream industries such as water treatment, paper & pulp, alumina and soaps & detergents. The caustic soda market plays a critical role in the country's chemicals and manufacturing industries, accounting for approximately 25% of domestic chemicals production in fiscal 2024. *(Source: CRISIL Report)*

The size of the global caustic potash market is expected to reach ~$1.90 billion in calendar 2024, with a CAGR of ~10% over the last five years and expected growth of 8-9% over the forecast period. Global consumption stands at ~2.0 million metric tonne (MMT) in 2024 and is forecasted to reach ~3 MMT by 2030, growing at a CAGR of ~5%, up from the historical growth of ~4%

over the past five years. Domestic caustic potash capacity was ~95 KTPA in fiscal 2024, with flat growth over the past five years and no significant expansion expected over the next 5-6 years. Consumption grew from ~90 KT in fiscal 2019 to ~100 KT in fiscal 2024, implying a CAGR of ~2%. Consumption is expected to grow at a CAGR of ~8% to ~155 KTPA. *(Source: CRISIL Report)*

The global hydrogen peroxide market is estimated at US$ 3.3-3.5 billion in CY2024.The market is projected to grow at a CAGR of ~4.3% over the next 5-6 years, reaching ~US$ 4.5 billion. The Asia-Pacific (APAC) region holds the largest share at ~45%, driven by a growing population, increasing use of disinfectants and rising paper demand, particularly in India and China. Hydrogen peroxide capacity in India has grown from 208 KTPA in fiscal 2019 to 360-365 KTPA in fiscal 2024, reflecting a 12% CAGR over the last five years, driven by capacity expansions from major producers. By fiscal 2030, capacity is expected to reach 420-425 KTPA with commissioning of new plants. Hydrogen peroxide consumption was 307 KTPA in fiscal 2019 and is estimated at 315-320 KTPA in CY 2024, with flat growth owing to reduced demand in fiscal 2020 during the pandemic. *(Source: CRISIL Report)*

The global market for CPVC resin is projected to reach ~US$ 1.8 billion in calendar 2024, growing at an annual growth rate of 10% during the forecast period. Demand is primarily driven by high growth in the residential sector, particularly in the APAC region. Demand for CPVC resin in India surged to 230-235 KTPA in fiscal 2024 and is expected to grow at a CAGR of ~14% on account of construction sector activity. Epigral dominates the market with a total capacity of ~75 KTPA of CPVC resin. *(Source: CRISIL Report)*

The global epichlorohydrin ("**ECH**") market is projected to reach ~US$ 2.90 billion in CY2024. It is expected to expand to US$ 4.5-5.0 billion in CY2030. Despite a 3-4% decline in market value over the past five years owing to lower price realisations, consumption volume has increased 3.0% over the last five years and is anticipated to grow at a CAGR of ~2% through 2030. Domestic demand for ECH stands at around 120-125 KTPA in fiscal 2024 and is expected to grow at CAGR of ~ 14% and expected to reach around 270-275 KTPA by fiscal 2030. Epigral is the only producer of ECH with an installed capacity of 50 KTPA. *(Source: CRISIL Report)*

The global chloromethane market is projected to expand to US$4.5-5.0 billion in CY2024 from US$3.9 billion in CY2019, reflecting a CAGR of ~4.5% over the last five years. It is expected to clock a CAGR of ~7% over the next 5-6 years. Domestic chloromethane consumption increased to 610-615 KT in fiscal 2024 from ~570 KT in fiscal 2023. It clocked a compound annual growth rate (CAGR) of ~15% over the last five years. Consumption is projected to rise ~6% annually to 800-820 KT in the next 5-6 years. Over the last five years, imports declined by ~20% on account of capacity addition by domestic players. *(Source: CRISIL Report)*

The global chlorotoluene market is projected to grow ~5% to US$1.9-2.3 billion in CY2024. It is expected to grow ~5.3% over the next 5-6 years to US$2.5-3.0 billion. By fiscal 2030, chlorotoluene production capacity is expected at 85-90 KTPA with commissioning of new plants by major players. This significant increase in production capacity is anticipated to boost chlorotoluene exports and lead to a decline in imports over the next 5-6 years, as increased domestic production meets rising demand. *(Source: CRISIL Report)*

We are an innovation led company with a track-record of absorption of complex chemical processes and development of specialised products customised to customer requirements. We have a research and development ("**R&D**") facility at Ahmedabad, Gujarat recognized by the Department of Scientific and Industrial Research ("**DSIR**") and Ministry of Science & Technology, Government of India. As of June 30, 2024, our research and development team comprises of over 14 employees, 3 of which have PhDs. We force our R&D on (i) new product development, (ii) new technology platform development and to serve the niche requirements of our customers, (iii) improvement of our productivity and yields and (iv) reduction of our resource consumption. For the period ended June 30, 2024, our total consolidated capital expenditure and revenue expenditure on our R&D activities was ₹34.16 crores and ₹ 2.23 crores, respectively. The R&D facility has been built to address the Company's growing needs in speciality sector and sophistication to catalyze the identification of specialty chemical molecules that could be introduced in India.

We have an integrated manufacturing facility in India, located at Dahej, Gujarat comprises of production units, water reserves, treatment systems, quality control centre and a thermal based captive power plant. Our manufacturing facility had total installed capacity of 6,560,000 MTs, 6,11,000 MTs, 6,11,000 MTs and 4,25,000 MTs June 30, 2024 and in Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively. Our manufacturing facility is equipped with modern machinery and equipment which enable us to undertake various chemistry processes. Our manufacturing facility is integrated with significant backward and forward integration to optimize and improve efficiency. Our manufacturing facility is accredited with ISO 9001, ISO 14001, ISO 45001 and ISO 50001, reflecting its responsible alignment with quality management, international standard of environmental management, health and safety management and energy management. We are also REACH-registered and certified by Star-k Kosher, Halal India, Roundtable on Sustainable Palm Oil ("**RSPO**") and Responsible Care.

Our products are predominantly used as industrial intermediates and / or raw materials and hence we operate as a business-to-business manufacturing company. We market our products to over various domestic and export customers across 15 + countries across 4 continents. For the three months period ended on June 30, 2024 and in Fiscal 2024, Fiscal 2023 and Fiscal 2022, our top 10 customers contributed 45.58%, 43.53%, 38.20% and 38.60%, respectively, of our revenue from operations. We enjoy long term relationships with a number of our customers, and we had business relationships of more than three years with our top 10 customers in Fiscal 2024. In the three months period ended on June 30, 2024, and in Fiscal 2024, Fiscal 2023 and Fiscal 2022, 6.47%, 4.44%, 3.96% and 0.07%, respectively, of our revenue from operations were from exports.

We believe our success in the chemicals markets is based on our ability to identify the products which has good market along with strengthening our integrated complex, using latest and best technology available to improve output and lesser wastage, designing plant to optimize and having strong quality control department to meet the stringent technical performance requirements of our customers. Deploying such modern machinery in the most efficient way, however, requires years of accumulated industrial know-how. Given our scale, we believe replicating such an installed base would require substantial capital investments, time and in-depth knowledge.

Our Company has a strong management team with extensive experience in the chemicals industry and a track record of operational excellence. Our Promoters, Maulik Patel and Kaushal Soparkar have an experience of approximately 18 years and 17 years, respectively, in the chemicals industry. Our management team is backed by a core operational team that has vast experience in manufacturing. Our Board of Directors includes a combination of management executives and independent directors who bring in significant business expertise. We believe that the combination of our experienced Board of Directors and our dynamic management team positions us well to capitalize on future growth opportunities.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

We believe that the following factors have significantly affected our results of operations and financial condition during the period under review and may continue to affect our results of operations and financial condition in the future.

Raw materials and consumables price fluctuations and availability

Our cost of raw materials consumed, and cost of consumables makes up a large portion of our operating expenses. The raw materials we use in our manufacturing process are primarily sourced from third party suppliers. The success of our operations is contingent upon various factors, including our ability to procure raw materials at competitive rates. The tables below set forth our cost of materials consumed, also represented as a percentage of our total expenses, for the periods indicated:

Particulars	Three months period ended June 30, 2024		For the Financial Year 2024		For the Financial Year 2023		For the Financial Year 2022	
	(₹ in crores)	(% of total expenses)	(₹ in crores)	(% of total expenses)	(₹ in crores)	(% of total expenses)	(₹ in crores)	(% of total expenses)
Costs of material consumed	339.48	64.97%	1,071.60	65.14%	1,211.76	72.39%	759.41	64.82%

Our raw materials include glycerine, PVC resin, salt, coal, potassium chloride, methanol, etc, the prices of which have been volatile in the past. The pricing and supply of raw materials can be highly volatile due to a range of factors, such as fluctuations in demand and supply, broader economic and political conditions, transportation and labour costs, natural disasters, pandemics, and competitive pressures.

We usually do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from third-party suppliers under contracts of shorter periods or through spot purchases. The prices of our key raw materials globally have been volatile and any increases in the prices of these materials have an impact on our costs of production.

Dependency upon our manufacturing facility and changes in, safety, health, environmental and labour laws and other applicable regulations

As on the date of this Preliminary Placement Document, our manufacturing located in Dahej, Gujarat. Accordingly, our manufacturing operations is concentrated in one geographic area. The geographic concentration of our manufacturing facility heightens our exposure to adverse developments and economic shifts within this region. Any significant social, political, civil or economic disruptions, or instances of internal or external aggression or changes in the policies of state or local governments, in Dahej, Gujarat in general, could have an adverse effect on our business, results of operations and financial condition. Our Company provides a range of products, including CPVC Resin, CPVC Compound, Chlorotoluenes Value Chain, Epichlorohydrin, Chloromethanes, Hydrogen Peroxide, Caustic Soda, Chlorine, Hydrogen and Caustic Potash used for various applications such as pharmaceuticals, agrochemical, epoxy resin, water treatment chemicals, automotive, pharmaceuticals, paper reinforcement and infrastructure chemicals, refrigerant, paper and pulp, textiles, effluent treatment. Our manufacturing processes involve manufacturing, storage and transportation of various hazardous substances that we use in production that are corrosive, hazardous and toxic chemicals, and we are required to obtain approvals from various authorities for storing hazardous substances. Our compliance with these laws and regulations and our obtaining the necessary governmental permits are often a prerequisite for customer orders. Any non-compliance with manufacturing standards as prescribes under law may have an adverse effect on our business, financial condition and results of operations.

Foreign exchange rate risk

Our annual financial statements are prepared in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies, mostly the U.S. Dollar. Accordingly, we have currency exposures relating to buying, selling and financing in currencies other than in Indian Rupees, particularly the U.S. Dollar. During the three-month period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, our revenues from our from our customers outside India amounted to ₹42.13 crores, ₹85.71 crores, ₹ 86.69 crores and ₹ 1.12 crores, respectively, which constituted 6.47%, 4.44%, 3.96%, and 0.07%, respectively, of our consolidated revenues from operations Our Company has made forex payments of ₹ 376.25 crores, ₹ 329.48 crores and ₹ 266.49 crores for Fiscal 2024, 2023 and 2022 respectively which is 19.50%, 15.06% and 17.18% of our revenue from operation respectively. There can be no assurance that we will continue to record gains from foreign exchange fluctuations or any hedging measures we take will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other foreign currencies.

Capital expenditure

We require substantial capital to expand our existing facility. In the three-month period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we incurred purchase of property, plant and equipment (including CWIP and intangible assests) of ₹61.09 crores, ₹398.43 crores, ₹416.45 crores and ₹456.30 crores, respectively. A significant amount of our capital expenditure was aimed at constructing manufacturing and other facilities, increasing our manufacturing capacities and diversifying our product base.

The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in the Company and could adversely impact our Equity Share price.

Competition

Our products are used in end-user industries, such as pipes, pharmaceuticals, agrochemical, epoxy resin, water treatment chemicals, automotive, pharmaceuticals, paper reinforcement and infrastructure chemicals, refrigerant, paper and pulp, textiles, effluent treatment. The broad-spectrum application of our products provide us a unique position in the Indian chemical industry. Despite such uniqueness, it is inevitable that we face competition from other manufacturers, especially global manufacturers, for different products that we manufacture. Some foreign companies, including without limitation manufacturers in China, Turkey, USA, South Africa and Russia may be able to produce chemicals at competitive costs and, consequently, supply their products at cheaper prices. Such competitors may also have greater financial and technological resources and may also have larger sales and marketing teams. They might be in a better position to identify market trends, adapt to changes in industry, innovate new products, offer competitive prices due to economies of scale and ensure product quality and compliance. While our products are sold towards the substantially higher value range, we are unable to assure you that we shall be able to continue to charge premium pricing. Inability to do so will adversely affect our financial condition and results of operation.

Material/Significant accounting policies

The following are our accounting policies used in preparation of our latest annual financial statements.

Basis for Preparation of Accounts

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS.

The Consolidated Financial Statements have been prepared on accrual basis and under historical cost basis, except for the following assets and liabilities which have been measured at fair value:

Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) i.e. Derivative financial instruments

In addition, the Consolidated Financial Statements are presented in INR which is also the Group's functional currency and all values are rounded to the nearest Lakh (INR 00,000), except when otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The Consolidated Financial Statements provide comparative information in respect of the previous period.

Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company, its Subsidiary and its Associate as at March 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of Subsidiary:
Consolidation of a Subsidiary begins when the Group obtains control over the Subsidiary and ceases when the Group losses control of the Subsidiary. Assets, Liabilities, Income and Expenses of a Subsidiary acquired or disposed off during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the Subsidiary. The proportion of ownership interest in each Subsidiary of the parent is as follows:

Name of the Subsidiary	Country of Domicile	Proportion of Ownership Interest
Meghmani Advanced Sciences Limited	India	100%

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member’s financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group’s accounting policies. The financial statements of the Group are drawn up to same reporting date as that of the parent Company, i.e., year ended on March 31, 2023.

Consolidation Procedure

Combine line items of Assets, Liabilities, Equity, Income, Expenses and Cash Flows of the parent with those of its subsidiary. For this purpose, income and expenses of the Subsidiary are based on the amounts of the Assets and Liabilities recognised in the Consolidated Financial Statements at the acquisition date.

Offset (eliminate) the carrying amount of the parent’s investment in each subsidiary and the parent’s portion of Equity of each Subsidiary. Business combinations policy explains how to account for any related Goodwill.

Eliminate in full intragroup Assets and Liabilities, Equity, Income, Expenses and Cash Flows relating to transactions between entities of the Group (profits or losses resulting from Intragroup transactions that are recognised in Assets, such as Inventory and Fixed Assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of Subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group Assets and Liabilities, Equity, Income, Expenses and Cash Flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group looses control over a Subsidiary, it derecognises the assets and liabilities of the Subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the Statement of Profit and Loss.

Equity Accounted Investees:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries. The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment. When the Group's share of losses of an equity accounted investee exceed the Group's interest in that associate or joint venture (which includes any long-term interest that, in substance, form part of Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the associate or joint venture. Unrealised gains resulting from the transaction between the Group and joint ventures are eliminated to the extent of the interest in the joint venture, and deferred tax is made on the same.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the Statement of Profit and Loss.

Upon loss of significant influence over the Associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

BUSINESS COMBINATION

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory.

Business Combination involving entities or businesses under common control shall be accounted for using the pooling of interest method based on the predecessor values retrospectively for all periods presented.

The pooling of interest method is considered to involve the following:

The assets and liabilities of the combining entities are reflected at their carrying amounts.

No adjustments are made to reflect fair values or recognize any new assets or liabilities. The only adjustments that are made are to harmonious accounting policies and tax adjustments if any.

The components of other equity of the acquired companies are added to the same components within other equity except that any share capital and investments in the books of the acquiring entity is cancelled and the differences, if any, is adjusted in the opening retained earnings.

The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

CURRENT VS. NON-CURRENT CLASSIFICATION:

The Group presents assets and liabilities in the Statement of Assets and Liabilities based on Current/ Non- Current classification.

An asset is treated as current when it is:

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

A liability is treated as current when it is:
Expected to be settled in normal operating cycle
Held primarily for the purpose of Trading
Due to be settled within twelve months after the reporting period, or
There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other assets and liabilities are classified as Non-Current Assets and Liabilities. Deferred Tax Assets and Liabilities are classified as Non-Current Assets and Liabilities.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with Customers is recognised when control of the goods are transferred to the Customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the Customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided below.
Sale of Goods

Revenue from Sale of Goods is recognised at the point in time when control of the goods is transferred to the customer, generally on dispatch/ delivery of the goods or terms as agreed with the customer. The normal credit term is 30 to 90 days from the date of dispatch. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer.

Variable Consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the Customer. The variable consideration is estimated at the time of completion of performance obligation and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with cash discount in accordance with the group policy. The cash discount component gives rise to variable consideration.

Volume Rebates

The Group provides retrospective volume rebates to certain customers once the quantity of product purchases during the period exceeds a threshold specified in the contract.

Trade Receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in (Financial Instruments – initial recognition and subsequent measurement.)

Contract Liabilities (advance from customers)
A contract liability is recognized when a customer pays consideration before the Group transfers goods to the Customer or when the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Interest Income
For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in Other Income in the Statement of Profit or Loss.

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

Insurance Claims
Claims receivable on account of insurance are accounted for to the extent the Group is virtually certain of their ultimate collection.

FOREIGN CURRENCIES
The Group's financial statements are presented in INR, which is also the Group's functional currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit or Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit or Loss are also recognised in OCI or Statement of Profit or Loss, respectively).

FAIR VALUE MEASUREMEMT

The Group measures financial instruments, such as investments (other than equity investments in Subsidiaries and Associates) and derivatives at fair values at each Balance Sheet date.

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

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participants that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The management comprises of the Managing Director, Chief Executive Officer (CEO) and Chief Finance Officer (CFO).

External valuers are involved for valuation of significant assets. Involvement of external valuers is decided upon annually by the Board of Directors after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

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

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant estimates and assumptions.
Quantitative disclosures of fair value measurement hierarchy.
Investment in Equity Shares.
Financial Instruments (including those carried at amortised cost).

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment (PPE) and Capital Work in Progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in Statement of profit and loss as incurred.

Capital Work-in-Progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the Balance Sheet date.

Items of Stores and Spares that meet the definition of Property, Plant and Equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as Inventories.

An item of Property, plant and Equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

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

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

Asset	Estimated Useful life
Leasehold Land	99 Years
Building	30 Years
Carpeted Roads – RCC	10 Years
Plant & Machinery	12-25 Years
Electrical Installations	10 Years
Captive Power Plant and equipments	20 – 40 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers	3 Years
Other equipments	5 Years

INTANGIBLE ASSETS

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Cost include acquisition and other incidental cost related to acquiring the intangible asset. Research costs are expensed as incurred. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible Assets

Assets	Amortization Method	Amortization Period
Usage Rights	On Straight-line basis	10 years
Technical Know How	On Straight-line basis	10 years

IMPAIRMENT OF NON- FINANCIAL ASSETS

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of Profit and Loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

FINANCIAL INSTRUMENT

A Financial Instrument is any contract that gives rise to a Financial Asset of one Entity and a Financial Liability or Equity instrument of another Entity.

Financial Asset

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under Ind AS 115.
Subsequent Classification and measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

Debt instruments at amortised cost
Debt instruments at fair value through other comprehensive income (FVTOCI)
Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortised Cost

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:
The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss such as interest income on Bank deposits and other interest income. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at Fair Value through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:
The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the Equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt Instrument at Fair Value through Profit & 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 FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has designated certain debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Investments

Investment in Subsidiaries, Associates and Joint ventures are out of scope of Ind AS 109 and hence, the Group has accounted for its investment in Subsidiaries and Associates at cost.

All other Equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTOCI. For all other Equity instruments, the Group may make an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value. The Group makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an Equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within Equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Balance Sheet) when
The rights to receive cash flows from the asset have expired, or

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

the Group has transferred substantially all the risks and rewards of the asset, or
the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The Group follows 'simplified approach' for recognition of impairment loss allowance on:
- Trade receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, Loans and Borrowings, Payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of Loans and Borrowings and Payables, net of directly attributable transaction costs.

The Group’s financial liabilities include Trade and Other Payables, Loans and Borrowings.

Subsequent measurement of Financial Liabilities

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities at amortised cost - Loan and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Trade and Other Payables

These amounts represent liability for good and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and Other Payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derivatives and Hedging Activities

The Group uses derivative financial instruments, such as forward currency contracts and currency swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and aresubsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Off-setting Financial Instrument

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

INVENTORIES

Stores and Spares, Packing Materials and Raw Materials are valued at lower of cost or net realisable value and for this purpose, cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

Work in progress , Finished Products and By-Products are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

RETIREMENT AND OTHER EMPLOYEE BENEFITS

Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the Statement of Profit and Loss in the year when employee rendered related services.

The Group has a defined benefit Gratuity Plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Group. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The Scheme is funded with an Insurance Company in the form of a qualifying insurance policy.

The Group has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The aforesaid leave encashment is funded with an Insurance Company in the form of a qualifying insurance policy.

Re-measurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re- measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

Service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
Net interest expense or income

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

ACCOUNTING FOR TAXES ON INCOME

Tax Expense comprises of Current Income Tax and Deferred Tax Current Income Taxes
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Deferred Taxes

Deferred Tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

In respect of taxable temporary differences associated with investments in Subsidiaries andAssociates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

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

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of Deferred Tax Asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

Deferred Tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other Comprehensive Income or in Equity). Deferred Tax items are recognised in correlation to the underlying transaction either in OCI or directly in Equity.

Deferred Tax Assets and Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax relates to the same taxable Entity and the same taxable Authority.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit only to the extent that it is probable that the Group will be able to set off against the normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognize MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company and its subsidiaries review the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a Finance Cost.

CONTINGENT LIABILITIES

Provisions are not recognised for future operating losses.

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non—occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a Contingent Liability but discloses its existence in the Consolidated Financial Statements.

A Contingent Assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, Contingent Assets are disclosed in the Consolidated Financial Statements.

Contingent liabilities and Contingent Assets are reviewed at each Balance Sheet date.

LEASES

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

Where the Company is the Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group recognises a Right-Of-Use Asset and a Lease Liability at the lease commencement date. The Right-Of-Use Asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The Right-Of-Use Assets and Lease Liabilities include these options when it is reasonably certain that the option will be exercised.

The Right-Of-Use Assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the Right-Of-Use Assets or the end of the lease term. In addition, the Right-Of-Use Assets is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the Lease Liability.

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

The Lease Liability is subsequently measured at amortised cost using the effective interest method. It is re- measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the Lease Liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the Right-Of-Use Asset or is recorded in profit or loss if the carrying amount of the Right-Of-Use asset has been reduced to zero.

Lease payments have been classified as financing activities in Statement of Cash Flow.

The Group has elected not to recognise Right-Of-Use Assets and Lease Liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Group recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

EARNING PER SHARE

Basic Earnings Per Share

Basic Earnings Per Share are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

Diluted Earnings per Share

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.
CASH AND CASH EQUIVALENTS

Cash and Cash Equivalent in the Consolidated Financial Statements comprise Cash at Banks and on Hand and Short-Term Deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and and subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents consist of Cash and Short-Term Deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Government Grants and Subsidies:

Government Grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over theperiods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

Government grants, that are receivable towards capital investments under State Investment Promotion Scheme, are recognised in the Statement of Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is being recognised in the Statement of Profit and Loss

When the group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

SEGMENT REPORTING

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Dividend to Equity and Redeemable Preference Shareholders of the Company

The Group recognises a liability for dividends to Equity Holders of the Group when the dividend is authorised and the dividend is no longer at the discretion of the Group. As per the Corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in Equity.
The Group recognises liability for dividends to Redeemable Preference share Holders of the Group on accrual basis. Dividend is paid based on authorisation by the Board of Directors. Dividend to Redeemable Preference Shareholders is cumulative and recognised in finance cost as interest expense.

Principal Components of Income and expenditure

Total Income

Our total revenue consists of (a) revenue from operations and; (b) other income

Revenue from operations

Our revenue from operations, primarily comprises sale of products like Caustic Soda Lye, Caustic Soda Flakes, Chlorine Gas, Hydrogen Gas, Caustic Potash Lye, Methyl Chloride, Methylene Chloride, Chloroform, Carbon Tetra Chloride, Hydrogen Peroxide, CPVC Resin and compound, Epichlorohydrin, and sale of by-product and other operating revenues consisting of export benefits and other incentives, and scrap sales.

Other Income

Our other income primarily interest income on bank deposit and other, net gain on foreign currency transactions and translations, miscellaneous income, insurance claims received, and sundry balance written back.

Expenses

Our total expenses comprised of cost of materials consumed, changes in inventories of finished goods, work in progress and stock in trade, employee benefits expenses, finance costs, depreciation and amortization expenses, power and fuel expenses, and other expenses.

Cost of material consumed

Cost of materials consumed includes cost of raw materials for manufacturing the entire chemical in basket.

Power and fuel expenses

Power and fuel expenses consists of power and fuel, electricity duty on power generation, and renewal purchase obligation.

Change in inventories of finished goods, stock-in-trade and work-in-progress

Change in inventories of finished goods, stock-in-trade and work-in-progress consists of changes in finished goods and work-in-progress from the beginning of the year to the end of the year.

Employee benefits expense

Employee benefits expense comprises of salaries and wages, director remuneration, contribution to provident and other funds., and staff welfare expenses

Other expenses

Our other expenses comprise mainly of consumption of stores, spares and packing materials, repairs and maintenance of buildings and plant and machinery, rent, rates and taxes, insurance, contract labour charges, selling and promotion expenses, loss on sale of property, plant and equipment, water charges, expenditure towards Corporate Social Responsibility, payments to the auditors, miscellaneous expenses like legal & professional, travelling & office administration expenses, etc.

Depreciation and amortisation expenses

Depreciation expenses comprises of amount of depreciation charged to right of use asset – lease hold land, building, right of use asset – building, plant & machineries, captive power plant & equipments, furniture & fixtures, office equipment, vehicles, computers and amortisation expenses related to intangible assets for usage rights and technical know-how.

Finance Cost

Financial cost comprises interest expense on term loans, cash credit and working capital demand loan, lease liability and others, dividend on non convertible redeemable preference shares, loss/ gain on derivatives instruments, exchange difference on borrowings costs and other borrowing cost (including bank charges).

NON-GAAP MEASURES

EBITDA and EBITDA Margins

The following table sets forth our earnings before interest, taxes, depreciation and amortisation expenses ("EBITDA") from our profit before tax, and the manner in which it is calculated for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 and for three months ended June 30, 2024. We define our EBITDA Margin as EBITDA divided by revenue from operations.

(₹in crores)

Particulars	For three months ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations	651.20	1,929.19	2,188.40	1,550.94
Total Income	653.60	1,935.76	2,196.38	1,555.05
Profit before Taxes (A)	130.96	290.75	522.46	383.42
Depreciation and amortization expenses (B)	33.45	123.56	108.95	85.91
Finance costs (C)	14.25	73.49	65.5	44.27

EBITDA (D = A + B +C)	178.66	487.80	696.91	513.60
EBITDA margin on Total Income	27.33%	25.20%	31.73%	33.02%
Profit after tax	85.87	195.87	353.29	252.79
PAT margin (%)	13.14%	10.11%	16.09%	16.30%
Operating cash flows	142.01	397.64	626.16	283.82
Capital expenditure	61.09	398.43	416.45	456.30
ROCE(1)	20.83%	16.03%	30.03%	28.11%
ROE(2)	20.58%	16.86%	39.36%	35.85%
Debt / equity ratio	0.68	0.78	0.82	1.37

1. *ROCE is calculated by earnings before interest and tax divided by average of capital employed of last two fiscals (cap employed= Tangible Net Worth + Total Debt + Lease Liability + Deferred Tax Liability)*
2. *ROE is calculated by profits after tax divided by average shareholder's equity of last two fiscals.*

INTEREST COVERAGE RATIO

The following table presents our interest coverage ratio, which is profit after tax plus finance cost and depreciation and amortization expense divided by finance cost:

(₹in crores unless otherwise stated)

Particulars	Three months period ended June 30, 2024	For the financial years ended		
		March 31, 2024	March 31, 2023	March 31, 2022
Profit after tax (A)	85.87	195.87	353.29	252.79
Add:				
Depreciation and amortisation expense (B)	33.45	123.56	108.95	85.91
Cash profit after tax (C = A+B)	119.33	319.43	462.24	338.70
Finance Cost (D)	14.25	73.49	65.50	44.27
Loss on Fixed Asset (E)	0.00	0.05	0.00	0.07
Adjusted Profit (F= C + D + E)	133.57	392.97	527.75	383.03
Interest Coverage Ratio (number of times) (on a consolidated basis) (E/D)	**9.37**	**5.35**	**8.06**	**8.65**

Results of Operations

Three-month period Ended June 30, 2024,

The following table sets forth certain information with respect to our revenues, expenses and profits, also expressed as a percentage of our total income, for the three-month period ended June 30, 2024,

(₹ in crores unless otherwise stated)

Particulars	**For three-month period ended June 30, 2024**	**% of total Income**
Revenue from Operations	651.20	99.63%
Other Income	2.40	0.37%
Total Income	**653.60**	**100.00%**
Expenses		
Cost of Materials Consumed	339.48	51.94%
Changes in Inventories of Finished Goods, Work in Progress	19.87	3.04%
Employee Benefits Expenses	27.40	4.19%
Finance Costs	14.25	2.18%
Depreciation and Amortization Expenses	33.45	5.12%
Power and Fuel Expenses	30.31	4.64%
Other expenses	57.74	8.83%

(₹ *in crores unless otherwise stated)*

Particulars	For three-month period ended June 30, 2024	% of total Income
Total expenses	**522.50**	**79.94%**
Profit before exceptional item, share of profit from associate and tax	131.10	20.06%
Profit / (loss) from associate	(0.14)	(0.02%)
Profit before exceptional items and tax	130.96	20.04%
Exceptional items	0.00	0.00%
Profit before tax	130.96	20.04%
Tax Expenses	45.09	6.90%
Net Profit for the period	**85.87**	**13.14%**
Other Comprehensive Income (net of tax)	(0.12)	(0.02%)
Total Comprehensive Income for the period (comprising profit/loss and other comprehensive income for the period)	85.75	13.12%
Earnings per share after exceptional items (non-annualised)		
(1) Basic (in ₹)	20.67	
(2) Diluted (in ₹)	20.67	

Revenue

Revenue from operations

Revenue from operations is ₹651.20 crores for three-month period ended June 30, 2024. Revenue from operation also included sale of by products of ₹11.88 crores for three month period ended June 30, 2024. Revenue from operations as a percentage of Total Income was 99.63% for Three-month period ended June 30, 2024.

Other Income

Other income was ₹2.40 crores for the Three-month period ended June 30, 2024, primarily on account of exchange rate fluctuations.

Other income as a percentage of Total Income amounted to 0.37% for Three-month period ended June 30, 2024.

Total Income

Total Income was ₹653.60 crores for Three-month period ended June 30, 2024, primarily due to an increase in Revenue from Operations and Other Income as explained above.

Expenses

Cost of materials consumed

Cost of materials consumed was ₹ 339.48 crores for the Three-month period ended June 30, 2024.

Changes in inventories of finished goods, and work-in-progress

Change in Inventories of finished goods, and work-in-progress was ₹ 19.87 crores for the Three-month period ended June 30, 2024.

Employee benefits expenses

Employee benefits expenses amounted to ₹ 27.40 crores in Three-month period ended June 30, 2024. Employee benefits expenses as a percentage of Total Income were 4.19% in Three-month period ended June 30, 2024.

Power and Fuel Expenses

Power and fuel expenses were ₹30.31 crores for the Three-month period ended June 30, 2024

Other expenses

Other expenses were ₹57.74 crores for Three-month period ended June 30, 2024.

Depreciation and amortization expenses

Depreciation and amortization expenses were ₹33.45 crores for Three-month period ended June 30, 2024.

Finance cost

Finance costs were ₹14.25 crores for Three-month period ended June 30, 2024.

Total Expenses

Total expense amounted to ₹522.50 crores in Three-month period ended June 30, 2024. Total Expenses as a percentage of Total Income was 79.94% in Three-month period ended June 30, 2024.

Profit before exceptional items, share of profit/(loss) from associate and tax

Our net profit before exceptional items, share of profit/(loss) from associate and tax was ₹131.10 crores in Three-month period ended June 30, 2024, mainly on account of factors mentioned above.

Tax Expense

Our tax expenses for the three-month period ended June 2024 was ₹45.09 crores.

Profit after tax

Our profit after tax was ₹85.87 crores in Three-month period ended June 30, 2024. Our profit after tax margin was 13.14% of our Total Revenue in Three-month period ended June 30, 2024.

Fiscal Years Ended March 31, 2024, and March 31, 2023

The following table sets forth certain information with respect to our revenues, expenses and profits, also expressed as a percentage of our total income, for Fiscal 2024 and Fiscal 2023:

(₹ in crores unless otherwise stated)

Particulars	**Year ended March 31, 2024**	**% of total income**	**Year ended March 31, 2023**	**% of total income**	**Growth over the Fiscal year %**
Revenue from Operations	1,929.19	99.66%	2,188.40	99.64%	(11.84) %
Other Income	6.57	0.34%	7.98	0.36%	(17.77) %
Total Income	1,935.76	100.00%	2,196.38	100.00%	(11.87) %
Expenses					
Cost of Materials Consumed	1,071.60	55.36%	1,211.76	55.17%	(11.57) %
Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	(10.78)	(0.56%)	(96.97)	(4.42) %	(88.88) %
Employee Benefits Expenses	89.65	4.63%	86.60	3.94%	3.53%
Finance Costs	73.49	3.80%	65.50	2.98%	12.19%
Depreciation and Amortization Expenses	123.56	6.38%	108.95	4.96%	13.41%
Power and Fuel Expenses	105.75	5.46%	122.89	5.60%	(13.95) %
Other expenses	191.77	9.91%	175.17	7.98%	9.47%

(₹ in crores unless otherwise stated)

Particulars	Year ended March 31, 2024	% of total income	Year ended March 31, 2023	% of total income	Growth over the Fiscal year %
Total expenses	1,645.03	**84.98%**	1,673.90	**76.21%**	(1.72)%
Profit before Exceptional Items and Tax	290.72	15.02%	522.48	23.79%	(44.35) %
Share of Profit/(Loss) from associate	0.03	0.00%	(0.02)	0.00%	0.00%
Profit before tax	**290.75**	**15.02%**	**522.46**	**23.79%**	**(44.35) %**
Tax Expenses	94.88	4.90%	169.17	7.70%	(43.91) %
Net Profit for the year	195.87	10.12%	353.29	16.09%	(44.56) %
Total other Comprehensive Income/(loss) for the year ,net of tax	(0.48)	0.02%	0.23	0.01%	(309.93) %
Total Comprehensive Income for the year	195.39	10.09%	353.52	16.10%	(44.73) %
Earning per equity share in ₹ (face value of ₹ 10 each)					
(1) Basic	47.14		85.03		(44.56) %
(2) Diluted	47.14		85.03		(44.56) %

Revenue

Revenue from operations

Revenue from operations decreased by 11.84% from ₹2,188.40 crores for the Fiscal 2023 to ₹1,929.19 crores in Fiscal 2024. Revenue from operations also includes sale of by-products of ₹53.11 crores and ₹67.07 crores in Fiscal 2024 and 2023 respectively. This decrease in revenue from operations was primarily driven by reduction in realisation across all the products. Revenue from operations as a percentage of Total Income was 99.66% for Fiscal 2024 compared to 99.64% for Fiscal 2023.

(a) Other operating revenue increased by 86.50% from ₹ 18.96 crores for the Fiscal 2023 to ₹ 35.36 crores in Fiscal 2024.

Other Income

Other income decreased by 17.67% from ₹ 7.98 crores for the Fiscal 2023 to ₹ 6.57 crores for the Fiscal 2024, primarily on account of the following:

(a) Interest income on bank deposits decreased by 89.02% from ₹0.82 crores for the Fiscal 2023 to ₹0.09 crores Interest income on others decreased by 50% from ₹0.02 crore for the Fiscal 2023 to ₹0.01 crores in Fiscal 2024;

(b) Net gain on foreign currency transactions and translations (net) increased by 54.11% from ₹3.16 crores for the Fiscal 2023 to ₹4.87 crores in Fiscal 2024;

(c) Miscellaneous income increased by 72.73% from ₹0.55 crores for the Fiscal 2023 to ₹0.95 crores in Fiscal 2024;

(d) Insurance claims received decreased by 100.00% from ₹0.92 crore for the Fiscal 2023 to ₹NIL in Fiscal 2024;

(e) Sundry balances written back decreased by 74.60% from ₹2.52 crores for the Fiscal 2023 to ₹0.64 crores in Fiscal 2024

Other income as a percentage of Total Income decreased from 0.36% for Fiscal 2023 to 0.34% for Fiscal 2024.

Total Income

Total Income decreased by 11.87% from ₹ 2,196.38 crores for the Fiscal 2023 to ₹ 1,935.76 crores for Fiscal 2024, primarily due to a decrease in Revenue from Operations and Other Income as explained above.

Expenses

Cost of materials consumed

Cost of materials consumed decreased by 11.57% from ₹1,211.76 crores for the Fiscal 2023 to ₹1,071.60 crores for the Fiscal 2024, primarily due to reduction in key raw material price;

Changes in inventories of finished goods, work in progress, and stock in trade

Changes in inventories of finished goods, work in progress, and stock in trade increased by 88.88% from ₹(96.97) crores for the Fiscal 2023 to ₹(10.78) crores for the Fiscal 2024, primarily due to increase in inventory of finished goods.

Employee benefits expenses

Employee benefits expenses increased by 3.53% from ₹ 86.60 crores in Fiscal 2023 to ₹ 89.65 crores in Fiscal 2024. Employee benefits expenses as a percentage of Total Income increased from 3.94% in Fiscal 2023 to 4.63% in Fiscal 2024.

(a) Salaries and Wages - The expense on salaries and wages was ₹ 72.36 crores for the Fiscal 2024 as against ₹ 61.08 crores in Fiscal 2023 which indicates an increase of 18.47% primarily on account of recruitment of new staff and annual revision in salaries.

(b) Directors remuneration - The directors' remuneration was ₹ 8.34 crores for the Fiscal 2024 as against ₹ 17.75 crores in Fiscal 2023 which indicates a decrease of 53.01% primarily on account of decrease in profitability as performance linked bonus varies with profitability.

(c) Contribution to provident and other funds - The contribution to provident and other funds was ₹3.12 crores for the Fiscal 2023 as against ₹3.71 crores in Fiscal 2024 which indicates an increase of 18.91% primarily on account of increase in salaries and wages.

(d) Staff welfare expense - The staff welfare expense was ₹5.24 crores for the Fiscal 2024 as against ₹4.65 crores in Fiscal 2023 which indicates an increase of 12.69% .

Power and Fuel Expenses

Power and fuel expenses decreased by 13.95% from ₹122.89 crores for Fiscal 2023 to ₹105.75 crores for Fiscal, 2024, primarily due to commissioning of wind-solar captive power plant by our associate in May 2023.;

Other expenses

Other expenses increased by 9.47% from ₹175.17 crores in Fiscal 2023 to ₹191.77 crores for Fiscal 2024. This increase in other expenses was primarily on account of the following:

(a) Consumption of stores and spares was ₹26.60 crores for the Fiscal 2024 as against ₹26.82 crores in Fiscal 2023 which indicates a decrease of 0.82%;

(b) Consumption of packing materials was ₹27.78 crores for the Fiscal 2024 as against ₹25.93 crores in Fiscal 2023 which indicates an increase of 7.13%;

(c) Repairs and maintenance of buildings was ₹1.58 crores for the Fiscal 2024 as against ₹0.73 crores in Fiscal 2023 which indicates an increase of 116.44%;

(d) Repairs and maintenance of plant and machinery was ₹12.95 crores for the Fiscal 2024 as against ₹12.79 crores in Fiscal 2023 which indicates an increase of 1.25%;

(e) Rent was ₹12.22 crores for the Fiscal 2024 as against ₹1.95 crores in Fiscal 2023 which indicates an increase of 526.67%;

(f) Rates and taxes were ₹0.90 crores for the Fiscal 2024 as against ₹1.68 crores in Fiscal 2023 which indicates a decrease of 46.43%;

(g) Insurance was ₹6.73 crores for the Fiscal 2024 as against ₹6.01 crores in Fiscal 2023 which indicates an increase of 11.98%;

(h) Contract labour charges was ₹15.86 crores for the Fiscal 2024 as against ₹14.22 crores in Fiscal 2023 which indicates an increase of 11.53%

(i) Selling and promotion expenses were ₹12crores for the Fiscal 2024 as against ₹29.36 crores in Fiscal 2023 which indicates a decrease of 12.60%;

(j) Loss on sale of property, plant and equipment was ₹0.05 crores for the Fiscal 2024 as against ₹0.01 crores in Fiscal 2023 which indicates an increase of 400%.

(k) Water charges were ₹35.58 crores for the Fiscal 2024 as against ₹30.81 crores in Fiscal 2023 which indicates an increase of 15.48%;

(l) Expenditure towards corporate social responsibility were ₹7.14 crores for the Fiscal 2024 as against ₹4.58 crores in Fiscal 2023 which indicates an increase of 55.90%;

(m) Payments to the auditors were ₹0.27 crores for the Fiscal 2024 as against ₹0.26 crores in Fiscal 2023 which indicates an increase of 3.85%;

(n) Miscellaneous expenses were ₹18.45 crores for the Fiscal 2024 as against ₹20.02 crores in Fiscal 2023 which indicates a decrease of 7.84%;

Depreciation and amortization expenses

Depreciation and amortization expenses increased by 13.41% from ₹108.95 crores for Fiscal 2023 to ₹123.56 crores for Fiscal 2024. The increase in depreciation and amortization expenses was primarily on account of full year depreciation of new commissioned plants in FY 2023.
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Finance cost

Finance cost increased by 12.19% from ₹65.50 crores for Fiscal 2023 to ₹73.49 crores for Fiscal 2024. This increase in finance cost expenses was primarily due to the following:

(a) Interest on term loan was ₹46.38 crores for the Fiscal 2024 as against ₹41.07 crores in Fiscal 2023 which indicates an increase of 12. 93%;

(b) Interest on cash credit and working capital demand loan was ₹13.00 crores for the Fiscal 2024 as against ₹6.11 crores in Fiscal 2023 which indicates an increase of 112. 77%;

(c) Interest on lease liabilities was ₹0.17 crores for the Fiscal 2024 as against ₹0.27 crores in Fiscal 2023 which indicates a decrease of 37.04%;

(d) Interest on others was ₹2.79 crores for the Fiscal 2024 as against ₹2.34 crores in Fiscal 2023 which indicates an increase of 19.23%.

(e) Dividend on non-redeemable preference shares was ₹11.07 crores for the Fiscal 2024 as against ₹16.38 crores in Fiscal 2023 which indicates a decrease of 32.42%;

(f) Loss on derivative instruments was ₹3.33 crores for the Fiscal 2024 as against gain on derivative instruments of ₹1.31 crores in Fiscal 2023 which indicates an increase of 354.20%;

(g) Exchange difference on borrowing costs was ₹(3.98) crores for the Fiscal 2024 as against ₹0.15 crores in Fiscal 2023 which indicates a decrease of 2753.33%;

(h) Other borrowing costs (includes Bank Charges etc.) ₹0.74 crores for the Fiscal 2024 as against ₹0.48 crores in Fiscal 2023 which indicates an increase of 54.17%;

Total Expenses

Total expenses decreased by 1.72% from ₹1,673.90 crores in Fiscal 2023 to ₹1645.04 crores in Fiscal 2024. Total Expenses as a percentage of Total Income was 84.98% in Fiscal 2024 as against 76.21% in Fiscal 2023.

Profit before exceptional items, share of profit/(loss) from associate and tax

Our profit before exceptional items, share of profit/(loss) from associate and tax decreased by 44.35% from ₹522.46 crores in Fiscal 2023 to ₹290.75 crores in Fiscal 2024 mainly on account of factors mentioned above.

Total Tax Expense

Total Tax expense was for Fiscal 2024 was ₹94.88 crores and ₹169.17 crores for Fiscal 2023, due to change in profit before tax.

Net Profit for the year

Our net profit for the year after tax decreased by 44.56% from ₹353.29 crores in Fiscal 2023 to ₹195.87 crores in Fiscal 2024 mainly on account of factors mentioned above.

Financial Year 2023 compared with Financial Year 2022

The following table sets forth certain information with respect to our revenues, expenses and profits, also expressed as a percentage of our total revenue, for Fiscal 2023 and Fiscal 2022:

(₹in crores unless stated otherwise)

Particulars	**For the year ended March 31, 2023**	**% of total income**	**For the year ended March 31, 2022**	**% of total income**	**Growth over the Fiscal Year %**
Revenue from Operations	2,188.40	99.64%	1,550.94	99.74%	41.10%
Other Income	7.98	0.36%	4.11	0.26%	94.16%
Total Income	**2,196.38**	**100.00%**	**1,555.05**	**100.00%**	**41.24%**
Expenses					
Cost of Materials Consumed	1211.76	55.17%	759.41	48.84%	59.57%
Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	(96.97)	(4.41%)	1.68	0.11%	(5872.02%)
Employee Benefits Expenses	86.60	3.94%	76.79	4.94%	12.78%
Finance Costs	65.50	2.98%	44.27	2.85%	47.96%
Depreciation and Amortization Expenses	108.95	4.96%	85.91	5.52%	26.82%
Power and Fuel Expenses	122.90	5.60%	73.53	4.73%	67.14%
Other expenses	175.17	7.98%	130.04	8.36%	34.70%
Total Expenses	**1673.91**	**76.21%**	**1171.63**	**75.34%**	**42.87%**
Profit before Exceptional Items and Tax	**522.48**	**23.79%**	**383.42**	**24.66%**	**36.27%**
Share of (loss) in associate	(0.02)	0.00%	-	-	-
Profit Before Tax	**522.46**	**23.79%**	**383.42**	**24.66%**	**36.26%**
Tax Expenses	169.17	7.70%	130.63	8.40%	29.49%

(₹in crores unless stated otherwise)

Particulars	For the year ended March 31, 2023	% of total income	For the year ended March 31, 2022	% of total income	Growth over the Fiscal Year %
Net Profit for the year	**353.29**	**16.09%**	**252.79**	**16.26%**	**39.76%**
Total Other Comprehensive Income/(loss) for the year, net of tax	0.23	0.01%	(0.03)	0.00%	866.67%
Total Comprehensive Income for the year	353.52	16.10%	252.76	16.25%	39.86%
Earning per equity share (face value of ₹ 10 each) (in ₹)					
(1) Basic	85.03		60.84		39.76%
(2) Diluted	85.03		60.84		39.76%

Revenue

Revenue from operations

Revenue from operations increased by 41.10% from ₹1,550.94 crores for the Fiscal 2022 to ₹2,188.40 crores in Fiscal 2023. Sale of revenue from operations also includes sale of by-products of ₹67.07 crores and ₹47.29 crores in Fiscal 2023 and Fiscal 2022 respectively.
This increase in revenue from operations was primarily driven by new volume of ECH and CPVC in FY 2023 and also by increase in sales realisation in Caustic. Revenue from operations as a percentage of Total Income was 99.64% for Fiscal 2023 compared to 99.74% for Fiscal 2022.

(a) Other operating revenue increased by 1466.94% to ₹ 18.96 crores for the Fiscal 2023 from ₹ 1.21 crores in Fiscal 2022.

Other Income

Other income increased by 94.16% from ₹ 4.11 crores for the Fiscal 2022 to ₹ 7.98 crores for the Fiscal 2023, primarily on account of the following:

(a) Interest income on bank deposits increased by 583.33% from ₹0.12 crores for the Fiscal 2022 to ₹0.82 crores in Fiscal 2023;

(b) Interest income on others decreased by 50% from ₹0.04 crores for the Fiscal 2022 to ₹0.02 crores in Fiscal 2023;

(c) Net gain on foreign currency transactions and translations (net) increased by 182.14% from ₹1.12 crores for the Fiscal 2022 to ₹3.16 crores in Fiscal 2023;

(d) Miscellaneous income decreased by 44.44% from ₹0.99 crores for the Fiscal 2022 to ₹0.55 crores in Fiscal 2023;

(e) Insurance claims received decreased by 46.51% from ₹1.72 crores for the Fiscal 2022 to ₹0.92 crores in Fiscal 2023;

(f) Sundry balances written back increased by 100% from ₹nil for the Fiscal 2022 to ₹2.52 crores in Fiscal 2023.

Other income as a percentage of Total Income increased from 0.26% for Fiscal 2022 to 0.36% for Fiscal 2023.

Total Income

Total Income increased by 41.24% from ₹ 1,555.05 crores for the Fiscal 2022 to ₹ 2,196.38 crores for Fiscal 2023, primarily due to a increase in Revenue from Operations and Other Income as explained above.

Expenses

Cost of materials consumed

Cost of materials consumed increased by 59.57% from ₹759.41 crores for the Fiscal 2022 to ₹1,211.76 crores for the Fiscal 2023, primarily due to commissioning of new capacity of CPVC and ECH and also increase in raw material prices;

Changes in inventories of finished goods, work in progress, and stock in trade

Change in Inventories of finished goods, work in progress, and stock in trade decreased by 5872.02% from ₹1.68 crores for the Fiscal 2022 to ₹(96.97) crores for the Fiscal 2023, primarily due to increase in finish goods inventory.

Employee benefits expenses

Employee benefits expenses increased by 12.78% from ₹ 76.79 crores in Fiscal 2022 to ₹ 86.60 crores in Fiscal 2023. Employee benefits expenses as a percentage of Total Income decreased from 4.94% in Fiscal 2022 to 3.94% in Fiscal 2023.

(a) Salaries and Wages - The expense on Salaries, and Wages was ₹ 61.08 crores for the Fiscal 2023 as against ₹ 45.68 crores in Fiscal 2022 which indicates an increase of 33.71% primarily on account of increase in no. of employees and annual revision in salary.

(b) Directors remuneration - The directors' remuneration was ₹ 17.75 crores for the Fiscal 2023 as against ₹ 24.80 crores in Fiscal 2022 which indicates a decrease of 28.43% primarily on account of reduction in percentage of performance linked bonus.

(c) Contribution to provident and other funds - The contribution to provident and other funds was ₹3.12 crores for the Fiscal 2023 as against ₹2.57 crores in Fiscal 2022 which indicates an increase of 21.40%.

(d) Staff welfare expense - The staff welfare expense was ₹4.65 crores for the Fiscal 2023 as against ₹3.75 crores in Fiscal 2022 which indicates an increase of 24%.

Power and Fuel Expenses

Power and fuel expenses increased by 67.14% from ₹73.53 crores for Fiscal 2022 to ₹122.89 crores for Fiscal, 2023, primarily due to increase in power with commissioning of new projects ECH and CPVC in FY 2023;

Other expenses

Other expenses increased by 34.70% from ₹130.04 crores in Fiscal 2022 to ₹175.17 crores for Fiscal 2023. This increase in other expenses was primarily on account of the following:

(a) Consumption of stores and spares was ₹26.82 crores for the Fiscal 2023 as against ₹18.73 crores in Fiscal 2022 which indicates a increase of 43.19%;

(b) Consumption of packing materials was ₹25.93 crores for the Fiscal 2023 as against ₹21.51 crores in Fiscal 2022 which indicates an increase of 20.55%;

(c) Repairs and maintenance of buildings was ₹0.73 crores for the Fiscal 2023 as against ₹1.14 crores in Fiscal 2022 which indicates a decrease of 35.96%;

(d) Repairs and maintenance of plant and machinery was ₹12.79 crores for the Fiscal 2023 as against ₹9.41 crores in Fiscal 2022 which indicates an increase of 35.92%;

(e) Rent was ₹1.95 crores for the Fiscal 2023 as against ₹0.04 crores in Fiscal 2022 which indicates an increase of 4775%;

(f) Rates and taxes were ₹1.68 crores for the Fiscal 2023 as against ₹1.29 crores in Fiscal 2022 which indicates a increase of 30.23%;

(g) Insurance was ₹6.01 crores for the Fiscal 2023 as against ₹4.47 crores in Fiscal 2022 which indicates an increase of 34.45%;

(h) Contract labour charges was ₹14.22 crores for the Fiscal 2023 as against ₹12.01 crores in Fiscal 2022 which indicates an increase of 18.40%;

(i) Selling and promotion expenses were ₹29.36 crores for the Fiscal 2023 as against ₹17.02 crores in Fiscal 2022 which indicates a increase of 72.50%;

(j) Loss on sale of property, plant and equipment was ₹0.01 crores for the Fiscal 2023 as against ₹0.07 crores in Fiscal 2022.

(k) Water charges were ₹30.81 crores for the Fiscal 2023 as against ₹26.70 crores in Fiscal 2022 which indicates an increase of 15.39%;

(l) Expenditure towards corporate social responsibility were ₹4.58 crores for the Fiscal 2023 as against ₹3.60 crores in Fiscal 2022 which indicates an increase of 27.22%;

(m) Payments to the auditors were ₹0.26 crores for the Fiscal 2023 as against ₹0.24 crores in Fiscal 2022 which indicates an increase of 8.33%;

(n) Miscellaneous expenses were ₹20.02 crores for the Fiscal 2023 as against ₹13.82 crores in Fiscal 2022 which indicates a increase of 44.86%;

Depreciation and amortization expenses

Depreciation and amortization expenses increased by 26.82% from ₹85.91 crores for Fiscal 2022 to ₹108.95 crores for Fiscal 2023. The increase in depreciation and amortization expenses was primarily on account of commissioning of new capacity of ECH, CPVC and Caustic expansion in FY 2023.

Finance cost

Finance cost increased by 47.96% from ₹44.27 crores for Fiscal 2022 to ₹65.50 crores for Fiscal 2023. This increase in finance cost expenses was primarily due to the following:

(a) Interest on term loan was ₹41.07 crores for the Fiscal 2023 as against ₹24.73 crores in Fiscal 2022 which indicates an increase of 66.07%;

(b) Interest on cash credit and working capital demand loan was ₹6.11 crores for the Fiscal 2023 as against ₹4.69 crores in Fiscal 2022 which indicates an increase of 30.28%;

(c) Interest on lease liabilities was ₹0.27 crores for the Fiscal 2023 as against ₹0.31 crores in Fiscal 2022 which indicates a decrease of 12.90%;

(d) Interest expense on others was ₹2.34 crores for the Fiscal 2023 as against ₹2.17 crores in Fiscal 2022 which indicates an increase of 7.83%.

(e) Dividend on non-convertible redeemable preference shares was ₹16.38 crores for the Fiscal 2023 as against ₹15.39 crores in Fiscal 2022 which indicates a increase of 6.43%;

(f) Gain on derivative instruments was ₹1.31 crores for the Fiscal 2023 as against loss on derivative instruments of ₹0.66 crores in Fiscal 2022 which indicates an decrease of 298.48%;

(g) Exchange difference on borrowing costs was ₹0.15 crores for the Fiscal 2023 as against gain on restatement of External Commercial Borrowing ("ECB") ₹4.23 crores in Fiscal 2022 which indicates a increase of 103.55%;

(h) Other borrowing costs (includes bank charges etc.) ₹0.48 crores for the Fiscal 2023 as against ₹0.54 crores in Fiscal 2022 which indicates a decrease of 11.11%;

Total Expenses

Total expenses increased by 42.87% from ₹1,171.63 crores in Fiscal 2022 to ₹1,673.90 crores in Fiscal 2023. Total Expenses as a percentage of Total Incomes was 76.21% in Fiscal 2023 as against 75.34% in Fiscal 2022.

Profit before tax

Our profit before tax increased by 36.26% from ₹383.42 crores in Fiscal 2022 to ₹522.46 crores in Fiscal 2023 mainly on account of factors mentioned above.

Total Tax Expense

Total Tax expense was for Fiscal 2023 was ₹169.17 crores and ₹130.63 crores for Fiscal 2023 and 2022 respectively.

Net profit for the year

Our net profit for the year after tax increased by 39.76% from ₹252.79 crores in Fiscal 2022 to ₹353.29 crores in Fiscal 2023 mainly on account of factors mentioned above.

CASH FLOW

Our cash is generated by sales of our products that is used to fund investments and service loans and interest towards borrowings. The table below summarizes our cash flows for the Financial Years 2024, 2023 and 2022:

(₹in crore)

Particulars	For the Fiscal 2024	For the Fiscal 2023	For the Fiscal 2022
Profit before Taxation	290.72	522.48	383.42
Operating Profit before working capital changes	486.57	692.82	513.68
Cash Generated from Operations	448.17	733.64	344.27
Net Cash Flow generated from Operating Activities - (A)	397.64	626.16	283.82
Net Cash Flow used in from Investing Activities - (B)	(401.10)	(437.22)	(454.63)
Net Cash (used in)/generated from Financial Activities - (C)	(7.60)	(199.79)	195.22
Net increase/(Decrease) in cash & cash equivalents (A+B+C)	(11.06)	(10.85)	24.41
Cash and Cash Equivalents at the beginning of the year	14.24	25.09	0.68
Cash and Cash Equivalents at the end of the year	3.18	14.24	25.09

Cash flow from operating activities

Net cash from operating activities includes funds generated from our operating activities and net cash inflows or outflows from changes in operating assets and liabilities

Net cash generated from operating activities for Fiscal 2024 was ₹397.64 crores while our profit before taxation was ₹290.72 crores. We had an operating profit before working capital changes of ₹486.57 crores. The difference in net cash generated from operating activities and operating profit before working capital changes was primarily on account of an increase in inventories amounting to ₹51.17 crores, trade receivables amounting to ₹12.13 crores, other non-current financial assets amounting to ₹0.32 crores, other non-current assets amounting to ₹0.03 crores, other current financial assets ₹26.21 crores, other current assets amounting to ₹4.71crores, short term loans and advances amounting to ₹0.34 crores, trade payables amounting to ₹55.33 crores, long term provision amounting to ₹1.42 crores, other current liabilities amounting to ₹11.79 crores, and short term provisions amounting to ₹0.05 crores, offset by a decrease in other current financial liabilities amounting to ₹12.08 crores.

Net cash generated from operating activities for Fiscal 2023 was ₹626.16 crores while our profit before taxation was ₹522.48 crores. We had an operating profit before working capital changes of ₹692.82 crores. The operating profit before working capital changes were adjusted for certain changes in working capital and provisions primarily on account of an increase in inventories amounting to ₹57.69 crores, non-current financial assets amounting to ₹0.53 crores, other current financial assets amounting to ₹13.53 crores, trade payables amounting to ₹22.41 crores, long term provisions amounting to ₹0.18 crores, and other current financial liabilities ₹12.33 crores, this was offset by a decrease in trade receivables amounting to ₹90.42 crores, other non-current assets amounting to ₹0.04 crores, other current assets amounting to ₹1.44 crores, short term loans and advances amounting to ₹0.08 crores, other current liabilities amounting to ₹ 14.31 crores, and short term provisions amounting to ₹0.02 crores.

Net cash generated from operating activities for Fiscal 2022 was ₹283.82 crores while our profit before taxation was ₹383.42 crores. We had an operating profit before working capital changes of ₹513.68 crores. The operating profit before working capital changes were adjusted for certain changes in working capital and provisions such as an increase in inventories amounting to ₹100.18 crores, trade receivables amounting to ₹137.49 crores, other non-current financial assets amounting to ₹0.36 crores, other noncurrent assets amounting to ₹0.23 crores, other current assets amounting to ₹3.43 crores, short term loans and advances amounting to ₹0.11crores, trade payables amounting to ₹14.77 crores, long term provision amounting to ₹1.22 crores, other current financial liabilities amounting to ₹37.28 crores, other current liabilities amounting to ₹18.81 crores and short term provisions amounting to ₹0.07 crores, this was offset by a decrease in other current financial assets amounting to ₹0.24 crores.

Cash flow from investing activities

Net cash used in investing activities was ₹401.10 crores for Fiscal 2024, consisting of cash outflows towards purchase of property, plant and equipment including CIWIP and intangible assets amounting to ₹398.43 crores, investment in earmarked balances with bank amounting to ₹2.75 crores and cash inflow from interest received amounting to ₹0.08 crores.

Net cash used in investing activities was ₹437.22 crores for Fiscal 2023, consisting of cash outflows towards purchase of property, plant and equipment including CIWIP and intangible assets amounting to ₹416.45 crores, investment in subsidiary/associate amounting to ₹20.54 crores, other investments amounting to ₹0.03 crores, investments of earmarked balances with banks amounting to ₹0.87 crores, and cash inflow from interest received amounting to ₹0.67 crores.

Net cash used in investing activities was ₹454.63 crores for Fiscal 2022, consisting of cash outflows towards purchase of property plant and equipment including CIWIP and intangible assets amounting to ₹456.30 crores and cash inflow from redemption of fixed deposits amounting to ₹1.38 crores and interest received amounting to ₹0.29 crores.

Cash flow from financing activities

Net cash generated from financing activities was ₹7.60 crores for Fiscal 2024 as a result of interest and finance charges paid of ₹72.02 crores, proceeds form long term borrowings amounting to ₹213.00 crores, proceeds repayment from short term borrowings amounting to ₹129.24 crores, payment of lease liability amounting to ₹1.44 crores, dividend paid on equity shares amounting to ₹10.37 crores, dividend paid on preference shares amounting to ₹14.75 crores, redemption of preference shares amounting to ₹55.00 crores and repayment of long term borrowings of ₹196.26 crores.

Net cash generated from financing activities was ₹199.79 crores for Fiscal 2023 as a result of interest and finance charges paid of ₹60.45 crores, proceeds from long term borrowings amounting to ₹74.75 crores, repayment of long term borrowings amounting to ₹139.10 crores, proceeds/(repayment) from short term borrowings net amounting to ₹11.57 crores, payment of lease liability amounting to ₹1.41 crores, dividend paid on preference share amounting to ₹13.86 crores, dividend paid on equity shares amounting to ₹10.37 crores and redemption of preference shares amounting to ₹60.92 crores.

Net cash outflow from financing activities was ₹ 195.22 crore for Fiscal 2022 as a result of interest and finance charges paid of ₹48.04 crores, proceeds from long term borrowings of ₹359.30 crores, repayment of long term borrowings of ₹120.04 crores, proceeds repayment from short term borrowings net amounting to ₹5.11 crores and payment of lease liability amounting to ₹1.11 crores.

CAPITAL EXPENDITURE IN LAST THREE FINANCIAL YEARS

The following table sets forth additions to property, plant and equipment (including CWIP and intangible asset) by category of expenditure, for the Fiscals indicated below:

(in ₹ crores)

Particulars	**For the Year ended March 31,**		
	2024	**2023**	**2022**
Purchase of Property, Plant and Equipment (Including CWIP and Intangible asset)	**398.43**	**416.45**	**456.30**

Indebtedness

The total indebtedness as on March 31, 2024, are set as follows:

Contractual Obligations

The following table sets forth a summary of the maturity profile for our Company's outstanding long-term debt obligations including current maturity and short-term and long-term debt as of the year indicated:

(₹ in crores)

Particulars	**Outstanding as of March 31, 2024**
Non-current Borrowings (A)	
Indian Rupee Loan (Secured)	492.04
Redeemable Preference Share Capital (RPS)	55.00
Current Borrowings(B)	
Cash Credit/WCDL Facility from Banks	221.04
Current Maturity of Long term Debt	194.60
Total Borrowings (A+B)	**962.68**

There are a number of covenants in our financing agreements that we have entered into with our lenders. Further, some of our financing agreements include conditions and covenants that require us to obtain their consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business.

Unusual or infrequent events or transactions

Except as described in this Preliminary Placement Document, no unusual or infrequent events or transactions has taken place that have in the past or may in the future affect our business operations or future financial performance.

Changes in accounting policy

There have been no changes in our Company's accounting policies during the last three financial years.

Significant Economic Changes

Other than as described above, to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Known trends or uncertainties

Other than as described in the sections "***Risk Factors***" and "***Management's Discussion and Analysis of Factors affecting the Financial Condition, Results of Operations***", beginning on pages 47 and 93 respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from continuing operations.

Related party transactions

We enter into various transactions with related parties. For further information, see "*Related Party Transactions*" beginning on page 46.

Off-Balance Sheet commitments and arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "***Significant factors affecting our results of operations***" and the uncertainties described in the chapter titled "***Risk Factors***" beginning on pages 95 and 47, respectively. To our knowledge, except as disclosed in this Placement Document, there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Contingent Liabilities

The following table sets forth our contingent liabilities as per Ind AS-37 as of March 31, 2024:

(₹in crores unless stated otherwise)

Particulars	As at March 31, 2024
Disputed Income Tax Liability[1]	16.63
Disputed Service Tax Liability[2]	0.54
Disputed Custom Duty Liability[3]	6.22
Disputed Other Civil liability[4]	2.34
(In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various Forums / Authorities. The Group has assessed that it is only possible but not probable, the outflow of economic resources will be required)	
In respect of Letter of Credit	54.25

1. *Income tax demand comprise demand from the Indian Income Tax authorities for payment of additional tax of ₹ 16.63 crores (31 March 2023: ₹16.63 crores), upon completion of their tax review for the assessment year 2016-17, 2017-18 and 2018-19. The tax demands are mainly on account of adjustment pertaining to 80 IA benefits claimed for captive power plant against sale of steam and power. Till FY 2022-23, the matter was pending before CIT(A) and Income Tax Appellate Tribunal (ITAT). During FY 2023-24, the Group has received favourable ITAT Order from Ahmedabad pertaining to AY 2016-17 and AY 2017-18 against which the Department has filed appeal before Gujarat High Court.*
2. *Service tax demand comprise demand from Service tax Authorities for payment of additional tax of ₹ 0.54 crores (31 March 2023: ₹ 0.54 crores), upon completion of their tax review for the financial year 2012-13 and 2014-15. The tax demands are on account of service tax on sales commission and classification of coal. The matter is pending before Commissioner of Excise Service Tax Appellate Tribunal (CESTAT).*
3. *Customs tax demand comprise demand from Custom Authorities for payment of additional tax of ₹ 6.22 crores (31 March 2023: ₹ 6.22 crores), upon completion of their tax review for the financial year 2012-13. The tax demands are on account of classification of coal. The matter is pending before Commissioner of Excise Service Tax Appellate Tribunal (CESTAT).*
4. *Other Legal demand comprise demand on account of civil litigation for payment to aggrieved party amounting to ₹ 2.34 crore (31 March 2023: Nil). The legal dispute is majorly on account of non-fulfilment of obligation by creditor and corresponding deductions. The matter is pending before High court.*

Capital Commitments

The estimated amount of contract to be executed on capital account of ₹ 28.78 crores as at March 31, 2024 (31st March 2023: ₹ 249.66 crores) and not provided for (net of advances).

Except as disclosed above, there are no other off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Quantitative and Qualitative Disclosure of Market Risk

The Group's Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group manages market risk through treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends risk management objectives and policies. The activities of this operations include management of cash resources, hedging of foreign currency exposure, credit control and ensuring compliance with market risk limits and policies

The Group's principal Financial Liabilities, other than Derivatives, comprises of Long Term and Short Term Borrowings, Trade and Other Payables, and Financial Liabilities. The main purpose of these Financial Liabilities is to finance the Company's operations. The Group's principal Financial Assets include Loans, Trade and other Receivables, Cash and Cash Equivalents, other Bank Balances and Other Financial Assets that derive directly from its Operations.

The Group has an effective risk management framework to monitor the risks controls in key business processes. In order to minimise any adverse effects on the bottom line, the Group takes various mitigation measures such as credit control, foreign exchange forward contracts to hedge foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments

The Group has exposure to the following risks arising from Financial Instruments

- Credit Risk;
- Liquidity Risk; and
- Market Risk

Credit Risk: Credit Risk is the risk that counter party will not meet its obligation leading to a financial loss. The Group is exposed to credit risk arising from its operating activities primarily from Trade Receivables and from financing activities primarily relating to parking of surplus funds as Deposits with Banks. The Group considers probability of default upon initial recognition of Assets and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period.

The carrying amount of following Financial Assets represents the maximum credit exposure:

Financial Instruments and Cash Deposit:

Credit Risk from Balances with Banks and Financial Institutions is managed by the Group's Treasury Department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Trade Receivables

The Sales Department has established a Credit Policy under which each new Customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each Customer and reviewed periodically. Any sales exceeding those limits requires further approval.

Trade Receivables of the Company are typically unsecured ,except to the extent of the security deposits received from the Customers or Financial Guarantees provided by the market organizers in the business. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of Customers to which Group grants credit terms in the normal course of business. The Group performs ongoing credit evaluations of its Customers' financial condition and monitors the creditworthiness of its Customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade Receivables is created to the extent and as and when required, based upon the expected collectability of Accounts Receivables. The Group evaluates the concentration of risk with respect to Trade Receivables as low, as its Customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group measures the expected credit loss of Trade Receivables and Loan from individual Customers based on historical trend, industry practices and the business environment in which the Entity operates. Loss rates are based on actual credit loss experience and past trends.

The maximum exposure to Credit Risk for Trade Receivables by geographic region was as follows:

(₹ in Crores unless stated otherwise)

	For the Fiscal ended		
Particulars	**31st March 2024**	**31st March 2023**	**31st Match 2022**
Domestic	176.59	165.91	256.32
Other Regions	2.16	0.41	-
Total	**178.75**	**16,6.32**	**256.32**

Age of Receivables

(₹ in Crores unless stated otherwise)

Particulars	**For the Fiscal ended**

	31st March 2024	31st March 2023	31st March 2022
Neither due nor Impaired	120.22	118.59	191.05
Past due 1–90 days	57.28	47.42	64.86
Past due 91–180 days	0.81	0.24	0.05
180 to 365 days	0.44	0.07	0.36
More than 365 days	-	-	
	178.75	**166.32**	256.32

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of Customer Credit Risk, including underlying Customers' Credit Ratings if they are available.

Management estimates that the amount of provision of ₹ Nil (31st March 2023 : NIL) is appropriate

ii. Liquidity Risk: Liquidity Risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to Liquidity Risk

The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and Actual Cash flows and matching the maturity profiles of the Financial Assets and Liabilities. The table below summarises the remaining contractual maturities of Financial Liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

Non-Derivative Financial Liabilities

(₹ in Crores unless stated otherwise)

March 31, 2024	Carrying amount	Contractual Cash Flows				
		Total	1 Year or Less	1-2 Years	2-5 Years	More than 5 Years
India Rupee loan	646.64	646.64	154.60	112.70	290.59	88.75
Redeemable Preference Share Capital	95.00	95.00	40.00	40.00	15.00	-
Working Capital Loans from Banks	221.05	221.05	221.05	-	-	-
Trade Payables	165.28	165.28	165.28	-	-	-
Other Payables	173.20	173.20	173.11	0.09	-	-
Total	1301.17	1301.17	754.04	152.79	305.59	88.75

Non-Derivative Financial Liabilities

(₹ in Crores unless stated otherwise)

March 31, 2023	Carrying amount	Contractual cash flows				
		Total	1 Year or Less	1-2 Years	2-5 Years	More than 5 Years
India Rupee loan	591.50	591.50	156.86	154.60	265.80	14.24
Foreign currency loan	42.93	42.93	42.93	-	-	-
Redeemable Preference Share	150.00	150.00	40.00	40.00	70.00	-
Working Capital Loans from Banks	91.71	91.71	91.71	-	-	

Trade Payables	110.17	110.17	110.17	-	-	-
Other Payables	195.36	195.31	193.96	1.26	0.09	-
Total	1181.67	1181.62	635.63	195.85	335.90	14.24

Non-Derivative Financial Liabilities

(₹ in Crores unless stated otherwise)

March 31, 2022	**Carrying amount**	**Contractual cash flows**				
		Total	**1 Year or Less**	**1-2 years**	**2-5 years**	**More than 5 years**
India Rupee loan	617.45	617.45	100.65	114.15	402.65	-
Foreign currency loan	80.85	80.85	40.43	40.43	-	-
Redeemable Preference Share	210.92	210.92	-	-	-	210.92
Working Capital Loans from Banks	80.14	80.14	80.14	-	-	-
Trade Payables	88.11	88.11	88.11	-	-	-
Other Payables	189.92	189.92	187.30	1.27	1.35	-
Total	1267.39	1267.39	496.63	155.85	404.00	210.92

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular Industry

In order to avoid excessive concentrations of risk, the policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels

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. Market risk comprises three types of risk: Currency Risk, Interest Rate Risk, and Other Price Risk such as Equity Price Risk. Financial Instruments affected by market risk include Loans and Borrowings, Deposits, FVTOCI and Amortised Cost Investments and Derivative Financial Instruments.

Foreign Currency Risk

Foreign Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of actual sales and purchases and 12-month period for foreign currency loans. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Exposure to Currency Risk:

The Currency profile of Financial Assets and Financial Liabilities as at 31st March 2024, 31st March 2023, and 31st March 2022 are as below:

The Group's exposure to Foreign Currency Risk at the end of the reporting period expressed in ₹, are as follows:

(₹ in Crores unless stated otherwise)

March 31, 2024	Total	INR Equivalent to USD	INR Equivalent to Euro	INR Equivalent to CNY	INR Equivalent to JPY	INR
Financial Assets						
Trade and Other Receivables	178.75	3.00	1.14	-	-	174.62
Other Non-Current Financial Assets	8.53	-	0.79	-	-	7.74
Other Current Financial Assets	40.34	1.58	0.24	-	-	38.52
	227.63	4.58	2.17	-	-	220.87
Financial Liabilities	-	-	-	-	-	-
Non-Current Borrowings	547.04	-	-	-	-	547.04
Current Borrowings	415.65	-	20.22	-	-	395.42
Trade Payables	165.28	66.48	-	-	0.02	98.77
Other Current Financial Liabilities	171.85	0.03	1.20	1.41	-	169.21
Less : Foreign Currency Hedged	-	-	-	-	-	-
Total	1299.82	66.52	21.42	1.41	0.02	1210.45

(₹ in Crores unless stated otherwise)

March 31, 2023	Total	INR Equivalent to USD	INR Equivalent to Euro	INR Equivalent to CNY	INR Equivalent to JPY	INR
Financial Assets						
Trade and other Receivables	166.32	1.68	-	-	-	164.64
Other Current Financial Assets	18.25	1.58	4.36	-	-	12.31
Total	184.57	3.26	4.36	-	-	176.95
	-	-	-	-	-	-
Financial Liabilities	-	-	-	-	-	-
Current Borrowings	331.50	-	42.93	-	-	288.57
Trade Payables	110.17	30.63	0.02	-	-	79.53
Other Current Financial Liabilities	192.74	0.55	8.90	2.27	-	181.01
Less : Foreign Currency Hedged	42.93	-	42.93	-	-	-
Total	591.48	31.18	8.92	2.27	-	549.11

(₹ in Crores unless stated otherwise)

March 31, 2022	Total	INR Equivalent to USD	INR Equivalent to Euro	INR Equivalent to CNY	INR
Financial Assets					
Trade and other Receivables	256.32	4.76	0.00	-	251.56
Other Non-Current Financial Assets	8.24	-	1.53	-	6.72
Other Current Financial Assets	1.88	-	1.53	-	0.35
Total	266.44	4.76	3.05	-	258.63
	-	-	-	-	-
Financial Liabilities	-	-	-	-	-
Non Current Borrowings	768.14	-	40.43	-	727.72
Current Borrowings	221.22	-	40.43	-	180.79
Trade Payables	88.11	8.11	-	-	79.99
Other Current Financial Liabilities	186.16	1.29	0.85	3.29	180.74

Less : Foreign Currency Hedged	80.85	-	80.85	-	-
Total	1182.77	9.40	0.85	3.29	1169.25

Sensitivity Analysis
A reasonably possible strengthening (weakening) of the Indian Rupee against Foreign Currency at March 31 would have affected the measurement of financial instruments denominated in foreign currency and affected Equity and Profit or Loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in Crores unless stated otherwise)

March 31, 2024	**Profit or (Loss)**		**Equity, Net of Tax**	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
5% movement				
USD	(3.10)	3.10	(2.01)	2.01
EUR	(0.96)	0.96	(0.63)	0.63
CNY	(0.07)	0.07	(0.05)	0.05
JPY	-	-	-	-

(₹ in Crores unless stated otherwise)

March 31, 2023	**Profit or (Loss)**		**Equity, Net of Tax**	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
5% movement				
USD	(1.40)	1.40	(0.91)	0.91
EUR	(0.23)	0.23	(0.15)	0.15
CNY	(0.11)	0.11	(0.07)	0.07

(₹ in Crores unless stated otherwise)

March 31, 2022	**Profit or (Loss)**		**Equity, Net of Tax**	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
5% movement				
USD	(0.23)	0.23	(0.15)	0.15
EUR	0.11	(0.11)	0.07	(0.07)
CNY	(0.16)	0.16	(0.11)	0.11

Interest Rate Risk
Interest Rate Risk is the risk that the fair value or future Cash Flows of a Financial Instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's Long-Term Debt obligations with floating interest rates. The Group manages its Interest Rate Risk by having balanced portfolio of fixed and variable rate Loans and Borrowings.

Exposure to Interest Rate Risk
The Group's Interest Rate Risk arises from Borrowings obligations. Borrowings is exposed to fair value interest rate risk. The interest rate profile of the Group's interest-bearing Financial Instruments as reported to the management of the Group is as follows.

Variable-Rate Instruments	**(₹ in Crores unless stated otherwise)**		
	As at March 31, 2024	**As at March 31, 2023**	**As at March 31, 2022**
Non-Current - Borrowings	547.04	544.64	768.14
Current - Borrowings	415.65	331.50	221.22
Total	962.69	876.14	989.36

Cash Flow Sensitivity Analysis for Variable-Rate Instruments

A reasonably possible change of 100 basis points in Interest Rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amounts shown below. This analysis assumes that all other variables, in particular Foreign Currency Exchange Rates, remain constant.

For more information, see the sections titled "*Our Business"* and "*Risk Factors*" at page 163 and 47, respectively, of this Preliminary Placement Document.

Particulars	Profit or Loss		Equity, Net of Tax	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
As at March 31, 2024				
Non-Current - Borrowings	(5.47)	5.47	(3.56)	3.56
Current - Borrowings	(4.16)	4.16	(2.70)	2.70
Total	(9.63)	9.63	(6.26)	6.26
As at March 31, 2023				
Non-Current - Borrowings	(5.45)	5.45	(3.54)	3.54
Current - Borrowings	(3.32)	3.32	(2.16)	2.16
Total	(8.76)	8.76	(5.70)	5.70
As at March 31, 2022				
Non Current - Borrowings	(7.68)	7.68	(5.00)	5.00
Current - Borrowings	(2.21)	2.21	(1.44)	1.44
Total	(9.89)	9.89	(6.44)	6.44

Recent Developments

Except as stated in this Preliminary Placement Document, to our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this Preliminary Placement Document which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

Summary of reservations or qualifications or adverse remarks in the auditors' report in the last five Financial Years immediately preceding the year of filing this Preliminary Placement Document and their impact on the financial statements and financial position of our Company, the correct steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remark

Except as stated below, there are no reservations or qualifications or adverse remarks in the auditors' report in the last five Financial Years immediately preceding the year of filing the Preliminary Placement Document:

Financial Period/ Period	Reservation, qualification, emphasis of matter or adverse remark	Impact on the financial statements and financial position of the Group	Corrective steps taken and/or proposed to be taken by the Company
Fiscal 2024	Audit trail feature was not enabled for certain changes made using privileged / administrative access rights.	No effect on financial statements and financial position of the Group.	
Fiscal 2024	The Company has used funds raised on short-term basis for long-term purpose	No effect on financial statements and financial position of the Group.	Management has noted this and has made the allocation in the appropriate manner in the current financial year.
Fiscal 2024	Audit report of the associate company was not issued by its auditor till the date of consolidated financial statement of the Group.	No effect on financial statements and financial position of the Group.	NA

Fiscal 2024	Certain statutory dues were not deposited on account of any dispute for income tax and custom duty.	No effect on financial statements and financial position of the Group.	NA
Fiscal 2023	Audit report of the associate company was not issued by its auditor till the date of consolidated financial statement of the Group.	No effect on financial statements and financial position of the Group.	NA
Fiscal 2023	Certain statutory dues were not deposited on account of any dispute for income tax and custom duty.	No effect on financial statements and financial position of the Group.	NA
Fiscal 2022	Certain statutory dues were not deposited on account of any dispute for income tax, service tax and custom duty.	No effect on financial statements and financial position of the Group.	NA
Fiscal 2021	Certain statutory dues were not deposited on account of any dispute for service tax and custom duty.	No effect on financial statements and financial position of the Group.	NA
Fiscal 2020	Certain statutory dues were not deposited on account of any dispute for service tax and custom duty.	No effect on financial statements and financial position of the Group.	NA

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from industry report titled "Assessment of Chemical Industry" (the "CRISIL Report") prepared and issued by CRISIL Limited ("**CRISIL**"), and exclusively commissioned and paid for by us to understand the industry in which we operate in connection with the Issue. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular calendar year/ Fiscal refers to such information for the relevant calendar year/ Fiscal. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents of the CRISIL Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. While preparing the report, CRISIL has also sourced information from publicly available sources, including our Company's financial statements available publicly. The data included herein includes excerpts from the CRISIL Report ad may have been reordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the Issue), that has been left out or changed in any manner in the section.*

References to segments in CRISIL Report and information derived therefrom are industry segments and in accordance with presentation, analysis and categorisation in the CRISIL Report.

We do not present such industry segments as operating segments. Our segment reporting in financial statements is based on criteria set out in Ind AS 108 – "Operating segments".

For more information, see "Risk Factors - Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by CRISIL and exclusively commissioned and paid for by us for such purpose" on page 64*. Also see, "Industry and Market Data" on page* 18.

1. Global macroeconomic view

Monetary stance begins to ease as inflation moderates; growth holds steady

Global economic growth remains steady but moderate. Emerging economies are growing faster than the developed countries. The US seems to be outperforming other advanced economies in 2024, while India remains one of the fastest-growing economies in emerging economies.

The global economic environment remained moderate in calendar 2023, with central banks raising policy rates, leading to elevated credit costs for both industrial and retail sectors and impacting investments during the year. That, supported by easing of global supply of key commodities, helped rein in inflation. The global GDP grew 3.3% amid a high-interest-rate environment and moderating inflation.

The International Monetary Fund (IMF) estimates global GDP growth to be 3.2% in 2024 and 3.3% in 2025. Growth is expected to be divergent, with advanced economies likely experiencing slightly modest growth and emerging economies logging steady growth through the two years.

India is expected to emerge relatively stronger amid the global uncertainty, logging in a GDP growth 8.2% in fiscal 2024 and 6.8% in fiscal 2025.

To recall, in calendar 2020, the Covid-19 pandemic not only become a public health crisis but also a financial crisis. Lockdowns, business closures, and disruptions in trade and movements wreaked havoc on the global economy. Major economies globally de-grew in 2020; only China expanded 2.2% during the year. Subsequently, green shoots appeared economies adapted to a new world order despite reduced mobility. Additional fiscal support in large economies, particularly developed nations, contributed to the improving overall economic outlook.

The IMF expected the global economy to bounce back and grow 6.1% in 2021. However, recovery that year on a low base was set back by a gamut of factors. Some of these were geopolitical uncertainty and inflation amid a commodity super-cycle, induced by supply-chain disruption stemming from geopolitical challenges.

The second half of 2022 was largely spent battling elevated inflation, while economic growth took a back seat. To tackle inflation, central banks globally adopted monetary tightening. While there were signs (such as a gradual cooling off of inflation) that the global economy would achieve a soft landing, the delay in controlling inflation crippled economic growth.

Table 1: Real GDP growth

YoY (%)	CY18	CY19	CY20	CY21	CY22	CY23	CY24P	CY25P
World	3.6	2.9	-3.1	6.0	3.5	3.3	3.2	3.3
Advanced economies	2.3	1.7	-4.5	5.2	2.6	1.7	1.7	1.8
- Euro area	1.8	1.6	-6.1	5.2	3.4	0.5	0.9	1.5
- US	2.9	2.3	-3.4	5.7	1.9	2.5	2.6	1.9
- UK	1.7	1.7	-9.3	7.4	4.3	0.1	0.7	1.5
- Germany	1.1	1.05	-4.6	2.6	1.8	-0.2	0.2	1.3
- Japan	0.6	-0.2	-4.5	1.7	1.0	1.9	0.7	1.0
Emerging and developing economies	4.6	3.7	-2.0	6.6	4.1	4.4	4.3	4.3
- China	6.7	6.0	2.2	8.1	3.0	5.2	5.0	4.5
- India*^	6.5	3.9	-5.8	9.7	7.0	8.2	6.8	6 to 7 %

**India numbers are on a Fiscal-year basis, where CY18 would correspond to Fiscal 2019*
^CRISIL MI&A Research projections for CY24, IMF projections for CY25
E – estimated, P – projected; NA- Not available
Source: IMF World Economic Outlook, July 2024

Easing monetary cycles expected over the medium term

Globally, inflation has been falling since mid-2022, supported by lower fuel and energy prices, especially in the US, euro area and Latin America.

Since 2021, most central banks globally have been increasing interest rates to suppress demand and lower underlying (core) inflation. This series of rate increases has been more rapid and synchronous than the previous global monetary tightening episode just before the global financial crisis. The slowdown in new-home construction reflects the impact of this more-restrictive monetary policy.

Since mid-2022, inflation, excluding volatile food and energy prices, has been declining in most (but not all) major economies. While the high-interest rate approach adopted by central banks has had a positive impact on moderating inflation momentum, easing global commodity prices also contributed to this trend in 2023. Consequently, many economies experienced lower inflation in 2023 compared with 2022. Moderation is expected to be quicker for advanced economies in 2024 compared with emerging markets, primarily due to stronger monetary frameworks and lower susceptibility to commodity price fluctuations. The gradual toning down of labour markets and estimated downward pricing trends in energy are expected to further help in bringing headline inflation near the target levels by the end of 2025.

Nevertheless, the average headline and core inflation rates remain significantly above the target levels in almost all countries to curb inflation. Moreover, differences across economies reflect their varying exposure to underlying shocks.

Table 2: Inflation movement across key economies

YoY (%)	CY18	CY19	CY20	CY21	CY22	CY23	CY24P^	CY25P^
Advanced economies								
- Euro area	1.8	1.2	0.3	2.6	8.4	5.4	2.4	2.2
- US	2.4	1.8	1.2	4.7	8.0	4.1	3.0	2.0
- UK	2.5	1.8	0.9	2.6	9.1	7.3	2.8	2.4
- Germany	1.9	1.4	0.4	3.2	8.7	6.0	2.7	2.3
- Japan	1.0	0.5	0.0	-0.2	2.5	3.3	2.4	2.2
Emerging and developing economies								
- China	2.1	2.9	2.5	0.9	2.0	0.2	0.5	1.5
- India	3.4	4.8	6.2	5.5	6.7	5.4	4.5	4.6

E – estimated, P – projected

^Projections for CY24 and CY25 are as per S&P Global forecasts

Source: IMF World Outlook, April 2024; S&P Global June 2024 regional releases

Inflation has started coming down, thanks to the steps taken by central banks (such as increasing repo rates) and a decline in food and energy prices. It is now near the target levels, with demand pulls easing. Having said that, services-led inflation and employment remain strong, limiting the pace of decline.

These factors have now triggered the much-awaited cycle of policy rate cuts after a long pause, with the central banks waiting for moderation in stubborn inflation since long. June 2024 has seen both Bank of Canada and the European Central Bank lowering rates 25 basis points. The US Federal Reserve also cut its rates by 50 basis points in its September 2024 meeting, indicating an easing of monetary policy. This relationship of demand, inflation and rate cuts are now going to be the dominant narrative over the medium term.

2. Indian macroeconomic overview

GDP review and outlook

The Indian economy logged a strong 7.8% on-year growth in the fourth quarter of fiscal 2024, compared with 5.9% pencilled in by the National Statistical Office's (NSO) in its second advance estimates in February 2024. With that, real GDP growth printed at 8.2% on-year (provisional estimate) for fiscal 2024, higher than 7.0% in the previous fiscal, driven by fixed investments on the demand side and industry on the supply side.

In fiscal 2025, GDP grew 6.7% on-year in the first quarter, aided by a significant pickup in private consumption in contrast to fiscal 2024 but limited by slower government spending and slower manufacturing.

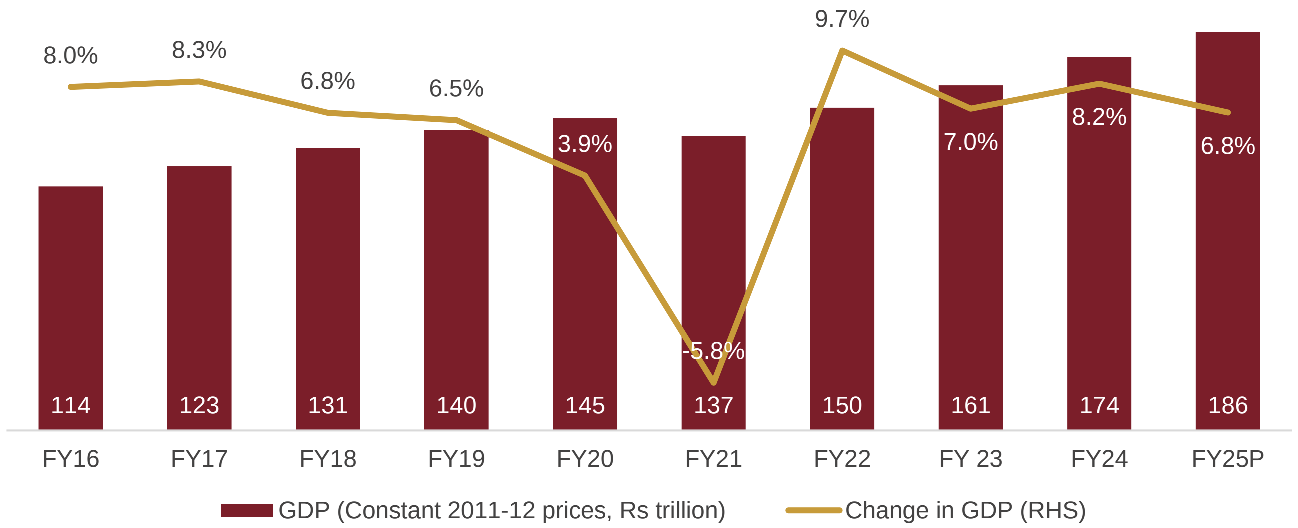
Despite weak agricultural growth of 1.4% in fiscal 2024 versus 4.7% in fiscal 2023, overall GDP growth was robust, indicating the surge in non-agriculture sectors more than offset the slowdown in agriculture. Construction, the most labour-intensive sector, is estimated to have been one of the fastest-growing segments in fiscal 2024, at 9.9%, compared with 4.9% on average in the previous decade. This was attributable to the government's infrastructure spending and a revival in the housing sector. Manufacturing, too, picked up (9.9% versus -2.2%), supported by lower input prices. Utilities posted healthy growth of 7.5% (versus 9.4%), propelled by a surge in electricity production. Consequently, fiscal 2024 also displayed the growth momentum at 8.2% despite a high base.

India's GDP grew 7.2% on-year to ~Rs 160 trillion in fiscal 2023, building on the robust 9.1% growth in fiscal 2022, suggesting strong growth momentum, propelled largely by government-led investment activity with stable-to-increasing trends for both investment and private consumption.

The strong expansion in fiscal 2022 to ~Rs 149 trillion came on a low base, surpassing the pre-pandemic level in fiscal 2020. Growth in fiscal 2022 would have been higher but for the brutal second wave in the first quarter, which impacted consumer sentiment and hurt demand in contact-intensive sectors. The resurgence of Covid-19 since March 2021 forced many states to implement localised lockdowns and restrictions to curb the pandemic. The country reported the highest number of daily cases in the beginning of May 2022. The second round of lockdowns was less restrictive for economic activity than the previous one. Manufacturing, construction, agriculture, and other essential activities were permitted in most states. Travel, too, was permitted, unlike during the first wave, where all travel services were shut down. The third wave in the fourth quarter of fiscal 2022 had minimal impact on the economy, thanks to high vaccination rates and adaptation to the new normal.

Following a strong GDP print over fiscals 2022 to 2024E, GDP growth is expected to moderate to 6.8% in fiscal 2025, as fiscal consolidation will reduce the fiscal impulse to growth, credit conditions can tighten this year moderating urban demand, and slower global growth can restrict the upside to goods exports due to the normalisation of supply chains and an expected pick-up in trade volume in calendar 2024. Nevertheless, this would still mean India will log the fastest growth among major economies and fare better than the 6.7% growth seen in the decade preceding the pandemic.

Figure 1: Historical GDP growth and outlook



P – projected

Source: Ministry of Statistics and Programme Implementation ("MoSPI"), CRISIL MI&A Research

The onset of the pandemic and the subsequent imposition of a nationwide lockdown from March 25, 2020, led to an estimated 5.8% decline in GDP to Rs 137 trillion in fiscal 2021. While the economy was under pressure in the first half of fiscal 2021, due to the pandemic-induced, lockdown-led demand shocks and weak global demand, low oil and commodity prices provided respite. The second half of fiscal 2021 saw an uptick in mobility and economic activity, as sentiment improved and people became accustomed to living in a new world order. The opening up of vaccinations in the fourth quarter, albeit limited to a smaller section of the population initially, boosted the sentiment, containing the contraction to 5.8% in fiscal 2021. Additionally, to stimulate economic growth, the government implemented a slew of measures during the pandemic-impacted year under the Atmanirbhar Bharat Abhiyan. The Production-Linked Incentive (PLI) scheme followed, tying in with the Make in India programme.

Over the medium term, the Indian economy is projected to grow 6-7%, boosted by healthy public capital expenditure (capex), domestic consumption-led growth, the ongoing supply-chain de-risking strategy of global companies that would boost manufacturing in India and the thrust provided by the PLI scheme. The slowdown in global economies, however, could hurt Indian exports, limiting GDP growth to some extent.

Table 3: India's GDP and macroeconomic outlook

Macro variable	FY22	FY23	FY24	FY25P	Rationale for outlook
Real GDP (%, y-o-y)	9.1	7.2	8.2	6.8	The growth in fiscal 2024 was driven by fixed investments, with support from industry on the supply side. This fiscal, the growth is expected to moderate on a high base. Last year's laggards — agriculture and consumption — are poised to rise. Rural demand is expected to drive consumption.
Consumer price index (CPI) inflation (%, y-o-y)	5.5	6.7	5.4	4.5	Overall, we expect the consumer price inflation (CPI) to average 4.5% in fiscal 2025 from 5.4% last fiscal. Headline inflation is expected to cool down as food inflation decelerates with a healthy monsoon driving up food output, in turn easing prices, and because of high base. This should allow the Reserve Bank of India (RBI) to begin cutting interest rates the earliest by October.
Current account balance/ GDP (%)	1.2	-2	-0.7	-1.0	Healthy momentum in goods exports and an expected moderation in imports suggest the current account deficit (CAD) is likely to remain manageable this fiscal as well.

Macro variable	FY22	FY23	FY24	FY25P	Rationale for outlook
Rs/$ (March-end)	76.2	82.3	83	84	While the CAD is expected to remain manageable, it may face some risks amid the uneven global growth scenario and geopolitical uncertainties. That said, the country's healthy domestic macros will cushion the rupee.

P: Projected

^Second advance estimates

Sources: RBI, National Statistical Office (NSO), CRISIL MI&A Research

India to remain one of the fastest-growing economies globally

Despite headwinds, India is expected to remain one of the fastest-growing economies in the world. Indeed, this was already the case before the pandemic. The country's macroeconomic situation was gradually improving — the twin deficits (current account and fiscal) were narrowing, and the growth-inflation mix was improving, too, and durably so. The government had also adopted an inflation-targeting framework to provide an institutional mechanism for controlling inflation, while modernising central banking. Consumption recovery, government investments and healthy balance sheets for a large percentage of India Inc indicate strong fundamentals and they are expected to remain so over the medium term.

Table 4: Economy-wise GDP growth outlook (%)

Country	2021	2022	2023	2024P
China	8.5	3.0	5.2	5.0
Germany	3.2	1.8	-0.2	0.2
India*	9.1	7.0	8.2	6.8
Indonesia	3.7	5.3	5.0	5.0
Japan	2.6	1.0	1.9	0.7
Republic of Korea	4.3	2.6	1.4	2.5
Malaysia	3.3	8.9	3.6	4.4
Thailand	1.5	2.5	1.9	2.9
The UK	8.7	4.3	0.1	0.7
The US	5.8	1.9	2.5	2.6

** India numbers are for fiscal (April-March)*

E: Estimated; P: Projected

Note: All forecasts are the IMF's

Sources: IMF World Economic Outlook July 2024, CRISIL MI&A Research

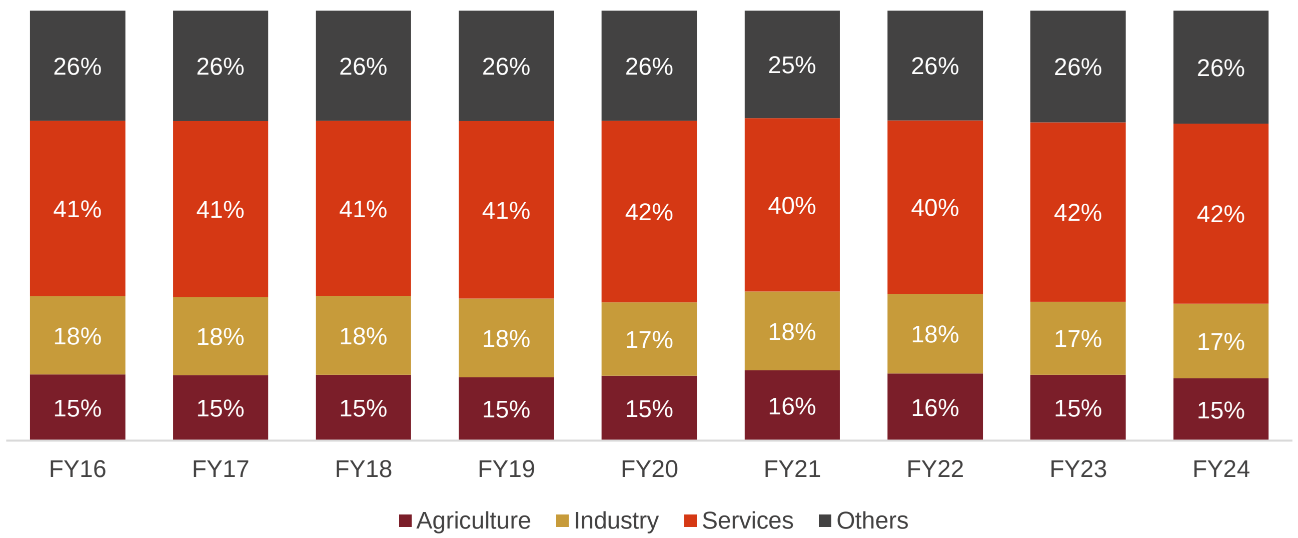
Contribution of key sectors to gross value added

An analysis of India's gross value added (GVA) shows it has grown consistently over the years except in fiscal 2021, when it was impacted by the pandemic-induced lockdown. The services sector has remained a significant contributor to the GVA over the years. Growth in services exports, accounting for half of the country's overall exports, has continued to outpace the economic growth.

The growth in the manufacturing GVA (3% CAGR between fiscals 2017 and 2022) is attributable to various government initiatives, such as Atmanirbhar Bharat, Make in India and Production Linked Incentive (PLI) scheme. While the share of industry in the GVA has remained constant at 17%, a large percentage of PLI capex is yet to be commissioned. This is expected to aid growth in the share of both manufacturing and exports.

The agriculture GVA logged a CAGR of 3%, driven by the government's subsidy support to farmers and various other government initiatives, such as the PM Krishi Sinchai Yojana (PMKSY). Normal monsoon, implementation of various government schemes and favourable agricultural commodity prices over the past two fiscals aided the growth.

Figure 2: Contribution of key sectors (industry, agriculture and services) to GVA



Source: MoSPI, CRISIL MI&A Research

Multi-pronged policy focus boosts rural segment

The rural economy has benefitted from two consecutive years of good monsoon, increased spending under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), irrigation programmes, the Direct Benefit Transfer (DBT) scheme, the Pradhan Mantri-Kisan scheme, the PM Ujjwala Yojana for cooking gas, the PM Awas Yojana for housing and the Ayushman Bharat Yojana for healthcare. To supplement this, there has been a continuous improvement in rural infrastructure, such as electricity and roads. The government initiatives have led to reduced leakages and higher incomes in the hands of the rural populace, thereby enhancing their ability and willingness to spend on discretionary products and services. The rural economy accounts for almost half of India's GDP and has performed much better than the urban economy in the aftermath of the pandemic.

There are three reasons for this. For one, agricultural activity continued largely unhindered, with normal monsoon and lower spread of the pandemic in rural areas, given lower population density. Second, the government offered support, making available an additional Rs 500 billion for MGNREGA and disbursing over Rs 2.6 trillion towards the PM-Kisan scheme until July 2023. Third, the structure of the non-agricultural rural economy has helped it bear the Covid-induced shock better. The rural economy accounts for 51% of India's manufacturing GDP, but the rural share in services GDP (excluding public administration, defence and utilities) is much lower at ~26%.

Private investment and rural consumption growth key for fiscal 2025

The index of industrial production (IIP) in the second half of last fiscal (October-March) grew 5.7% on average, lower than 6.3% in the first half. This was consistent with the NSO's provisional estimates for the fiscal that pegged the GVA growth at ~6.5% in the second half compared with 8.0% in the first half.

The fall in the IIP in the second half was because of a weak growth in consumer non-durables, possibly indicating weak consumption in the bottom income segment of the population, particularly in rural areas. In fiscal 2025, as well, industrial growth hinges on the consumption revival. Rural demand, which had slipped last fiscal, is expected to see a revival on better agricultural growth. While the monsoon has been above normal until August, the intensity and distribution of rainfall will determine agricultural prospects.

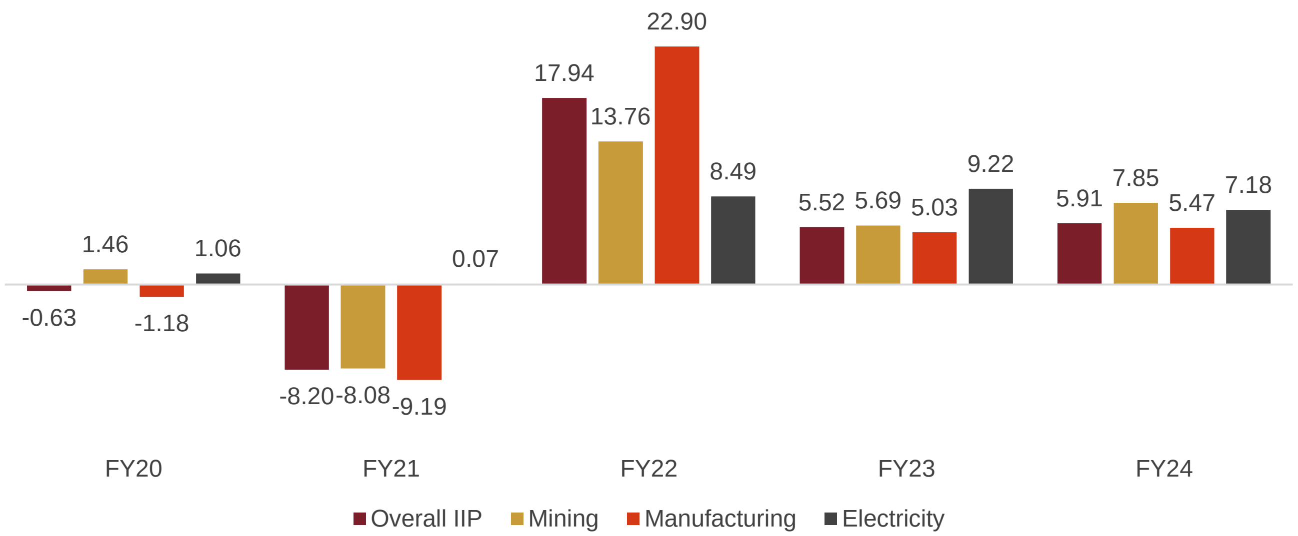
Further, private consumption has been a weak link, estimated to have grown just 4.0% in fiscal 2024, much below the 8.2% GDP growth. We expect government support to weaken further in the current fiscal as it pursues the path to fiscal consolidation. But a pick-up in private capex is critical to sustaining the investment momentum.

A normal monsoon and easing inflation, though, could support rural demand in the current fiscal. However, transmission of past rate hikes by the RBI to lending rates and the measures undertaken to clamp down risky consumer credit, is expected to drag domestic demand this fiscal.

Growth in India's major trading partners is expected to be uneven in calendar 2024 as well, with the EU expected to post tepid growth, though the US may retain its strong momentum. Overall, global trade flows could revive on a low base of the previous year, but geopolitical uncertainty in the Middle East remains a risk, restricting a broad-based recovery in exports.

The fiscal started off on a good note, with merchandise exports logging steady growth in the first quarter. This, along with key multilateral organisations' forecasts of better on-year trade growth, are encouraging. The government's increased focus on foreign trade agreements should also provide a fillip. That said, growth in imports so far has surpassed exports, thus widening the trade deficit. The expected moderation in domestic growth should keep a tab on growth in imports and, thereby on trade deficit. At the same time, the surplus in services trade and robust remittances flow suggests the current account is expected to remain in a safe zone.

Figure 3: IIP on-year growth trend



Source: MoSPI, CEIC, CRISIL MI&A Research

Policy rate cuts to commence this fiscal

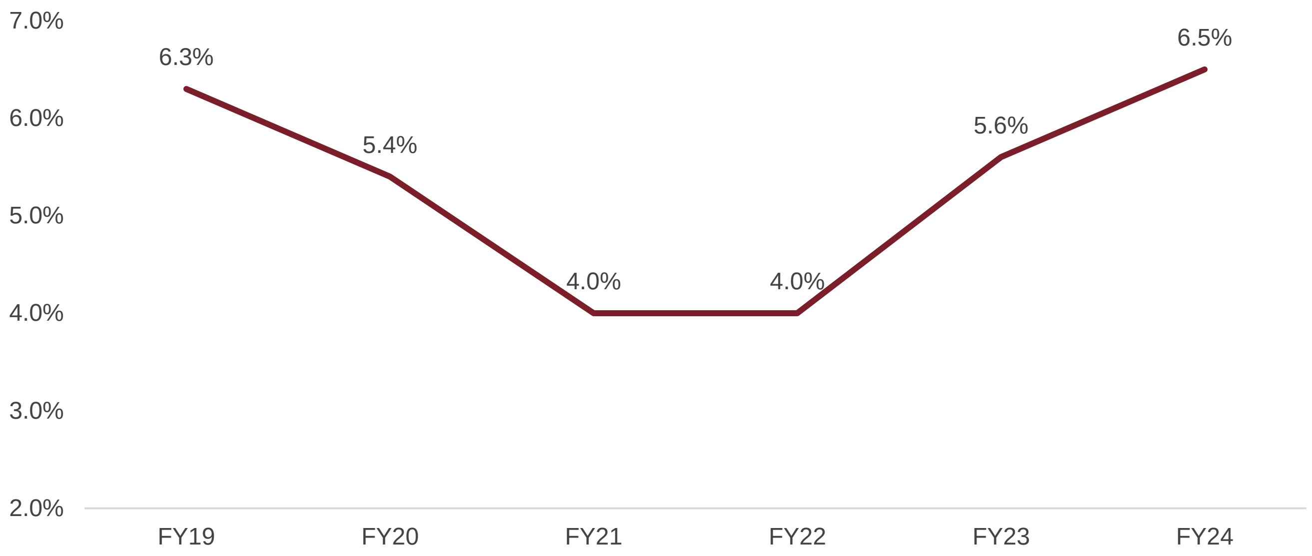
The RBI's Monetary Policy Committee (MPC) held policy rates steady through fiscal 2024. However, slowing inflation, a smaller fiscal deficit and a 50 bps cut in the US Federal Reserve's policy rate on September 18 will lay the ground for the MPC to start cutting rates in fiscal 2025.

That said, while consumer price inflation has remained within the RBI's tolerance band of 2-6% since August 2023, the transmission of past rate hikes, liquidity tightening and recent regulatory actions by the RBI are expected to curb credit growth of banks and NBFCs, which could moderate domestic demand, especially in the urban areas.

And with the government pursuing fiscal consolidation, the expected policy rate cuts by the RBI and robust foreign capital inflows, the 10-year government security (G-sec) yield is also expected to soften from March 2024 levels. CRISIL MI&A Research expects the yield to average 6.8% by March 2025 compared with 7.1% in March 2024.

Other than lower gross borrowings, policy rate cuts by the RBI and lower domestic inflation will pull down yields. Inclusion of the Indian G-secs in the JP Morgan Emerging Market Bond Index from mid-2024 will contribute to the drop in yields. In fact, announcement of the inclusion has already led to a surge in foreign inflows into the Indian debt market.

Figure 4: Annual trend of repo rate



Source: RBI

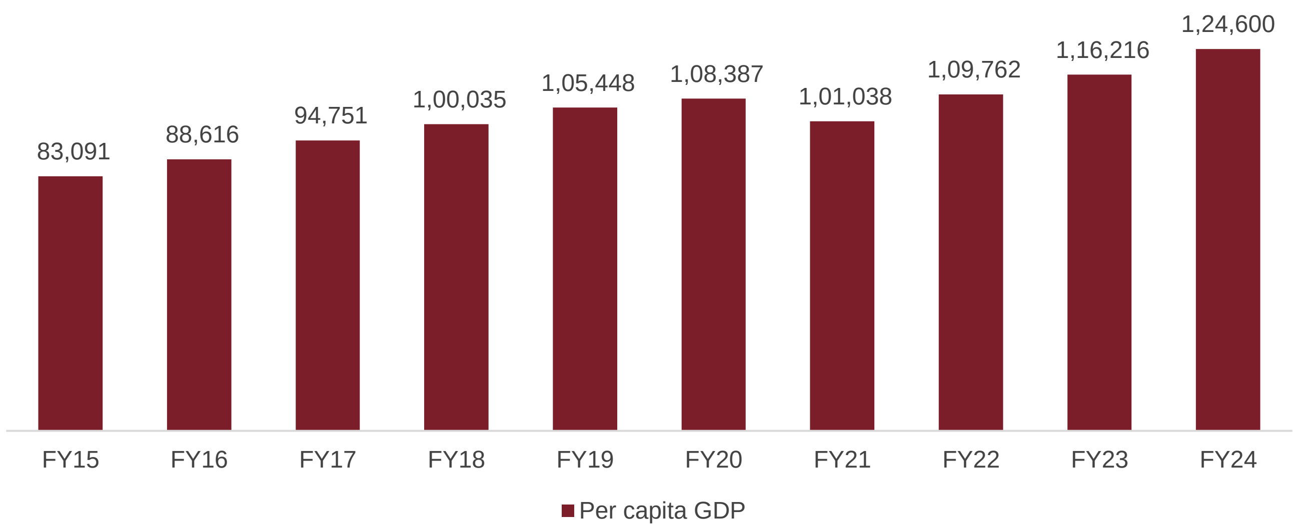
Easing monetary cycles globally coupled with the improving inflation outlook, will allow the RBI to initiate rate cuts this fiscal.

Softer core and non-food inflation continue to offer relief to the MPC. Overall, the macroeconomic environment is likely to turn favourable for a rate cut. Barring any shocks, the RBI is expected to initiate rate cuts this fiscal, starting October at the earliest.

GDP per capita trends

India's GDP per capita in real terms logged 5.46% CAGR between fiscals 2015 and 2020, rising from ~Rs 83,000 to ~Rs 108,000. The pandemic-induced lockdown led to a decline in income and widespread job losses, pushing GDP per capita down 6.8% on-year to ~Rs 101,000 in fiscal 2021, back to the fiscal 2018 level. On this low base, it grew ~8% on-year to Rs 109,000 in fiscal 2022, surpassing the pre-Covid-19 level of Rs 108,387 in fiscal 2020.

Figure 5: India's GDP per capita (Rs)



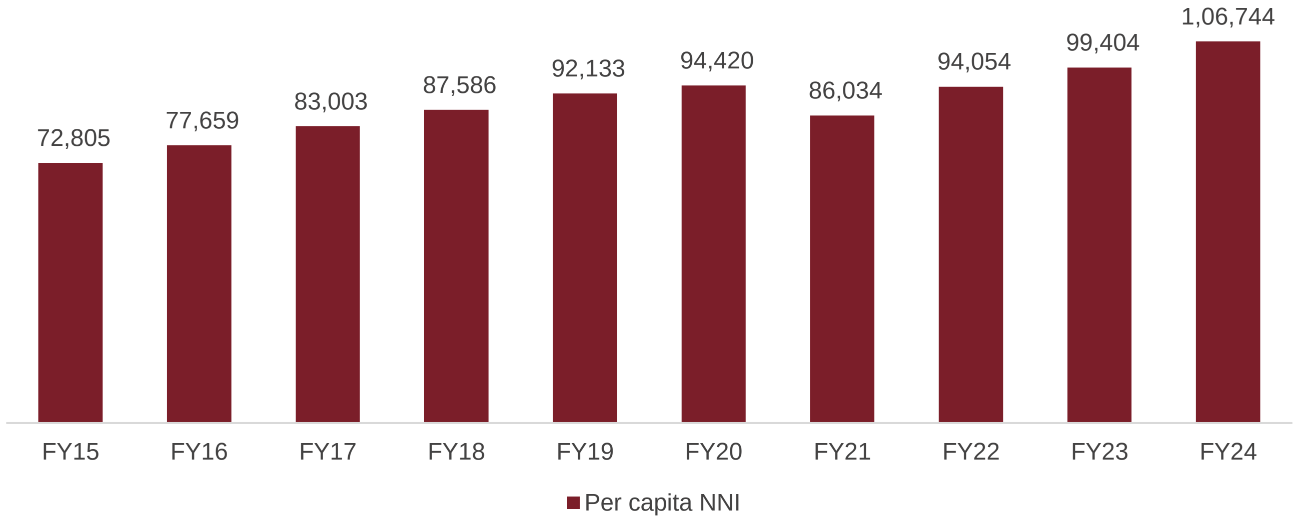
Notes: Data is based on constant prices, 2011-12 base; FY24 data is provisional

Sources: National Accounts Statistics, CRISIL MI&A Research

India's national income per capita in real terms logged 5.3% CAGR between fiscals 2015 and 2020, rising from ~Rs 73,000 to ~Rs 94,000. Impacted by the pandemic, it decreased 8.9% on-year to ~Rs 86,000 in fiscal 2021 (back to the fiscal 2018 level).

On this low base, it grew 7.6% on-year to ~Rs 93,000 in fiscal 2022, marginally higher than the pre-pandemic level of Rs 94,420 in fiscal 2020.

Figure 6: India's national income per capita (Rs)



Note: Data is based on constant prices, 2011-12 base, FY24 data is provisional
Source: National Accounts Statistics, CRISIL MI&A Research

Power demand shows strong correlation with GDP per capita

An assessment of data over 30 years indicates a strong correlation between power demand and overall GDP growth. Cross-country and cross-state comparisons also indicate the same. Hence, tracking GDP growth and its impact on per capita power demand is considered an established means of understanding the prospects of the power sector.

Further, share of the domestic manufacturing sector in the country's GVA stood at 17% in fiscal 2024 (provisional estimate), lower than that in other Association of Southeast Asian Nations (ASEAN) peers, which are factories to the world. That said, the ongoing supply-chain de-risking strategy of global players amid geopolitical disruptions, the Indian government's focus on initiatives such as Make in India and PLI and the emergence of new-age sectors amid energy transition creating new manufacturing needs are set to improve the contribution of manufacturing in India's GDP. This would further boost power demand prospects.

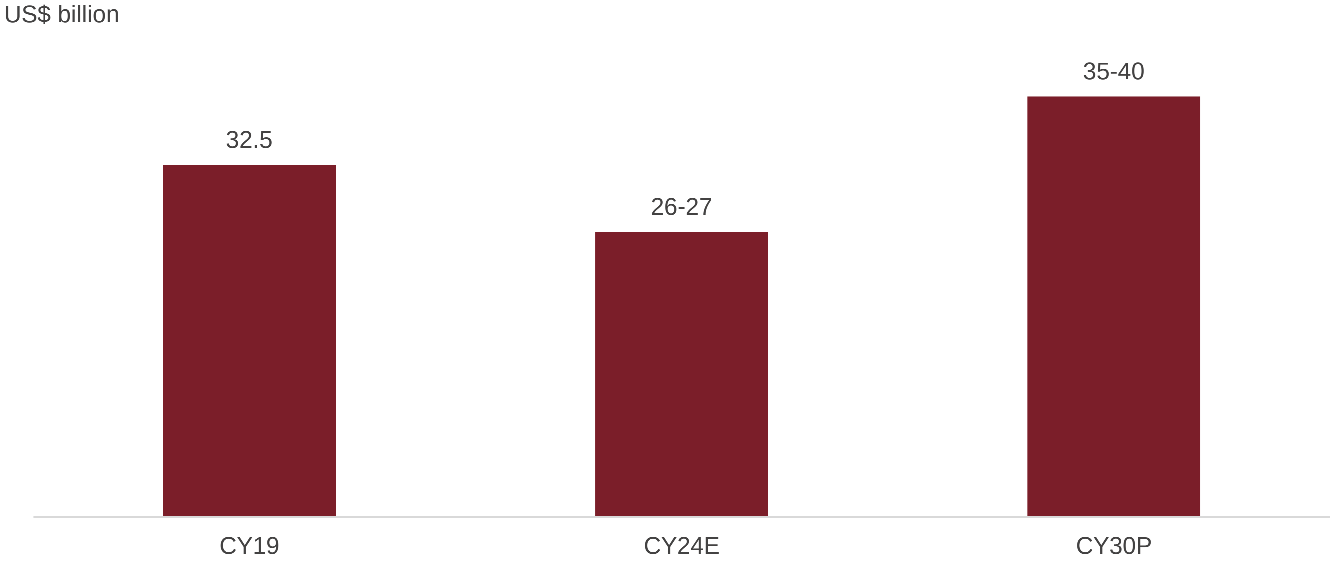
Apart from these factors, an efficient transmission and grid infrastructure would also help reduce aggregate technical and commercial (AT&C) losses and improve energy efficiency in the power sector.

3. Market assessment of Epigral products

Market assessment of caustic soda

Global market

Global caustic soda market



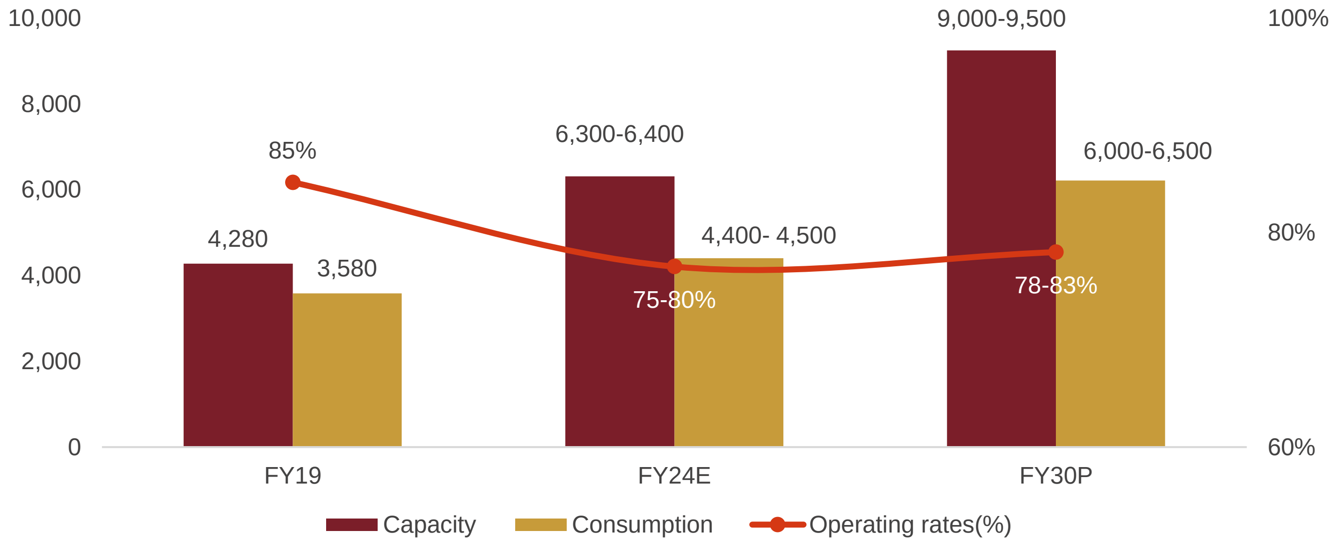
Source: Industry data, CRISIL MI&A Research, E-estimated, P-projected

The global caustic soda market is valued at ~US$ 26-27 billion in CY2024 and is projected to grow at a 5-7% CAGR over the next 5-6 years. The growth will be driven by rising demand from downstream industries such as water treatment, paper & pulp, alumina and soaps & detergents. The market value has declined on account of moderation in realization because of destocking, slow recovery in economies, high interest rates and recessionary fears. Current caustic soda capacity stands at ~104 million tonne (MMT), with average operating rates of ~80% expected to rise 200-300 bps in the forecast period. However, the market is currently over-supplied owing to capacity expansions, weak demand in developed economies and slow recovery in China leading to pricing pressure. Last year, liquidation of high-valued inventories when caustic soda prices fell ~40% led to a decline in the industry's market value. Volume-wise, global consumption of caustic soda is expected to grow ~3% over the next 5-6 years.

Domestic market

The caustic soda market plays a critical role in the country's chemicals and manufacturing industries, accounting for approximately 25% of domestic chemicals production in fiscal 2024. Available in lye and flake form, caustic soda (sodium hydroxide) is used in various sectors, including textiles, paper and chemicals. India's rapidly growing industrial base and economic diversification has resulted in strong growth for the caustic soda market.

Indian caustic soda demand and capacity (KTPA)

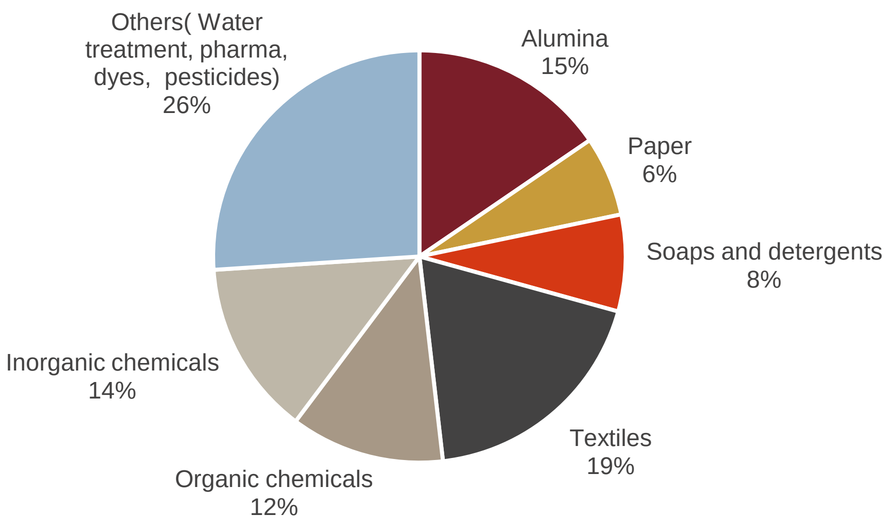


Source: Industry data, CRISIL MI&A Research, E-estimated, P-projected

Caustic soda capacity in India has increased from ~4,280 kilotonne per annum (KTPA) in fiscal 2019 to approximately 6,320 KTPA in fiscal 2024 at a compound annual growth rate (CAGR) of ~7%. It is expected to grow at ~8% over the next 5-6 years, driven by significant capacity expansions from major producers. Domestic consumption has risen from ~3,580 Kilotonne (KT) to ~4,400 KTPA with a historical CAGR of ~4% and is expected to grow at ~6% in the next 5-6 years. Epigral is the 4th largest producer of caustic soda with an annual capacity of ~400 KTPA

Since fiscal 2019, domestic players have been targeting exports markets for better margins, resulting in ~22% growth in exports till fiscal 2024. This growth is expected to stabilise in the medium term, driven by consolidation in China and rising energy costs in the European chemicals industry.

Domestic caustic soda consumption by end-user (fiscal 2024)



Source: Industry data, CRISIL MI&A Research

Key growth drivers: Industry trend for end-user segments

Alumina industry: Capacity addition by domestic players and rising demand from solar energy and automotive sectors will push up alumina demand by 8-10% in the next 5-6 years.

Paper: Paper demand, driven by rising requirements of the packaging and paper board segments and e-commerce, is expected to grow at a CAGR of 4-6% in the medium term

Textiles: Sustained increase in domestic demand led by ready-made garments (RMG) and home textiles, lower cotton prices and recovery in exports will boost demand for textiles by 4-6% in the medium term.

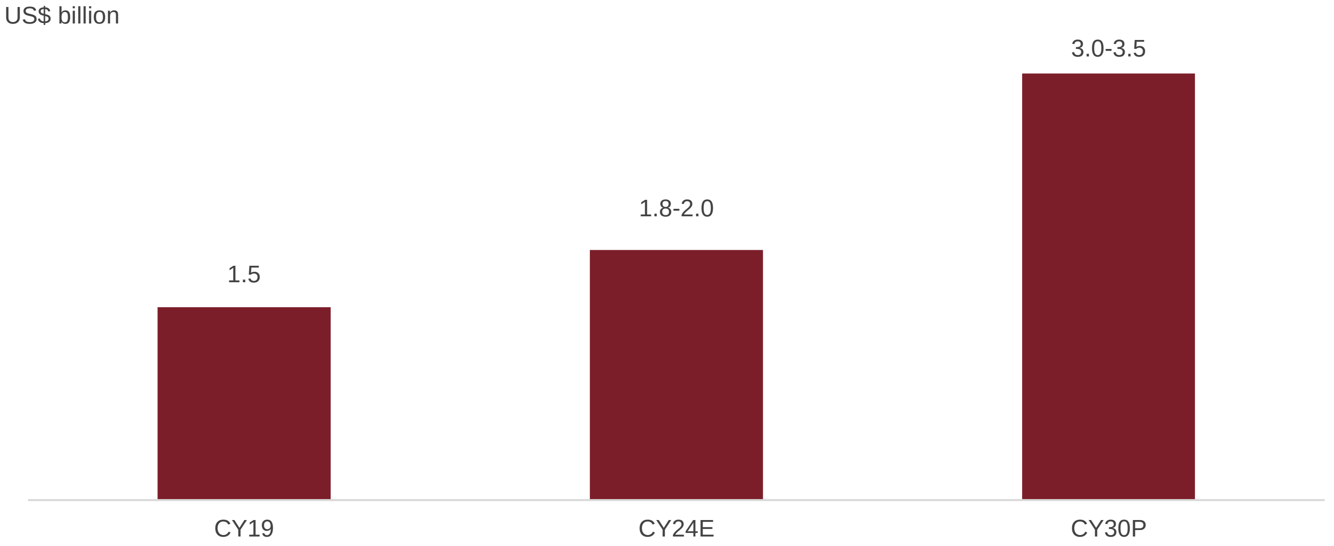
Soaps and detergents: Demand for soaps and detergents is expected to increase on improving rural growth, owing to rising incomes and aspirations levels. Urban demand is expected to stay healthy and end-user industry is likely to grow at a CAGR of 8-10% in coming 5-6 years.

Chemicals: Growth has declined or remained flat since last fiscal year on account of destocking and price pressures owing to dumping by other countries. The chemicals industry is expected to grow 6-8% over the coming 5-6 years, because of healthy domestic demand, increasing purchasing power parity across Asian countries, which will expand the scope for exports, and an increase in demand for end-products.

Market assessment of caustic potash

Global market

Global caustic potash market



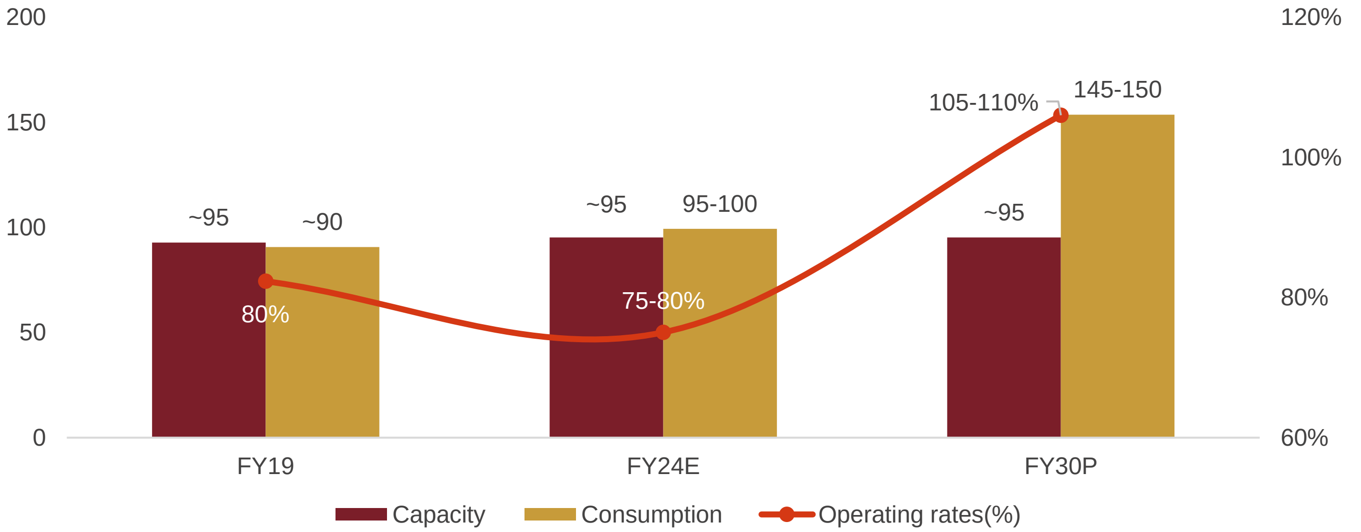
Source: Industry data, CRISIL MI&A Research, E-estimated, P-projected

The size of the global caustic potash market is expected to reach ~$1.90 billion in calendar 2024, with a CAGR of ~10% over the last five years and expected growth of 8-9% over the forecast period. Global consumption stands at ~2.0 million metric tonne (MMT) in 2024 and is forecasted to reach ~3 MMT by 2030, growing at a CAGR of ~5%, up from the historical growth of ~4% over the past five years. Capacity is estimated to have been ~2.24 MMT in calendar 2024 with an operating rate of ~90% over the past five years. The operating rate is expected to increase to ~95% due to higher demand. The top five producers account for ~60% of global capacity.

Domestic market

Caustic potash or potassium hydroxide (KOH) is an inorganic alkaline compound produced through the electrolysis of potassium chloride and water. It is used in the food-and-beverages industry as a stabiliser, thickener and pH regulator. Additionally, it serves as a versatile cleaning agent in the production of liquid soaps, shampoos and hairspray. Caustic potash soaps are considered more environmentally friendly, due to their improved water solubility.

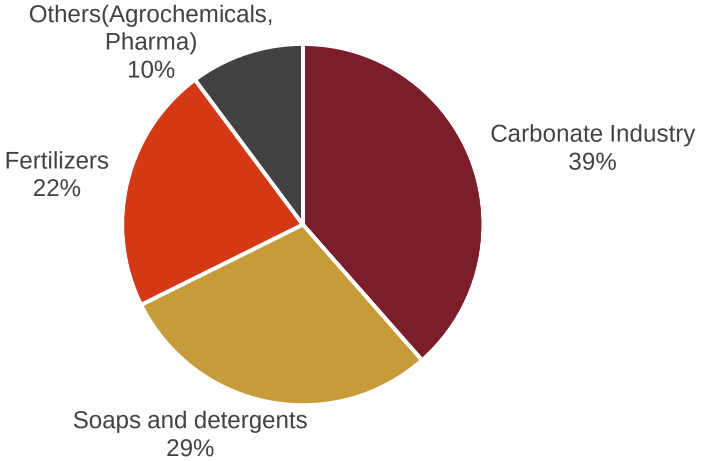
Indian caustic potash demand and capacity (KTPA)



Source: Industry data, CRISIL MI&A Research, E-estimated, P-projected

Domestic caustic potash capacity was ~95 KTPA in fiscal 2024, with flat growth over the past five years and no significant expansion expected over the next 5-6 years. Consumption grew from ~90 KT in fiscal 2019 to 95-100 KT in fiscal 2024, implying a CAGR of ~2%. Consumption is expected to grow at a CAGR of ~8% to ~145-150 KTPA. Epigral is the 3rd largest producer of caustic potash with an installed capacity of ~21 KTPA. The average operating rate, which has been ~80% over the past five years, is expected to rise to ~95% during the forecast period. Imports have grown ~12% over the past five years and are expected to moderate 100 bps, as the operating rates improve. However, with no capacity addition planned, imports as a percentage of demand are projected to increase from ~20% to ~30% on higher demand.

Indian consumption of caustic potash by end-user, FY24:



Source: Industry data, CRISIL MI&A Research, E-estimated, P-projected

Key growth drivers – Industry trend for end-user segments of caustic potash

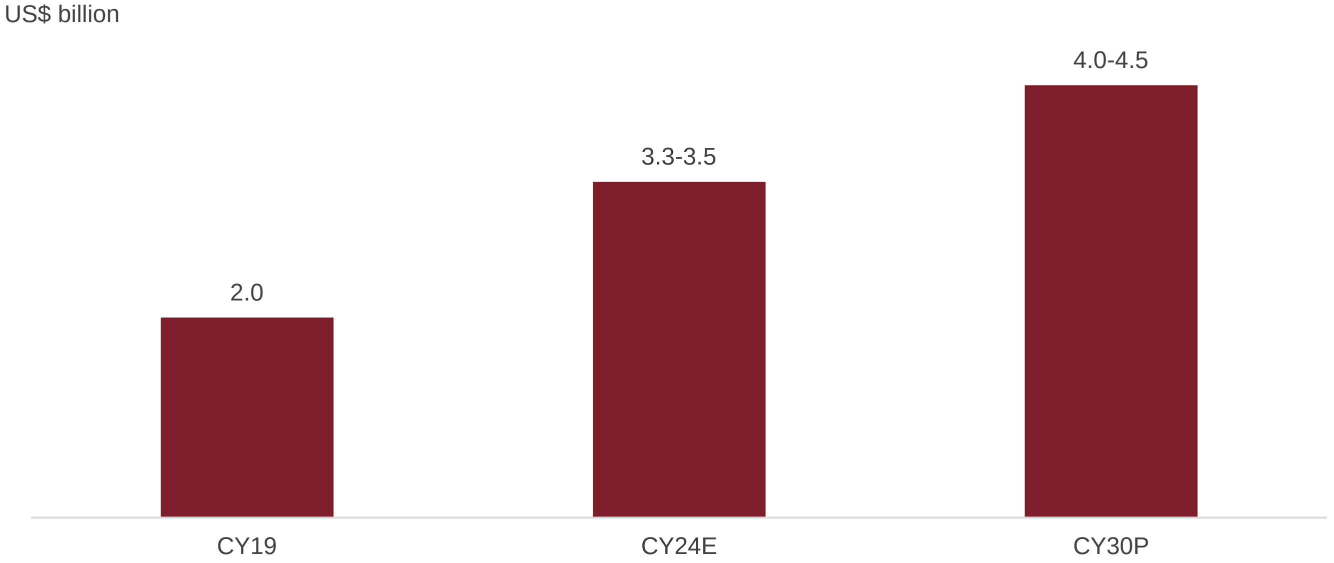
The potassium carbonate industry is the largest user of caustic potash and with other uses in industrial chemicals, such as industrial chemicals, batteries and neutralisation agents.

KOH-based fertilisers are gaining traction in agriculture to improve crop yields. Additionally, agrochemical intermediates and pharmaceuticals sectors, especially in active pharmaceutical ingredients, are driving demand as domestic manufacturers reduce their reliance on imports of organic intermediates. These factors are expected to fuel the demand for caustic potash in the coming years.

Market assessment of hydrogen peroxide

Global market

Global hydrogen peroxide market



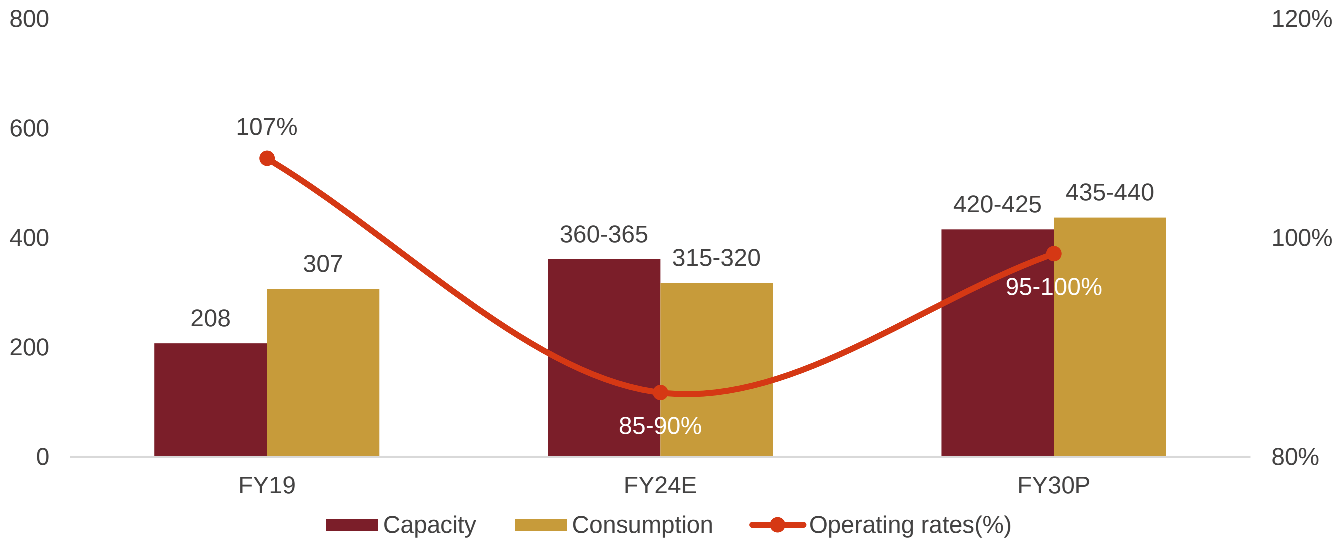
Source: Industry data, CRISIL MI&A Research, E-estimated, P-projected

The global hydrogen peroxide market is estimated at US$ 3.3-3.5 billion in CY2024.The market is projected to grow at a CAGR of ~4.3% over the next 5-6 years, reaching ~US$ 4.5 billion. The Asia-Pacific (APAC) region holds the largest share at ~45%, driven by a growing population, increasing use of disinfectants and rising paper demand, particularly in India and China. North America accounts for ~20% of the market. Global operating rates have remained at ~80% over the past five years and are expected to rise ~100 bps over the next 5-6 years. Six producers' control ~50% of global capacity, which was ~5.3 MMT in CY2019 and is estimated to be ~5.5 MMT in CY2024. It grew at a CAGR of ~2% in CY2019-2024 and is expected to expand further to ~6.5 MMT in CY2030 at a CAGR of ~3%.

Domestic market

Hydrogen peroxide is widely used as a bleaching agent in the paper & pulp and textile industries and in de-inking recycled paper. Its application also extends to electronics, food & beverage and healthcare sectors. Along with peroxyacetic acid, it is crucial in producing peroxide-based disinfectants and is used in various municipal and industrial processes.

Indian hydrogen peroxide demand and capacity (KTPA)

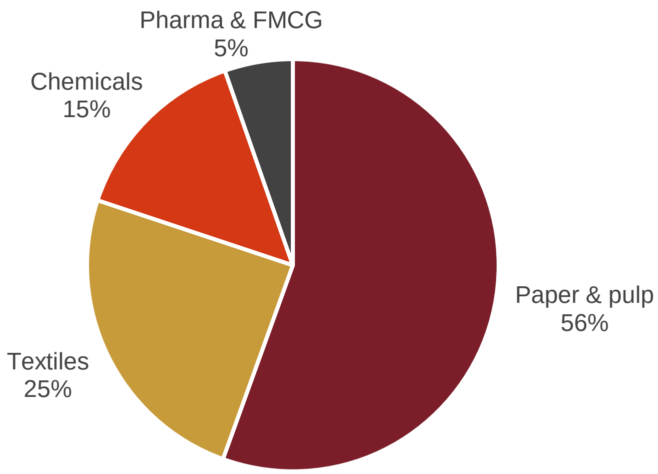


Source: Industry data, CRISIL MI&A Research, E-estimated, P-projected

Hydrogen peroxide capacity in India has grown from 208 KTPA in fiscal 2019 to 360-365 KTPA in fiscal 2024, reflecting a 12% CAGR over the last five years, driven by capacity expansions from major producers. By fiscal 2030, capacity is expected to reach 420-425 KTPA with commissioning of new plants. Hydrogen peroxide consumption was 307 KTPA in fiscal 2019 and is estimated at 315-320 KTPA in fiscal 2024, with flat growth owing to reduced demand in fiscal 2020 during the pandemic. Epigral is the 3rd largest producer of hydrogen peroxide with an installed capacity of ~60 KTPA. Over the next 5-6 years, consumption is projected to rise to 435-440 KTPA at a CAGR of ~6%. The Indian hydrogen peroxide market is primarily driven by the chemical's extensive use in the paper & pulp and textile industries and its role as a disinfectant in food processing.

Imports share as a % of domestic consumption is estimated to be ~15% in last five years. This share is expected to remain stable over the next 5-6 years owing to increasing domestic demand. Exports, meanwhile, have surged ~170% in the same period but are anticipated to level off in the forecast period.

Domestic hydrogen peroxide consumption by end-user (fiscal 2024)



Source: Industry data, CRISIL MI&A Research

Key growth drivers: Industry trend for end-user segments

Paper & pulp: The expansion of the paper & pulp industry is set to drive significant demand for hydrogen peroxide. The paper & paperboard segment, including newsprint, is projected to grow 5-7% over the next 5-6 years, fuelled by increased industrial activity and corporate spending amid improving economic conditions.

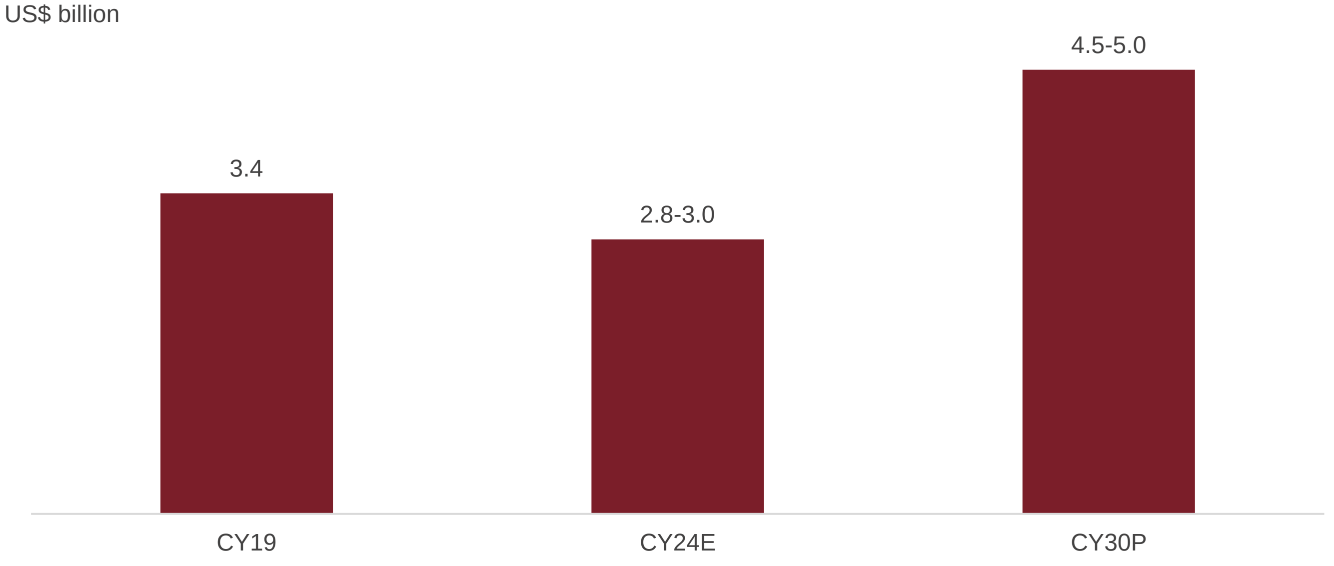
Textiles: The long-term growth of the textile industry will be driven by factors such as population growth, rising income levels, expansion of organised retail and a boom in e-commerce. Hydrogen peroxide demand in this sector is expected to grow 4-6%, supported by increasing demand for home textiles.

FMCG & pharmaceuticals: The heightened focus on hygiene standards presents a significant opportunity for hydrogen peroxide, given its effectiveness in combating bacteria, viruses and fungi. The disinfectant market has grown rapidly following the Covid-19 outbreak, and continued hygiene improvements will further expand demand for hydrogen peroxide in FMCG and pharmaceuticals applications.

Market assessment of epichlorohydrin

Global market

Global Epichlorohydrin (ECH) market:



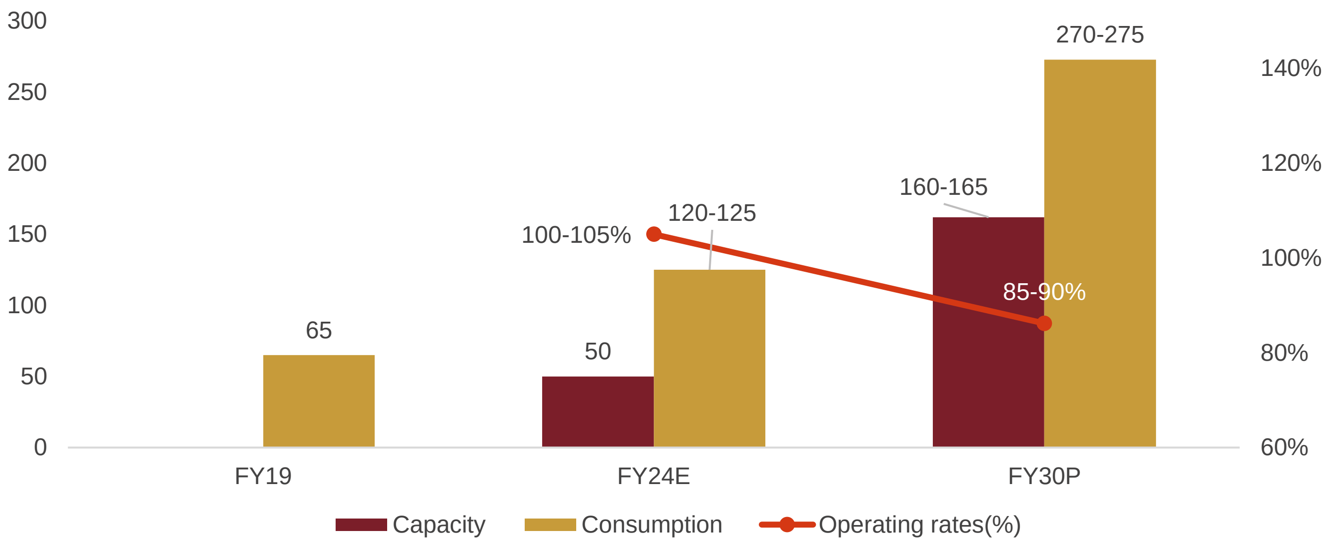
Source: Industry data, CRISIL MI&A Research, E-estimated, P-projected

The global ECH market is projected to reach ~US$ 2.90 billion in CY2024. It is expected to expand to US$ 4.5-5.0 billion in CY2030. Despite a 3-4% decline in market value over the past five years owing to lower price realisations, consumption volume has increased 3.0% over the last five years and is anticipated to grow at a CAGR of ~2% through 2030. The ECH capacity in CY2024 is ~3.1 MMT, with major producers operating at ~70% capacity over the past five years, which is expected to increase to 75-80% in the coming years. The top 12 producers accounted for about ~85% of global capacity in CY2024.

Domestic market

Epichlorohydrin (ECH), known for its unique structure, is both an epoxide and organochlorine compound. Its primary market driver is the paints and coatings industry, which serves architecture, automotive and aviation sectors, among others. Additionally, it is used in epoxy production, widely used in flooring for its chemical wear and slip resistance. The growing construction sector is expected to drive demand for paints, coatings and epoxies, thereby fuelling the ECH market.

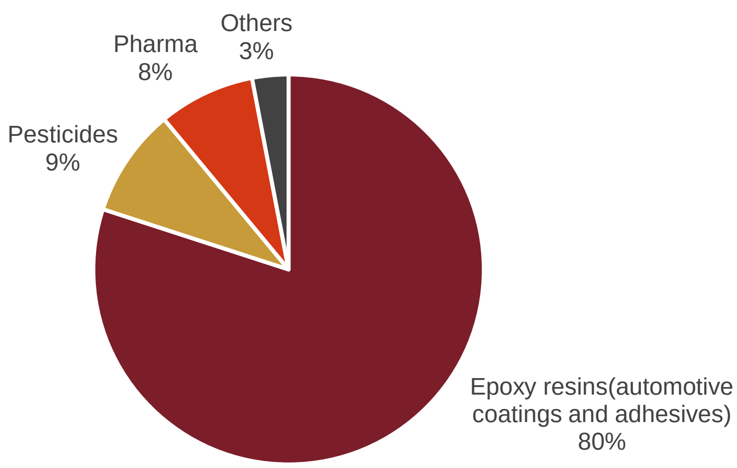
Indian epichlorohydrin demand and capacity (KTPA)



Source: Industry data, CRISIL MI&A Research, E-estimated, P-projected

The ECH market was primarily import-driven until Epigral became the sole domestic producer with its plant beginning operations in fiscal 2023. Domestic capacity is projected to rise from ~50 KTPA in fiscal 2024 to 160-165 KTPA in fiscal 2030 at a CAGR of ~22%. Currently, Epigral is the only producer for ECH with an installed of ~50 KTPA. Imports, which have remained stable, accounted for ~50% of domestic demand in fiscal 2024, but are expected to remain stable or increase by 100 bps by 2030. Domestic consumption, growing at a CAGR of ~14%, is set to increase from 120-125 KT in fiscal 2024 to 270-275 KT by 2030.

Indian epichlorohydrin consumption by end-user (fiscal 2024)



Source: Industry data, CRISIL MI&A Research, E-estimated, P-projected

Key growth drivers: Industry trend for end-user segments

Epoxy resins: Epoxy resin-based paints and coatings are used across industries, including architecture, automotive (OEMs and refinishing), marine, industrial, wood, coil and transportation as well as in fibre optics. An increase in industrial activities and automobiles and an estimated double-digit growth in construction in the next 5-6 years will support the consumption of ECH.

Pesticides: The pesticides industry is projected to grow 6-7% over the next five years, driven by the bottoming out of inventory destocking and expectation of average rainfall. With growing concerns over food security and climate change, both operating rates and pesticides consumption are expected to increase during the forecast period.

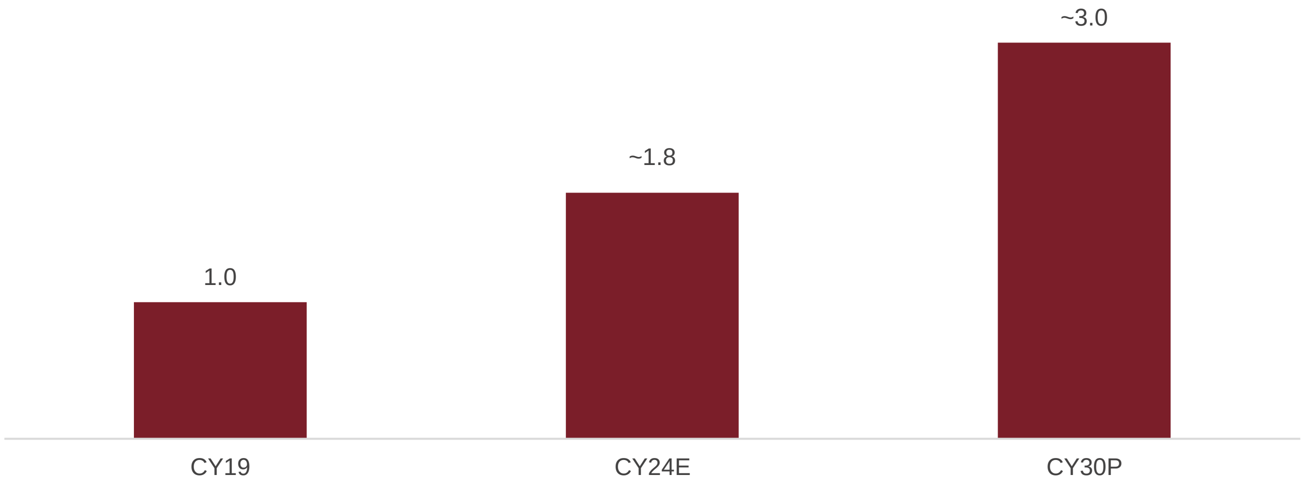
Pharmaceuticals: The pharmaceuticals industry, particularly the active pharmaceuticals ingredients (API) segment, is expected to grow 5-6% over the next 5-6 years. The shift towards specialty APIs and strong capabilities in high-value segments will bolster exports. Additionally, developing the API and intermediate industry will reduce reliance on Chinese imports and boost the consumption of ECH.

Market assessment of CPVC resin

Global market

Global CPVC resin market:

US$ billion



Source: Industry data, CRISIL MI&A Research, E-estimated, P-projected

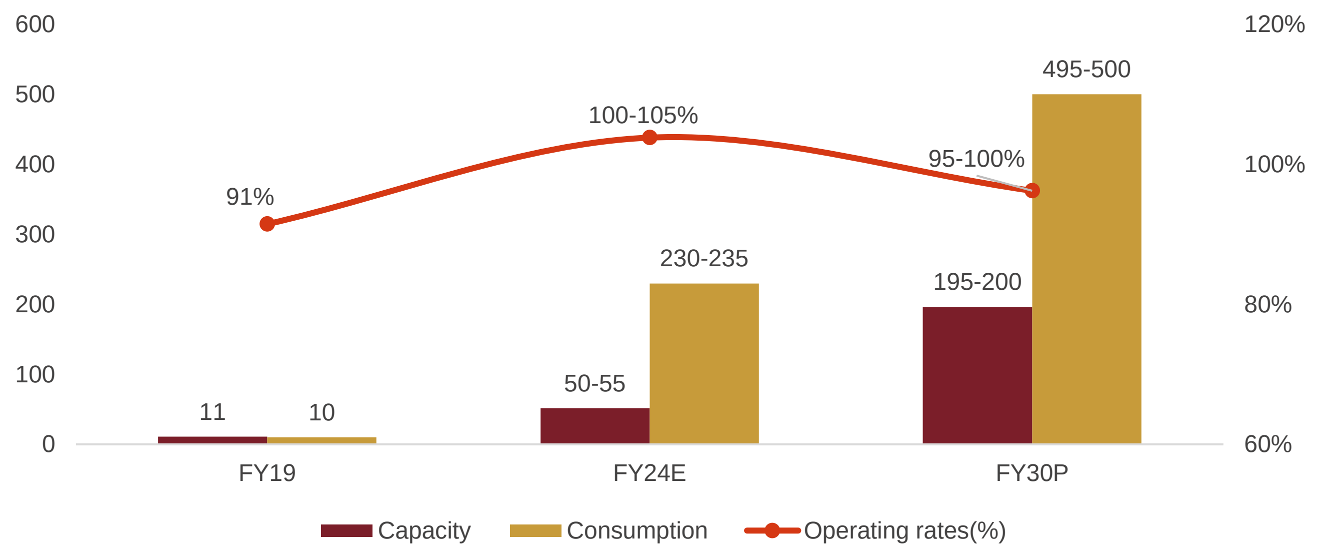
The global market for CPVC resin is projected to reach ~US$ 1.8 billion in calendar 2024, growing at an annual growth rate of 10% during the forecast period. Demand is primarily driven by high growth in the residential sector, particularly in the APAC region. China and India are the largest markets for the CPVC, due to its significant application in plumbing systems and fittings.

The market is highly competitive because of the presence of both small and large players.

Domestic market

Demand for CPVC resin in India surged to 230-235 KTPA in fiscal 2024 and is expected to grow at a CAGR of ~14% on account of construction sector activity. Epigral dominates the market with a total capacity of ~75 KTPA of CPVC resin and is the largest producer at a single location. The company has the world's largest CPVC resin plant at a single location. The company intends to make the domestic market self-reliant and reduce the country's dependence on imports for CPVC resin.

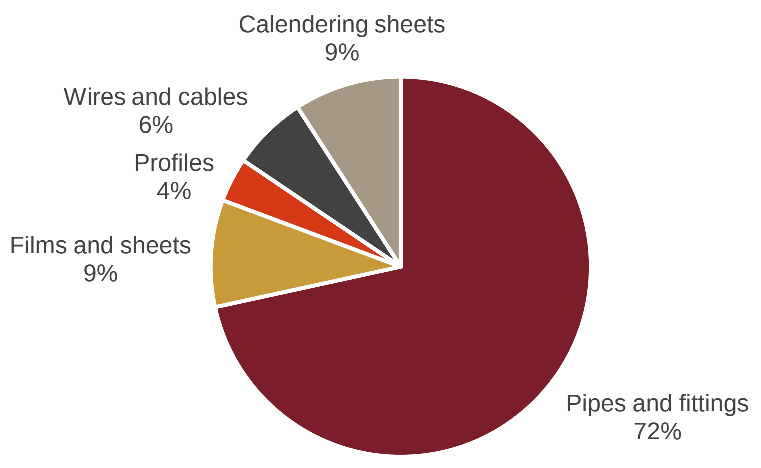
Indian CPVC resin demand and capacity (KTPA)



Source: Industry data, CRISIL MI&A Research, E-estimated, P-projected

Indian CPVC resin consumption by end-user (fiscal 2024):

CPVC offers several advantages, such as high strength, temperature resistance, stretchability and resistance to corrosion, making it a preferred choice of material for electrical products, pipe fittings and wires. Higher demand for pipes in the building and construction segment is the fundamental driver of the CPVC market. The sector's consumption is expected to reach 495-500 KTPA by 2030.



Source: Industry data, CRISIL MI&A Research, E-estimated, P-projected

Key growth drivers – industry trend for end-user segments of CPVC resin

Fittings and pipes: Rising construction activities are likely to fuel significant demand for CPVC resin.

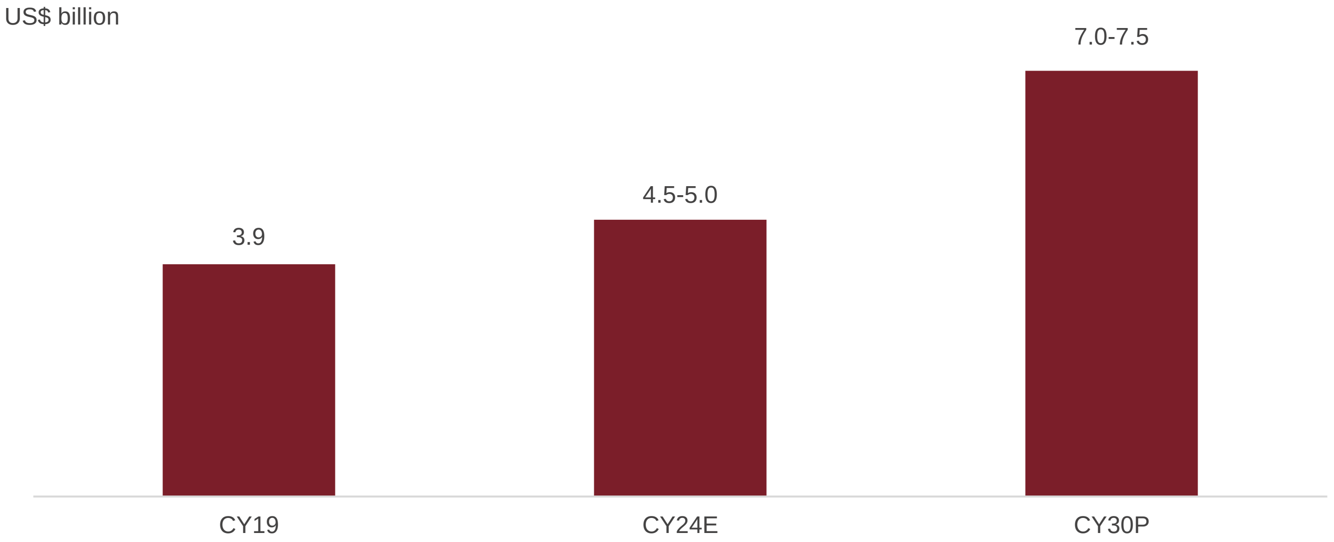
The construction industry in India is estimated to grow 10-11% in fiscal 2024, because of the government's thrust on infrastructure. This will bolster the demand for CPVC in the pipe fittings segments too. Additionally, with rising safety concerns and stringent regulations, demand for CPVC because of its use in fire sprinklers is likely to grow further.

Films and sheets: CPVC sheets tend to work at temperatures as high as 95°C compared with PVC. This makes these sheets highly useful in applications of various chemical processes and plating. Usage of CPVC is expected to surge at double digits during the forecast period.

Market assessment of chloromethane

Global market

Global chloromethane market



E – estimated, P – projected
Source: Industry data, CRISIL MI&A Research

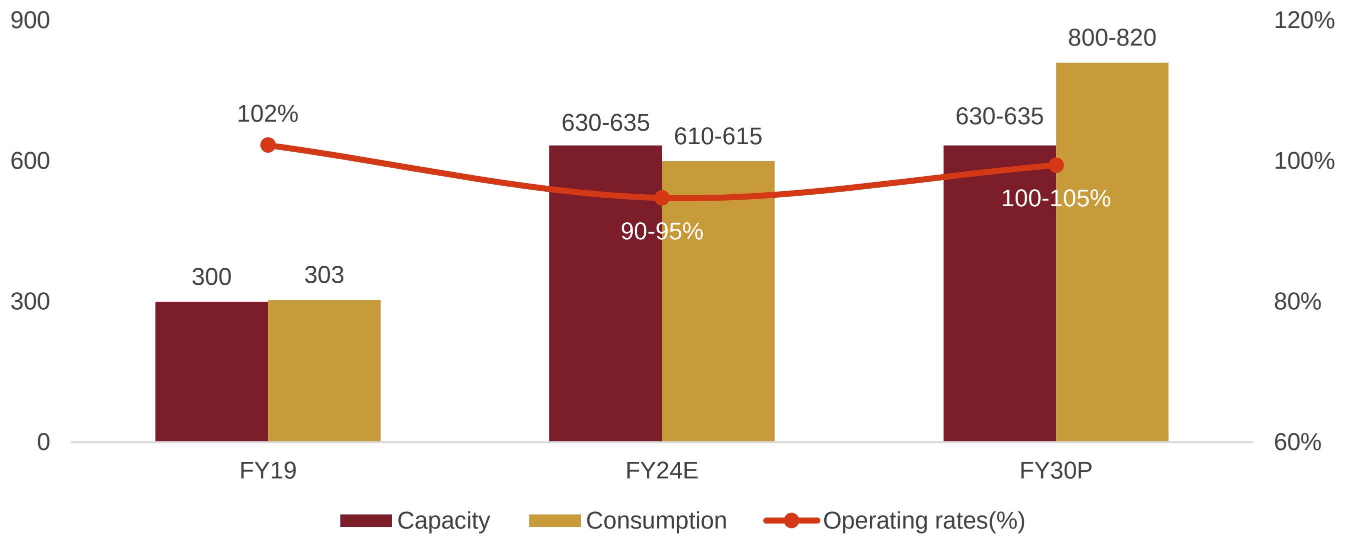
The global chloromethane market is projected to expand to US$4.5-5.0 billion in CY2024 from US$3.9 billion in CY2019, reflecting a CAGR of ~4.5% over the last five years. It is expected to clock a CAGR of ~7% over the next 5-6 years. The key drivers include strong demand for silicone, agricultural chemicals and evolving solvent applications, along with the expanding electronics and semiconductor sectors. Emerging economies are expected to see rising demand for specific applications with limited alternatives, while niche uses in developed markets will further support chloromethane consumption. However, the chloromethane market remains subject to stringent regulations from agencies such as the US Environmental Protection Agency (EPA) and the EU REACH framework due to the toxic nature of chloromethanes.

Domestic market

In India, chloromethanes are widely used as solvents in pharmaceuticals manufacturing, refrigerant gas production and agrochemicals. Chloromethane plants produce substances such as methyl chloride, methylene dichloride (MDC), chloroform and carbon tetrachloride (CTC). These are used in foam blowing, aerosols, polycarbonate resins, adhesives, and refrigerants (e.g., HFC-32 for air conditioners). Currently Epigral is the 5th largest producer of chloromethane with an installed capacity of ~50 KTPA. MDC (~60%), chloroform (~35%) constitutes the majority share of types of chloromethanes. While pharmaceuticals sector accounts for ~91% of the MDC consumption. Tetrafluoroethylene forms around ~55% of the chloroform demand.

Chloromethanes are divided into four types – methyl chloride, MDC, chloroform and CTC.

Indian chloromethane demand and capacity (KTPA):

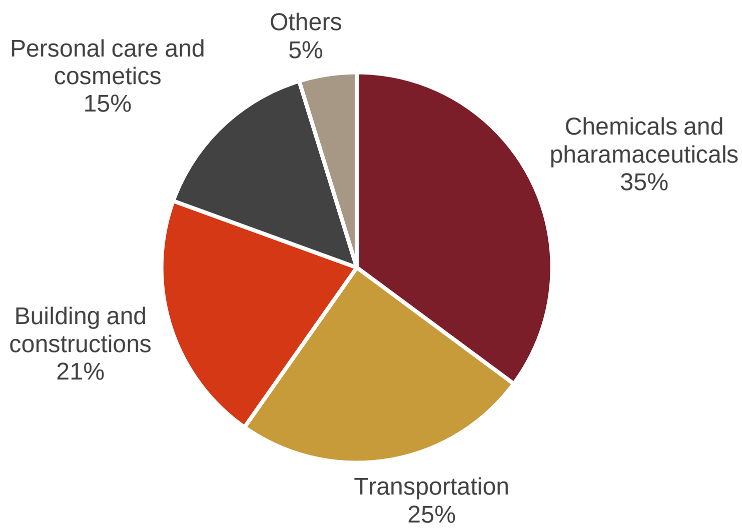


E – estimated, P – projected

Source: Industry data, CRISIL MI&A Research

Domestic chloromethane consumption increased to 610-615 KT in fiscal 2024 from ~570 KT in fiscal 2023. It clocked a compound annual growth rate (CAGR) of ~15% over the last five years. Consumption is projected to rise ~6% annually to 800-820 KT in the next 5-6 years. Over the last five years, imports declined by ~20% on account of capacity addition by domestic players. Imports as a percentage of domestic demand declined from ~35% in fiscal 2018 to ~6% in fiscal 2024. By fiscal 2030, imports are expected to account for 15-20% of domestic demand. The average operating rate stood at 90-95% over the last five years and is expected to remain steady or increase by 200-300 basis points (bps) over the forecast period.

Indian chloromethane consumption by end-user (fiscal 2024)



Source: Industry data, CRISIL MI&A Research

Key growth drivers — industry trend for end-user segments of chloromethane

Pharmaceuticals and chemicals: The chemical industry, including the pharmaceutical segment, particularly active pharmaceutical ingredient (API), is projected to grow 5-6% over the next 5-6 years, driven by a shift towards the specialty API and high-value segments, which will boost exports. This growth, coupled with the development of the API and agrochemical intermediate sectors, will reduce reliance on Chinese imports and increase chloromethane consumption. As domestic manufacturers diversify away from China and focus on producing intermediates for APIs, chloromethane demand is expected to rise further. In addition, CTC is being increasingly used in the manufacture of cypermethrin, which will boost CTC demand.

Transportation: Chloroform is used in the production of tetrafluoro ethylene (forming 55% of demand) that goes to make polymers such as teflon and fluon, used as non-stick coating on pans and other cookware. These are also used in containers and pipes for storing corrosive chemicals.

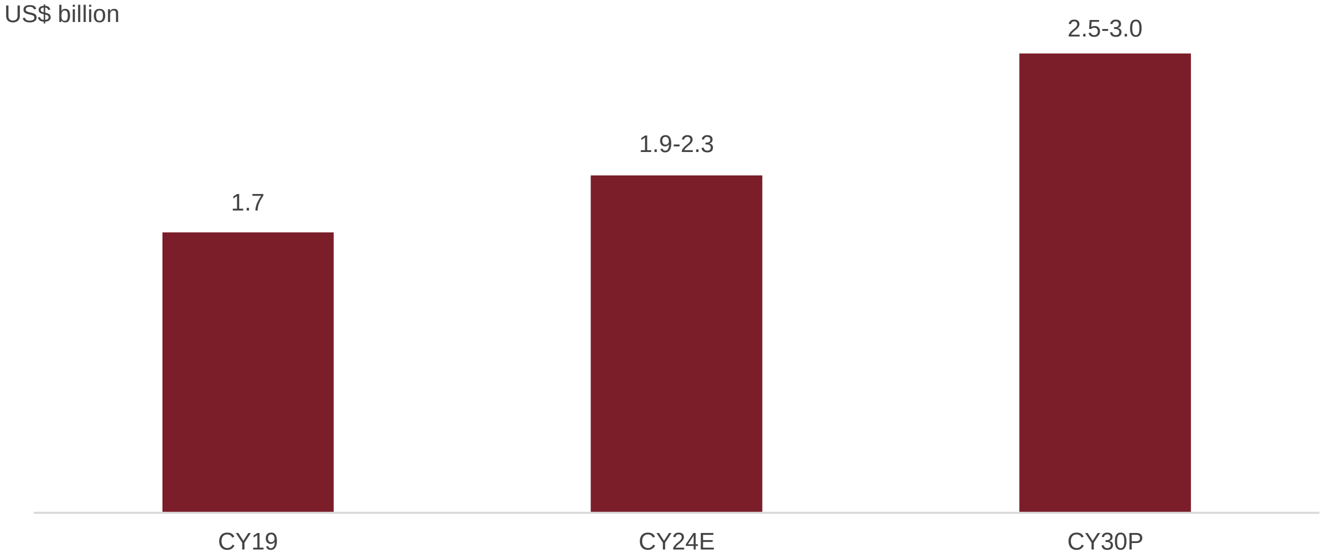
Building and construction: The growing use of silicone polymers in hydro-phobic coatings and weatherproofing, along with double-digit expansion of the domestic construction and real estate sectors, will drive increased production of chloromethane— a key raw material for silicone manufacturing.

Increased usage of hydrofluorocarbons (HFCs) to drive MDC demand (higher value product than chloroform): India's leading air-conditioner and refrigerator manufacturers have started moving towards the use of gases that are less harmful for the environment and are phasing out the use of hydrochlorofluorocarbons (HCFCs) to reduce global warming. Manufacturers are increasingly replacing old refrigerants with HFCs, which use MDC as a raw material.

Market assessment of chlorotoluene

Global market

Global chlorotoluene market



E – estimated, P – projected

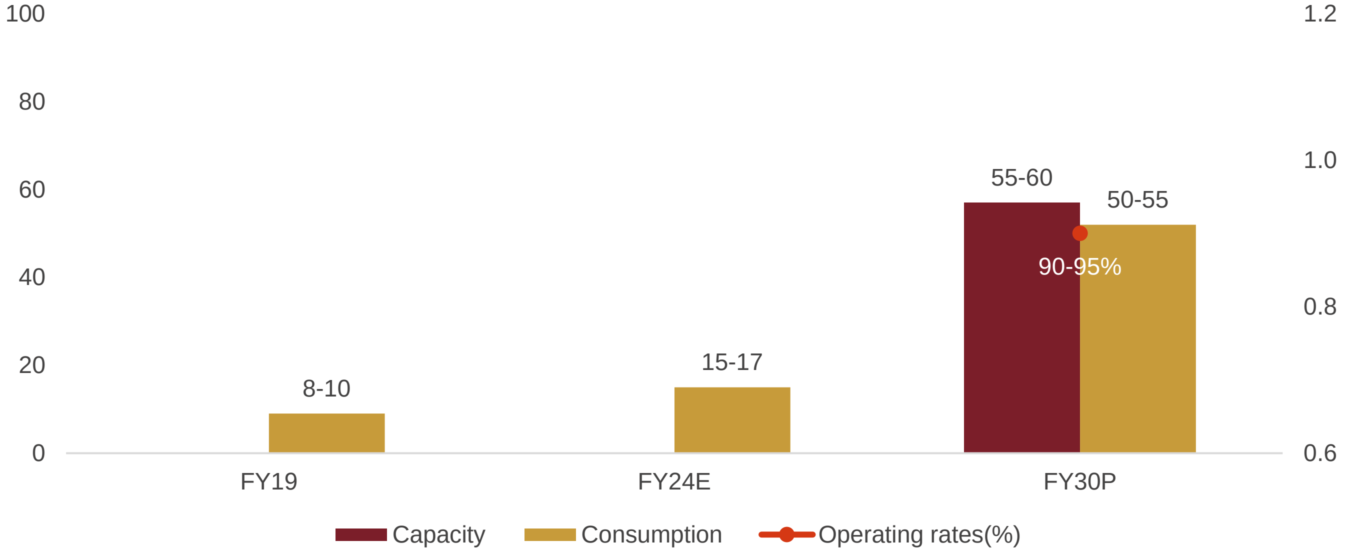
Source: Industry data, CRISIL MI&A Research

The global chlorotoluene market is projected to grow ~5% to US$1.9-2.3 billion in CY2024. It is expected to grow ~5.3% over the next 5-6 years to US$2.5-3.0 billion. The global chlorotoluene market is driven by agriculture, textiles, chemicals and pharmaceuticals. Growing agricultural production needs and pharmaceuticals are the key factors boosting the market.

Domestic market

Chlorotoluene is a chlorinated aromatic hydrocarbon that is used primarily in the production of agrochemicals, pharmaceuticals, dyes and textiles. It serves as an intermediate in the synthesis of herbicides, insecticides and various APIs. The growing agricultural and pharmaceutical industries are the key drivers of demand in the chlorotoluene market.

Indian chlorotoluene demand and capacity (KTPA)

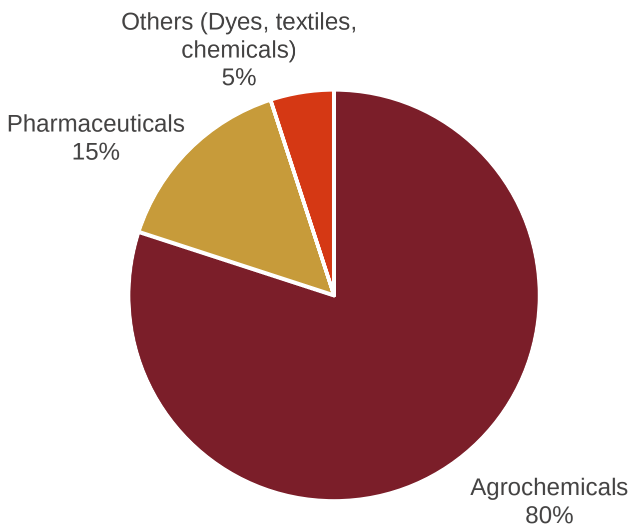


E – estimated, P – projected

Source: Industry data, CRISIL MI&A Research

The chlorotoluene market relies on imports due to the absence of domestic production capacity. By fiscal 2030, chlorotoluene production capacity is expected to be at 55-60 KTPA with commissioning of new plants by major players. Epigral will be the first domestic company to commission the chloro-toluene plant in this fiscal 2025.This significant increase in production capacity is expected to meet domestic demand and lead to a decline in imports over the next 5-6 years.

Indian chlorotoluene consumption by end-user (fiscal 2024)



Source: Industry data, CRISIL MI&A Research

Key growth drivers — industry trend for end-user segments of chlorotoluene

Agrochemicals: Consumption of chlorotoluene in agrochemicals is expected to increase by double digits due to rising demand for active ingredients used in the agrochemical sector. Meanwhile, the agrochemical industry is expected to grow 6-7%. Increasing agricultural productivity and food security concerns are further boosting the use of chlorotoluene in advanced agrochemical formulations.

Pharmaceuticals: The use of chlorotoluene in the pharmaceutical industry is projected to grow by double digits over next 5-6 years due to an increase in demand for innovative drugs and a shift towards APIs. The growing prevalence of chronic diseases is driving the need for more diverse and effective APIs.

4. Peer comparison

Chemplast Sanmar Ltd:

Chemplast Sanmar Ltd was incorporated in 1985 and produces caustic soda, hydrogen peroxide and chloromethane, with an installed capacity of 119 KTPA, 34 KTPA and 35 KTPA, respectively.

Key financials (Rs millions)	FY2021	FY2022	FY2023	FY2024
Operating Income	12,893	20,126	21,967	16,554
OPBDIT	3,917	6,252	3,058	(586)
OPBDIT Margin	30%	31%	14%	-4%
Net profit	657	3,840	1,456	(1,039)
Net profit margin	5%	19%	7%	-6%
Interest and Finance cost	2,537	1,329	226	327
Interest coverage ratio	1.54	4.70	13.51	-1.79
ROE	4%	21%	5%	-4%
ROCE	10%	20%	6%	-3%
Debt	12,117	-	2,068	6,508
Equity	9,762	26,593	28,302	27,566
Debt-to-equity	1.24	0.00	0.07	0.24

Source: Company report, CRISIL MI&A Research

Note: Some of financial line-items are reclassified and standardized, while arriving at above ratios

DCM Shriram Ltd:

Incorporated in 1958, DCM Shriram is primarily involved in chlor vinyl, Agri-rural and value-added businesses. The company has a production capacity of 2,749 TPD of caustic soda, 56 KTPA of hydrogen peroxide and 52 KTPA of epichlorohydrin.

Key financials (Rs millions)	FY2021	FY2022	FY2023	FY2024
Operating Income	82,000	96,563	114,849	109,361
OPBDIT	10,675	17,268	15,063	9,521
OPBDIT Margin	13%	18%	13%	9%
Net profit	6,625	10,488	9,615	4,263
Net profit margin	8%	11%	8%	4%
Interest and Finance cost	1,244	1,015	1,053	1,462
Interest coverage ratio	8.76	20.30	28.61	11.33
ROE	15%	21%	16%	7%
ROCE	16%	24%	19%	9%
Debt	14,527	15,046	16,344	20,779
Equity	46,740	55,053	62,451	65,480
Debt-to-equity	0.31	0.27	0.26	0.32

Source: Company report, CRISIL MI&A Research

Note: Some of financial line-items are reclassified and standardized, while arriving at above ratios

DCW Ltd:

DCW Ltd was established in 1939 as a chlor alkali manufacturing company. The company produces caustic soda and CPVC resin, with an installed capacity of 96 KTPA and 22 KTPA, respectively.

Key financials (Rs millions)	FY2021	FY2022	FY2023	FY2024
Operating Income	14,649	24,548	26,353	18,722
OPBDIT	2,147	3,276	4,300	1,771
OPBDIT Margin	15%	13%	16%	9%
Net profit	38	1,075	1,920	157
Net profit margin	0%	4%	7%	1%
Interest and Finance cost	1,197	1,131	1,261	735
Interest coverage ratio	1.79	2.90	3.41	2.41
ROE	1%	14%	21%	2%
ROCE	9%	18%	26%	7%
Debt	6,231	5,871	5,049	4,364
Equity	6,872	8,018	10,251	10,317
Debt-to-equity	0.91	0.73	0.49	0.42

Source: Company report, CRISIL MI&A Research

Note: Some of financial line-items are reclassified and standardized, while arriving at above ratios

Epigral Ltd:

Established in 2007, Epigral is leading manufacturer of caustic soda (400 KTPA), caustic potash (21 KTPA), chloromethane (50 KTPA), hydrogen peroxide (60 KTPA), epichlorohydrin (50 KTPA) and chlorinated polyvinyl chloride (CPVC) resin (75 KTPA). In fiscal 2025, Epigral plans to commission the first chlorotoluene value chain, becoming the sole producer of chlorotoluene.

Key financials (Rs millions)	FY2021	FY2022	FY2023	FY2024
Operating Income	8,303	15,537	21,899	19,301
OPBDIT	2,634	5,134	6,936	4,870
OPBDIT Margin	32%	33%	32%	25%
Net profit	1,008	2,528	3,534	1,958
Net profit margin	12%	16%	16%	10%
Interest and Finance cost	291	443	746	735
Interest coverage ratio	9.05	11.60	10.64	6.64
ROE	20%	37%	41%	17%
ROCE	16%	29%	30%	16%
Debt	5,383	9,894	8,771	9,627
Equity	6,525	6,975	10,440	12,321
Debt-to-equity	0.83	1.42	0.84	0.78

Source: Company report, CRISIL MI&A Research

Note: Some of financial line-items are reclassified and standardized, while arriving at above ratios

Grasim Industries Ltd:

A flagship company of the Aditya Birla Group, Grasim Industries Ltd, was incorporated in 1947. The company is one of the leading producers of caustic soda.

Key financials (Rs millions)	FY2021	FY2022	FY2023	FY2024
Operating Income	124,378	209,037	269,248	259,336
OPBDIT	16,191	32,560	32,587	23,878
OPBDIT Margin	13%	16%	12%	9%
Net profit	9,050	30,513	21,237	9,293
Net profit margin	7%	15%	8%	4%
Interest and Finance cost	3,197	3,404	3,898	6,273
Interest coverage ratio	6.77	13.38	8.96	5.42
ROE	2%	7%	5%	2%
ROCE	3%	8%	6%	3%
Debt	41,634	43,042	52,542	94,529
Equity	420,018	477,142	461,278	513,430
Debt-to-equity	0.10	0.09	0.11	0.18

Source: Company report, CRISIL MI&A Research,

Note: Some of financial line-items are reclassified and standardized, while arriving at above ratios

Gujarat Alkalies and Chemicals Ltd:

Gujarat Alkalies and Chemicals Ltd is a prominent leader in the chlor alkali sector and was incorporated in 1973 in Vadodara, Gujarat. It is one of the leading manufacturers of caustic soda with an installed capacity of 804 KTPA. The company has an installed capacity for hydrogen peroxide, chloromethane and caustic potash of 54 KTPA, 161 KTPA and 40 KTPA, respectively.

Key financials (Rs millions)	FY2021	FY2022	FY2023	FY2024
Operating Income	24,039	37,565	45,033	38,176
OPBDIT	3,336	9,924	11,063	1,470
OPBDIT Margin	14%	26%	25%	4%
Net profit	1,669	5,620	5,757	(1,322)
Net profit margin	7%	15%	13%	-3%
Interest and Finance cost	157	133	296	446
Interest coverage ratio	21.58	161.46	56.84	3.30
ROE	3%	10%	9%	-2%
ROCE	4%	12%	12%	-2%
Debt	4,969	5,933	5,958	5,434
Equity	53,723	59,000	63,071	63,490
Debt-to-equity	0.09	0.10	0.09	0.09

Source: Company report, CRISIL MI&A Research

Note: Some of financial line-items are reclassified and standardized, while arriving at above ratios

Gujarat Fluorochemicals Ltd:

Gujarat Fluorochemicals Ltd was incorporated in 1987 in India as a refrigerant manufacturer. The company is also engaged in the manufacturing of chemicals, such as caustic soda and chloromethane, with production capacity of 138 KTPA and 110 KTPA, respectively.

Key financials (Rs millions)	FY2021	FY2022	FY2023	FY2024
Operating Income	25,175	37,980	56,220	40,022
OPBDIT	6,188	11,694	20,562	8,802
OPBDIT Margin	25%	31%	37%	22%
Net profit	(2,282)	7,741	13,556	4,187
Net profit margin	-9%	20%	24%	10%
Interest and Finance cost	1,134	852	1,161	1,380
Interest coverage ratio	5.46	15.76	17.71	6.86
ROE	-6%	20%	28%	7%
ROCE	10%	20%	29%	9%
Debt	15,286	15,329	14,525	19,848
Equity	34,524	42,095	55,022	58,767
Debt-to-equity	0.44	0.36	0.26	0.34

Source: Company report, CRISIL MI&A Research

Note: Some of financial line-items are reclassified and standardized, while arriving at above ratios

SRF Ltd:

SRF Ltd is a multi-business chemicals conglomerate that manufactures industrial and specialty intermediates. Incorporated in 1970, the company is the largest producer of chloromethane in India, with an installed capacity of 195 KTPA.

Key financials (Rs millions)	FY2021	FY2022	FY2023	FY2024
Operating Income	69,883	99,534	120,464	108,018
OPBDIT	17,429	26,163	31,702	24,839
OPBDIT Margin	25%	26%	26%	23%
Net profit	9,251	15,070	20,234	13,740
Net profit margin	13%	15%	17%	13%
Interest and Finance cost	1,188	1,123	2,208	2,356
Interest coverage ratio	15.67	27.70	18.03	10.54
ROE	17%	22%	24%	14%
ROCE	17%	22%	23%	14%
Debt	26,827	31,352	37,488	36,115
Equity	61,848	75,167	91,475	104,020
Debt-to-equity	0.43	0.42	0.41	0.35

Source: Company report, CRISIL MI&A Research

Note: Some of financial line-items are reclassified and standardized, while arriving at above ratios

TGV Sraac Ltd:

Incorporated in 1981, TGV Sraac is the flagship company of TGV Group and manufactures chlor alkali products, castor derivatives and fatty acids. The company has an installed capacity of 83 KTPA AND 23 KTPA for production of chloromethane and caustic potash, respectively.

Key financials (Rs millions)	FY2021	FY2022	FY2023	FY2024
Operating Income	10,089	15,253	23,257	15,522
OPBDIT	1,538	3,170	5,395	1,415
OPBDIT Margin	15%	21%	23%	9%
Net profit	290	1,342	3,616	618
Net profit margin	3%	9%	16%	4%
Interest and Finance cost	478	460	304	253
Interest coverage ratio	3.22	6.89	17.75	5.59
ROE	5%	20%	40%	6%
ROCE	9%	20%	35%	8%
Debt	4,734	4,580	2,314	3,010
Equity	6,102	7,435	10,466	10,958
Debt-to-equity	0.78	0.62	0.22	0.27

Source: Company report, CRISIL MI&A Research

Note: Some of financial line-items are reclassified and standardized, while arriving at above ratios

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 20 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 47, 249 and 93, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Epigral Limited on a standalone basis, while any reference to "we", "us", "our" or "Group" is a reference to Epigral Limited on a consolidated basis.

Our Financial Year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that year.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Assessment of Chemical Industry" issued in October 2024 prepared and issued by CRISIL Limited ("**Industry Report**"), appointed by us and exclusively commissioned and paid for by us in connection with the Issue for the purposes of confirming our understanding of the industry in which we operate. CRISIL has used various primary and secondary sources including government sources as well as international agencies to prepare the report. Unless otherwise indicated, financial, operational, industry and other related information derived from the Industry Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Overview

We are one of the leading Indian chemical company, having production facilities of chlor alkali and its value-added derivative and speciality product in most integrated manners. Our products have applications across a wide spectrum of uses in the pipes, epoxy resin, alumina, textile, crop protection, refineries, pharmaceutical, paper & pulp, dyes & pigments, soap & detergent, refrigerant gases and many other vital industries. As of June 30, 2024, our product portfolio comprised over 10 products catering almost 15 high growth industries. With our rich legacy of operations of over 16 years, we have an established market position in some of our key products.

Currently, Epigral is the only producer for ECH with an installed of 50 KTPA. Further, our Company possesses the largest manufacturing capacity at a single location of producing 75,000 TPA of CPVC resin *(Source: CRISIL Report).* Thus, complimenting the 'Make in India' and 'Atmanirbhar Bharat' initiative and driving sustainable development for a brighter and safer future.

Our extensive range of products include, Caustic Soda, Caustic Potash, Chlorine, Hydrogen, Hydrogen Peroxide, CPVC Resin & Compound, Epichlorohydrin, Chloromethanes and Chlorotoluene Value Chain,.

The global caustic soda market is valued at ~US$ 26-27 billion in CY2024 and is projected to grow at a 5-7% CAGR over the next 5-6 years. The growth will be driven by rising demand from downstream industries such as water treatment, paper & pulp, alumina and soaps & detergents. The caustic soda market plays a critical role in the country's chemicals and manufacturing industries, accounting for approximately 25% of domestic chemicals production in fiscal 2024. *(Source: CRISIL Report)*

The size of the global caustic potash market is expected to reach ~$1.90 billion in calendar 2024, with a CAGR of ~10% over the last five years and expected growth of 8-9% over the forecast period. Global consumption stands at ~2.0 million metric tonne (MMT) in 2024 and is forecasted to reach ~3 MMT by 2030, growing at a CAGR of ~5%, up from the historical growth of ~4% over the past five years. Domestic caustic potash capacity was ~95 KTPA in fiscal 2024, with flat growth over the past five years and no significant expansion expected over the next 5-6 years. Consumption grew from ~90 KT in fiscal 2019 to ~100 KT in fiscal 2024, implying a CAGR of ~2%. Consumption is expected to grow at a CAGR of ~8% to ~155 KTPA. *(Source: CRISIL Report)*

The global hydrogen peroxide market is estimated at US$ 3.3-3.5 billion in CY2024.The market is projected to grow at a CAGR of ~4.3% over the next 5-6 years, reaching ~US$ 4.5 billion. The Asia-Pacific (APAC) region holds the largest share at ~45%, driven by a growing population, increasing use of disinfectants and rising paper demand, particularly in India and China. Hydrogen peroxide capacity in India has grown from 208 KTPA in fiscal 2019 to 360-365 KTPA in fiscal 2024, reflecting a 12% CAGR over the last five years, driven by capacity expansions from major producers. By fiscal 2030, capacity is expected to reach 420-425 KTPA with commissioning of new plants. Hydrogen peroxide consumption was 307 KTPA in fiscal 2019 and is estimated at 315-320 KTPA in CY 2024, with flat growth owing to reduced demand in fiscal 2020 during the pandemic. *(Source: CRISIL Report)*

The global market for CPVC resin is projected to reach ~US$ 1.8 billion in calendar 2024, growing at an annual growth rate of 10% during the forecast period. Demand is primarily driven by high growth in the residential sector, particularly in the APAC region. Demand for CPVC resin in India surged to 230-235 KTPA in fiscal 2024 and is expected to grow at a CAGR of ~14% on account of construction sector activity. Epigral dominates the market with a total capacity of ~75 KTPA of CPVC resin. *(Source: CRISIL Report)*

The global epichlorohydrin ("**ECH**") market is projected to reach ~US$ 2.90 billion in CY2024. It is expected to expand to US$ 4.5-5.0 billion in CY2030. Despite a 3-4% decline in market value over the past five years owing to lower price realisations, consumption volume has increased 3.0% over the last five years and is anticipated to grow at a CAGR of ~2% through 2030. Domestic demand for ECH stands at around 120-125 KTPA in fiscal 2024 and is expected to grow at CAGR of ~ 14% and expected to reach around 270-275 KTPA by fiscal 2030. Epigral is the only producer of ECH with an installed capacity of 50 KTPA. *(Source: CRISIL Report)*

The global chloromethane market is projected to expand to US$4.5-5.0 billion in CY2024 from US$3.9 billion in CY2019, reflecting a CAGR of ~4.5% over the last five years. It is expected to clock a CAGR of ~7% over the next 5-6 years. Domestic chloromethane consumption increased to 610-615 KT in fiscal 2024 from ~570 KT in fiscal 2023. It clocked a compound annual growth rate (CAGR) of ~15% over the last five years. Consumption is projected to rise ~6% annually to 800-820 KT in the next 5-6 years. Over the last five years, imports declined by ~20% on account of capacity addition by domestic players. *(Source: CRISIL Report)*

The global chlorotoluene market is projected to grow ~5% to US$1.9-2.3 billion in CY2024. It is expected to grow ~5.3% over the next 5-6 years to US$2.5-3.0 billion. By fiscal 2030, chlorotoluene production capacity is expected at 85-90 KTPA with commissioning of new plants by major players. This significant increase in production capacity is anticipated to boost chlorotoluene exports and lead to a decline in imports over the next 5-6 years, as increased domestic production meets rising demand. *(Source: CRISIL Report)*

We are an innovation led company with a track-record of absorption of complex chemical processes and development of specialised products customised to customer requirements. We have a research and development ("**R&D**") facility recognized by the Department of Scientific and Industrial Research ("**DSIR**") and Ministry of Science & Technology, Government of India. As of June 30, 2024, our research and development team comprises of over 14 employees, 3 of which have PhDs. We force our R&D on processes to improve our efficiency and serve the requirements of our customers. Till June 30, 2024, our total consolidated capital expenditure and revenue expenditure on our R&D activities was ₹34.16 crores and ₹ 2.23 crores, respectively. The R&D facility has been built to address the Company's growing needs in speciality sector and sophistication to catalyze the identification of specialty chemical molecules that could be introduced in India.

We have an integrated manufacturing facility in India, located at Dahej, Gujarat comprises of production units, water reserves, treatment systems, quality control centre and a thermal based captive power plant. Our manufacturing facility had a total installed capacity of 6,56,000 MTs, 6,11,000 MTs. 6,11,000 MTs and 4,25,000 MTs June 30, 2024 and in Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively. Our manufacturing facility is equipped with modern machinery and equipment which enable us to undertake various chemistry processes. Our manufacturing facility is integrated with significant backward and forward integration to optimize and improve efficiency. Our manufacturing facility is accredited with ISO 9001, ISO 14001, ISO 45001 and ISO 50001, reflecting its responsible alignment with quality management, international standard of environmental management, health and safety management and energy management. We are also REACH-registered and certified by Star-k Kosher, Halal India, Roundtable on Sustainable Palm Oil ("**RSPO**") and Responsible Care.

Our products are predominantly used as industrial intermediates and / or raw materials and hence we operate as a business-to-business manufacturing company. We market our products to over various domestic and export customers across 15 + countries across 4 continents. For the three months period ended on June 30, 2024 and in

Fiscal 2024, Fiscal 2023 and Fiscal 2022, our top 10 customers contributed 45.58%, 43.53%, 38.20% and 38.60%, respectively, of our revenue from operations. We enjoy long term relationships with a number of our customers, and we had business relationships of more than three years with our top 10 customers in Fiscal 2024. In the three months period ended on June 30, 2024, and in Fiscal 2024, Fiscal 2023 and Fiscal 2022, 6.47%, 4.44%, 3.96% and 0.07%, respectively, of our revenue from operations were from exports.

We believe our success in the chemicals markets is based on our ability to identify the products which has good market along with strengthening our integrated complex, using latest and best technology available to improve output and lesser wastage, designing plant to optimize and having strong quality control department to meet the stringent technical performance requirements of our customers. Deploying such modern machinery in the most efficient way, however, requires years of accumulated industrial know-how. Given our scale, we believe replicating such an installed base would require substantial capital investments, time and in-depth knowledge.

Our Company has a strong management team with extensive experience in the chemicals industry and a track record of operational excellence. Our Promoters, Maulik Patel and Kaushal Soparkar have an experience of approximately 18 years and 17 years, respectively, in the chemicals industry. Our management team is backed by a core operational team that has vast experience in manufacturing. Our Board of Directors includes a combination of management executives and independent directors who bring in significant business expertise. We believe that the combination of our experienced Board of Directors and our dynamic management team positions us well to capitalize on future growth opportunities.

Key Financial Information and Key Performance Indicators (KPIs)

Our revenue from operations has increased at a CAGR of 11.5% from ₹1,550.94 croresin Fiscal 2022 to ₹1,929.19 croresin Fiscal 2024 on a consolidated basis.

Set forth below is certain of our key financial information.

(₹ in crores except as stated otherwise)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations	1,929.19	2,188.40	1,550.94
Total Income	1,935.76	2,196.38	1,555.05
Profit before Taxes (A)	290.75	522.46	383.42
Depreciation and amortization expenses (B)	123.56	108.95	85.91
Finance costs (C)	73.49	65.5	44.27
EBITDA (D = A + B +C)	487.80	696.91	513.60
EBITDA margin on Total Income	25.20%	31.73%	33.02%
Profit after tax	195.87	353.29	252.79
PAT margin (%)	10.11%	16.09%	16.30%
Operating cash flows	397.64	626.16	283.82
Capital expenditure	398.43	416.45	456.30
ROCE(1)	16.03%	30.03%	28.11%
ROE(2)	16.86%	39.36%	35.85%
Debt / equity ratio	0.78	0.82	1.37

1. *ROCE is calculated by earnings before interest and tax divided by average of capital employed of last two fiscals (cap employed= Tangible Net Worth + Total Debt + Lease Liability + Deferred Tax Liability)*
2. *ROE is calculated by profits after tax divided by average shareholder's equity of last two fiscals.*

History and Development

Set out below are the key events in our Company's history:

Year	Particulars
FY2010	Commissioned 1st Plant • Caustic Soda – 1,19,000 TPA • Captive Power Plant (CPP) – 40 MW
FY2015	Increased Capacity to

	• Caustic Soda – 1,67,000 TPA • CPP – 60 MW
FY2017	Commissioned • Caustic Potash – 21,000 TPA
FY2020	Commissioned • Chloromethanes – 50,000 TPA
FY2021	Commissioned • Hydrogen Peroxide – 60,000 TPA Increased Capacity • Caustic Soda – 2,94,000 TPA • CPP – 96 MW Awarded Responsible Care Certificate
FY2022	Listed as an Independent Entity (18th August 2021)
FY2023	Commissioned • Epichlorohydrin – 50,000 TPA (India's 1st Plant) • CPVC Resin – 30,000 TPA (India's largest Plant) Increased Capacity to • Caustic Soda – 4,00,000 TPA • CPP – 132 MW
FY2024	Renamed company from "Meghmani Finechem Ltd" to "Epigral Ltd" Commissioned • 18.34 MW Hybrid Power Plant Inaugurated dedicated R&D Centre in Ahmedabad
FY2025	Commissioned • CPVC Resin – 45,000 TPA (Total capacity stood at 75,000 TPA) • CPVC Compound facility

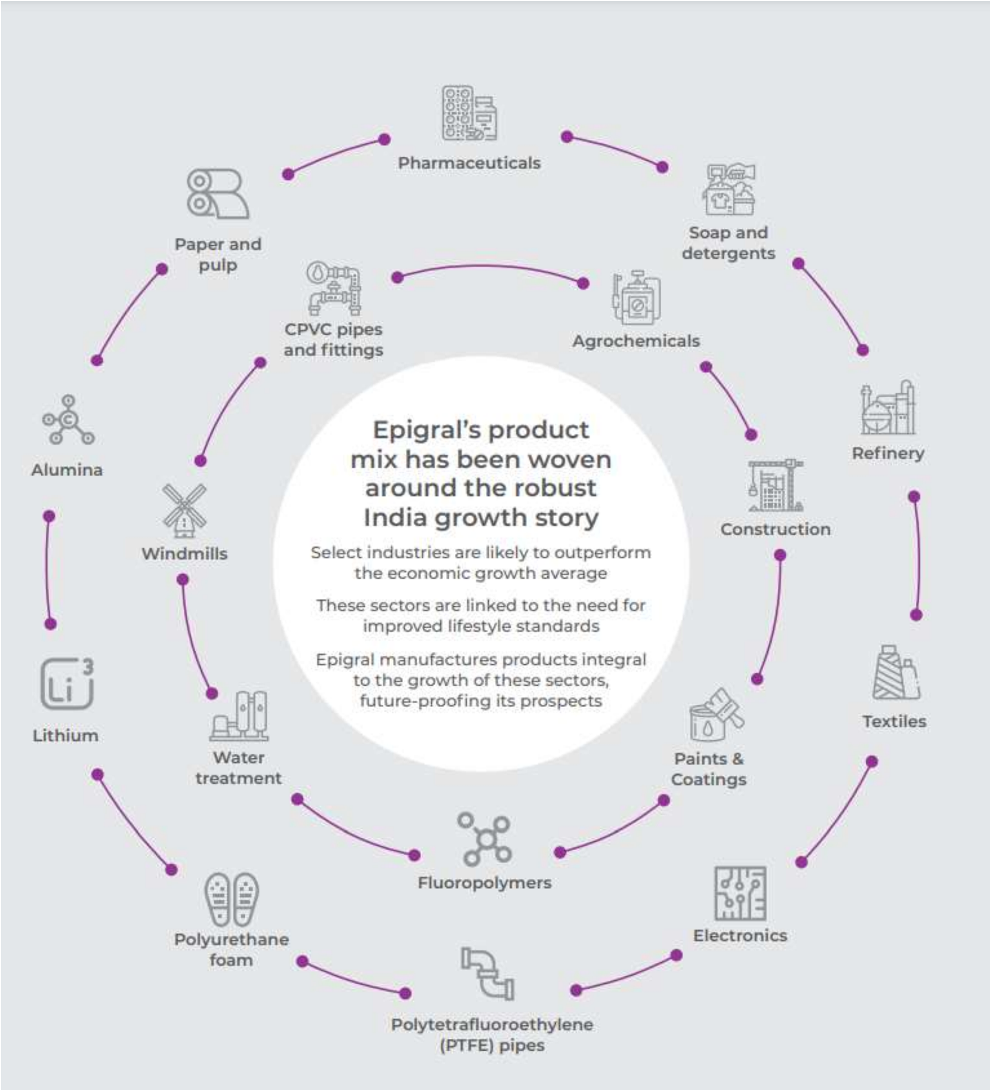
Competitive Strengths

We believe that we have the following competitive strengths:

Diversified portfolio of market leading products and our long-standing relationships with suppliers and customers

We are a leading Indian chemical company who started their journey with a focus on Chlor-Alkali and eventually branched out to focus on producing a diversified portfolio of intermediates and speciality chemicals involving complex and differentiated chemistries and technologies. We are the leading manufacturer of caustic soda (400 KTPA), caustic potash (21 KTPA), chloromethane (50 KTPA), hydrogen peroxide (60 KTPA), epichlorohydrin ("ECH") (50 KTPA) and chlorinated polyvinyl chloride ("CPVC") and resin (75 KTPA). These products find applications across more than 15 downstream high growth industries. Epichlorohydrin and CPCV represent the building blocks of a modern India. ECH manufactured by our Company is used in the manufacture of Epoxy resin, which in turn, used in manufacturing of wind energy blades, automotive industry, construction and other industries. We are the sole producer of Epichlorohydrin in India. We dominate the market of CPVC Resin with a total capacity of ~75 KTPA. Further, we have the world's largest CPVC resin plant at a single location. (*Source: CRISIL Report*)

Our long-standing relationships with suppliers and customers, combined with our internal processes and supplier quality assurance system, have fostered a strong partnership approach and ensured a robust supply chain. We are committed to delivering excellence to our customers and have implemented good manufacturing practices across our manufacturing unit. These practices encompass all areas of business processes, enabling us to maintain consistent quality, efficiency, and product safety. Our commitment to customer satisfaction has resulted in repeat business from a diverse range of industries, including refineries, paper & pulp, pharmaceuticals, textiles, crop protection, alumina, electronics, paint & coatings, dyes & pigments, and more. Our consistent delivery of high quality products further contributes to customer retention and loyalty.



Further, our leadership position in our key products offers us advantages such as cost efficiency due to economies of scale, competitive product pricing, ability to scale our business, ensure customer loyalty and expand our product pipeline into new end-uses. Our varied product basket, catering to various core sector end users also reduces our risk profile. Our diversified product portfolio allows us to sell across a range of traditional and modern applications and, consequently, enhance our business prospects. We believe our strong presence across these industries through our growing portfolio of products reduces our risk of over-dependency on any specific product or industry sector. Our Associate also commissioned a wind-solar hybrid power plan tthat addressed our Company's power needs and moderated the cost of power availability (compared with the grid).

Strategically located, compliant and sustainable manufacturing facility

Situated on 60-hectare plot, the manufacturing facility encompasses production units, water resources, treatment systems, a quality control center, and a thermal based captive power plant. This integrated facility leverages the benefits of its location, logistics, and access to a skilled workforce. The Dahej Petroleum, Chemicals, and Petrochemicals Investment Region (PCPIR) provides our Company with proximity to raw materials and customers. Additionally, the location offers excellent connectivity through various transportation modes, including road, rail, and seaports. Our Company's manufacturing facility, is one of the largest Chlor-Alkali and Derivatives complexes in the region. Its backward and forward integration, coupled with a captive power plant, enables efficient operations, cost reduction, and improved product quality. The interconnected nature of the product portfolio allows for effective management of the cost of raw material and reduces reliance on external suppliers. This integrated approach provides the Company with a significant cost advantage over its competitors. Our Company developed an advanced manufacturing facility, combining automation and integration. Automated systems reduce the need for human intervention, enhancing plant safety and efficiency. The integrated facility helped eliminate the duplication of common infrastructure across locations. The Company has a thermal based captive power plant for its manufacturing facility (as Caustic is power intensive industry).

We believe that having such a strong focus on sustainability is beneficial for our business operations as (i) we face minimal disruptions from neighbouring communities where our manufacturing facility are located; (ii) we receive more enquiries from potential customers due to their increased focus on sustainability; and (iii) it helps reduce our power and water costs.

Research and development capabilities allowing product innovation

Our Company recognizes that in a knowledge-extensive business-like specialty chemicals, the prospective driver of the Company will be research. Our research and development centre in Ahmedabad is dedicated to identifying promising specialty chemical products, developing comprehensive product lines, and refining production processes. This strategic investment aims to bolster the Company's product pipeline, generate substantial revenue from new product launches, and revitalize its financial performance. Additionally, the research centre will focus on complex products and processes, allowing the Company to enter less competitive market sector. This initiative demonstrates a commitment to sustainable product development and process optimization. As of June 30, 2024, our research and development team comprise of over 14 employees,3 of which have PhDs. Our research and development facility has been recognised by the Department of Science and Technology, Government of India.

Our R&D activities are focused on (i) new product development, (ii) new technology platform development and to serve the niche requirements of our customers, (iii) improvement of our productivity and yields and (iv) reduction of our resource consumption. Till June 30, 2024, our total consolidated capital expenditure and revenue expenditure on our R&D activities was ₹34.16 crores and ₹ 2.23 cores, respectively. Our R&D facility focuses on the identification of suitable specialty chemical products, building entire product families and establishing processes. This initiative has strengthened our Company's pipeline of prospective products, making it possible to generate an attractive proportion of revenues from its launch year-on-year, rejuvenating our Company's income profile. Besides, the R&D facility embraced challenging products and processes, making it possible to enter relatively under-crowded spaces.

Epigral's in-house R&D unit at Changodar, Ahmedabad, Gujarat.

Our competencies help drive value-added innovation. In addition, investments are being made into products that utilise our core platforms for new agrochemical and pharmaceutical intermediates. New technology platforms have also been established. These new technologies will support our business over the long-term in a sustainable manner. We are also giving significant focus towards developing safer and throughput efficient processes.

As part of our R&D activities, we also aim to keep pace with developments in digitalization of chemistry by deploying digital tools. For example, digital tools were implemented in our stage-gate process of new product development. Digital tools are helping us better monitor the progress at each stage and evaluating large data to provide insights, thus making the product development process more efficient and effective. Further, we have employed a process simulation software that was deployed to achieve first time right scale-up of new products. In addition, we took steps towards automation to drive operational efficiency.

Focus on long term sustainability combined with environmental initiatives and safety standards

We have implemented a comprehensive quality management system, encompassing all stages from raw material procurement to product delivery. The manufacturing facility is equipped with advanced technology to ensure adherence to international quality standards for our all products. Our Company's dedication to health, safety, and environmental sustainability has been recognized with the prestigious "Responsible Care" logo from the Indian Chemical Council. This achievement provides a competitive advantage in the marketplace.

We prioritize the health and safety of our employees and undertake several initiatives to promote employee health and quality of life. We work to ensure a safe and healthy workplace and provide our employees with the benefits, resources and flexibility to maintain and improve their wellness. We have a dedicated team of safety personnel including firemen, safety marshals and safety engineers. We have also established Central Safety Committee, comprising business heads and health, safety and environment ("HSE") professionals, to guide all safety-related aspects and conducts monthly HSE reviews.

Our manufacturing facility is cognisant of the importance of saving water resources and effectively managing waste water and effluents. We aim to ensure that our facility recycle and reuse treated effluents. Manufacturing processes have been validated through certifications. We were acknowledged by the Indian Chemical Council (ICC) for responsible practices and awarded a Responsible Care certificate in the year 2023 for three years. Our Company also holds certifications for ISO 9001 for quality management system, demonstrating a systematic approach to enhancing product quality and process consistency, ISO 14001 for environment management system to minimize the impact of hazardous processes on the environment and ensure products do not pose environmental risks, ISO 45001 for occupational health and safety management systems, prioritizing employee safety and well-being and ISO 50001 for improvement of total energy management, that aims to improve overall energy efficiency and reduce operating expenses, reflecting its responsible alignment with quality management, international standard of environmental management, health and safety management and energy management. We are also REACH-registered and certified by Star-k Kosher, Halal India and Roundtable on Sustainable Palm Oil("RSPO") for certified sustainable palm oil, promoting responsible sourcing practices.

Reducing our carbon footprint is an important focus area for us. Principles of energy saving and conservation and the 4R strategy (reduce / recover / recycle / reuse) are fundamental in our manufacturing designs and engineering. In addition, by employing cleaner chemistries, semi-continuous or continuous reaction technologies, we distinguish our processes from conventional processes and optimize use of non-toxic raw materials, resulting in lower effluent generation. We have implemented an online monitoring system for process stack, flue gas and effluent treatment plant. This enables real-time monitoring and management of emissions and effluents, ensuring compliance with environmental regulations. We have also commissioned a 65 KLD sewage treatment plant (STP) to facilitate the reuse of treated water, reducing its water consumption and promoting responsible water management practices. Hazardous waste generated at the plant is recycled and reused in water treatment processes in the plant's cooling tower. This initiative not only minimizes waste generation but contributes to the circular economy approach to waste management.

Experienced Promoters and Management Team

We believe that we have a strong management team led by ethical leadership with significant experience in the chemicals industry. Our Chairman and Managing Director, Maulik Patel, holds a Master of Science (Chemical Engineering) from University of Southern California, USA and Masters of Business Administration from Long Island University, USA. Our Executive Director, Kaushal Soparkar, has a strong academic background in Chemical Engineering and Engineering Management as he holds Bachelor's in science (Chemical) from University of New Haven, USA and Masters of Science (Engineering Management) from University of Northeastern, USA. Both our Chairman and Managing Director, Maulik Patel and Executive Director, Kaushal Soparkar have over 18 and 17 years of experience, respectively, in the chemical industry, overseeing operations and other related business activities with strategic growth plans.

Our management team is backed by a core operational team that has vast experience in manufacturing and also has the required technical know-how to manufacture the products which our Company is catering to. Our management team comprises of skilled and capable professionals who assist the Board in identifying new opportunities and in implementing our business strategies. We believe that the knowledge and experience of our Promoters, along with senior -management, and our team of quality personnel provide us with a significant competitive advantage as we seek to expand in our existing markets and enter new geographic markets.

Our Strategies

Our key focus is to build one of India's most respected multi-product chemical companies by entering into various import substitute products. In particular, we have adopted the following key business strategies:

Entering into new import substitute products

Our company's strategy is to identifying new products which are import substitute in line with initiative of Government of India of "Make in India" and "Atmanirbhar Bharat". In line with this strategy we have entered into Epichlorohydrin, and CPVC Resin, and its value chain. Further, management would be looking for such products were there is good growth potential.

Diversify our product basket and customer base

Our company in last 5 years have diversified by adding various new products in its basket and on account of that have diversified its customer base in various industries. This will help to bring sustainability and consistency in the growth of the company

Strengthening integrated complex

Our company is focused into strengthening its integrated process by entering into various chlorine and hydrogen derivatives. In line with that we have entered in to products which consume Chlorine and Hydrogen like Chloromethanes, Hydrogen Peroxide, Epichlorohydrin, CPVC Resin and Chlorotoluene Value Chain. Similarly in future as well we would be entering into products which will strengthen our integration program.

Technological advancement to optimize operations and enhance sustainability

Our Company leverages its technical capabilities to fully utilize its diverse manufacturing capacity. By opting for a glycerol-based technology for producing ECH, it lowered its energy consumption and waste generation over traditional manufacture. Our Company has already moved towards sustainable solutions. Furthermore, the Company has implemented a comprehensive enterprise resource planning system to improve supply chain management and provide accurate forecasts for sourcing and supply. Our Company intends to invest in technology upgrades and equipment improvements to enhance quality, reduce processing time, and increase production yield.

Leveraging integration for cost harmonisation

Through tactical initiatives such as the implementation of digital tools, the Company aims to strengthen its market position and drive revenue growth. By capitalizing on its chlor-alkali platform, our Company seeks to create a comprehensive ecosystem that encompasses a wide range of related products and services. This approach will enable the Company to capture synergies, reduce costs, and increase value proposition to customers. Furthermore, Our Company will focus on building a family of related products that complement its core chlor-alkali offerings. This diversification will enable the Company to mitigate risks, capture new market opportunities, and enhance its overall profitability.

Expanding production capacities and broadening the footprint of manufacturing operations

The chlor-alkali market is projected to experience significant growth. The global expansion of the chemical industry is the primary driving force behind this market growth. Given the sustained demand for Our Company's products and the growth in end application industries, Our Company intends to strategically expand its production capacity. We are seeking to optimize our product mix to ensure our capacity focuses on existing and new value-added products. In addition, we are working to improve our manufacturing assets flexibility and fungibility in line with our customers' order schedules for intermediates. This will allow us to ensure our capacity is better synchronized with customer demand. We plan to commission the first chlorotoluene value chain, becoming the sole producer of chlorotoluene during Fiscal 2025.

Widen our product portfolio

Since our inception, we have consistently sought to diversify our portfolio of products which could cater to our customers across various divisions, sectors, and geographies. We intend to continue to strengthen our existing product portfolio with products used for material science and to further diversify into products with prospects for increased growth and profitability, particularly where there are import substitution opportunities. In addition, we will look for integration opportunities across our business divisions.

We plan to continue to expand our product portfolio both in line with our existing competencies and also by adding new competencies.

OUR PRODUCTS

We are a leading integrated chemicals manufacturer. We are primarily engaged in the manufacturing and sales of chemicals such as caustic soda, caustic potash, CPVC resin, chlorotoluene value chain, epichlorohydrin, chloromethanes and hydrogen peroxide. We believe that a diversified product portfolio as ours provides us with a degree of resilience through economic cycles and diminishes the risk associated with the dependence on any particular product.

Caustic Soda: We manufacture caustic soda which plays a critical role in the chemicals and manufacturing industries. Caustic soda is used by various industries such as textiles, paper and pulp, water treatment, alumina, organic chemicals, inorganic chemicals, pharmaceuticals, soaps and detergents and chlorinated paraffin wax. It is available in lye and flake form Chlorine and Hydrogen are the co-products which produced with production of caustic soda.

Caustic Potash: Caustic potash or potassium hydroxide (KOH) is an inorganic alkaline compound produced through the electrolysis of potassium chloride and water. It is used in the food-and-beverages industry as a stabiliser, thickener and pH regulator. Additionally, it serves as a versatile cleaning agent in the production of liquid soaps, shampoos and hairspray. Caustic potash soaps are considered more environmentally friendly, due to their improved water solubility
Chlorine and Hydrogen are the co-products which produced with production of Caustic Potash.

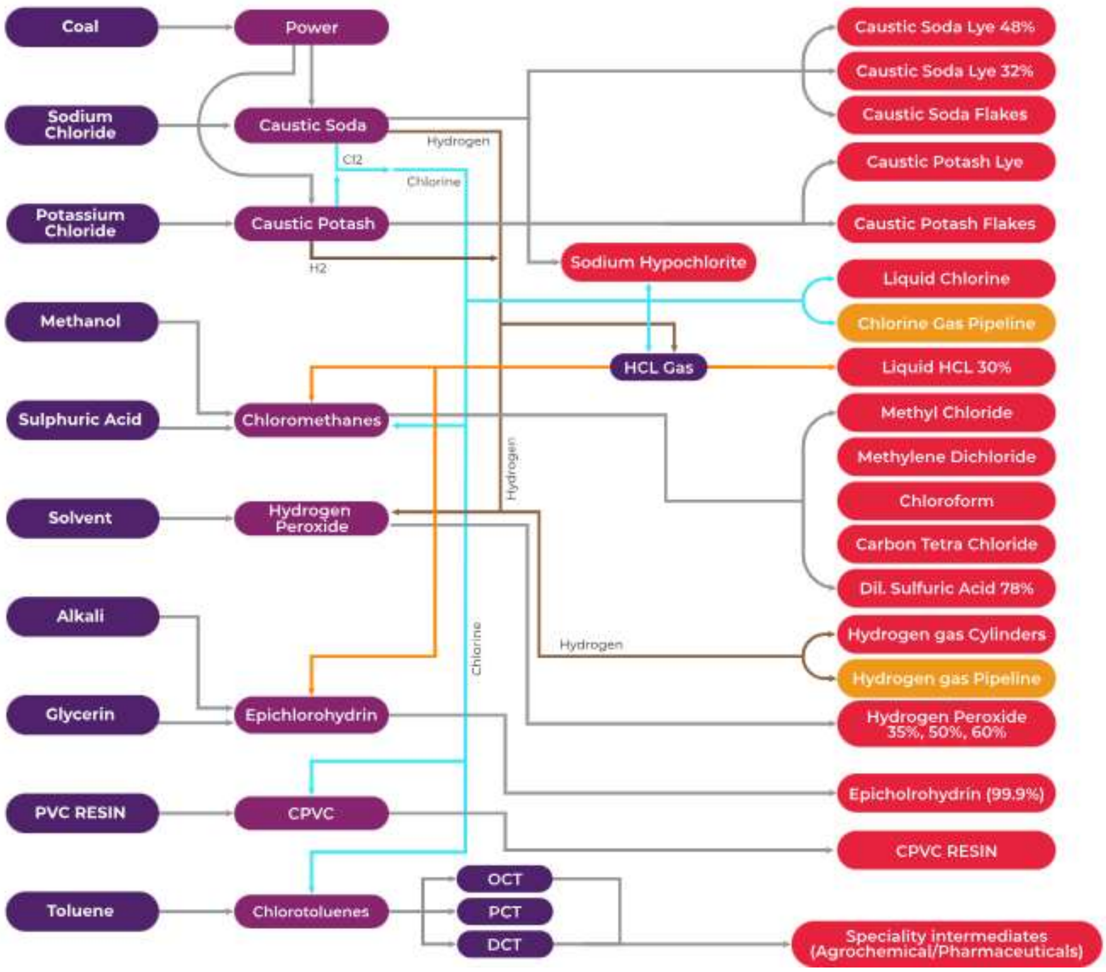
CPVC resin: Chlorinated PVC resin is primarily used to make CPVC pipes and fittings. It is tailored to meet the stringent requirements of various CPVC pipes manufacturers. CPVC Pipes and fittings are known for heat resistance, chemical resistance and durability. Chlorine which is one of the inputs as raw material is available in-house.

Chlorotoluene and value chain: Our Chlorotoluene value chain project will be implemented within the Dahej complex and will be the first in India to manufacture intermediates crucial for producing active ingredients utilized in the pharmaceutical and agrochemical sectors. Chlorine which is one of the inputs as raw material is available in-house

Epichlorohydrin: Epichlorohydrin (ECH), known for its unique structure, is both an epoxide and organochlorine compound. Its primary market driver is the paints and coatings industry, which serves architecture, automotive and aviation sectors, among others. Additionally, it is used in epoxy production, widely used in flooring for its chemical wear and slip resistance. The growing construction sector is expected to drive demand for paints, coatings and epoxies, thereby fuelling the ECH market. This transparent and colourless liquid is derived from a renewable source, glycerin, which is entirely bio-based. The product boasts exceptional purity levels exceeding 99.9%, minimizing the waste generated by end-users. A distinctive technology enables brine recycling and substantially diminishes liquid process waste. The product is used in the following applications: Epoxy resin, water treatment chemicals, automotive, pharmaceuticals, paper reinforcement and infrastructure chemicals. Caustic Soda, Chlorine and Hydrogen which are the input as raw materials, are available in-house.

Chloromethanes (CMS): Chloromethanes refers to a group of products namely, methyl chloride, methylene chloride ("**MDC**"), chloroform and carbon tetra chloride ("**CTC**"). MDC is primarily used as a solvent in pharmaceuticals, as raw material in refrigerants and agrochemicals and as a foam blowing agent. Chloroform is primarily used in making refrigerant gas. CTC is primarily used as raw material in agrochemical industry. Chlorine which is one of the input as raw material is available in-house.

Hydrogen peroxide: Our Company is the third largest producer of hydrogen peroxide (H2 O2) with a diverse industrial application across sectors such as paper and pulp, textiles, effluent treatment and chemicals. Hydrogen peroxide is primarily used for textile bleaching, paper and pulp bleaching, and water treatment. Hydrogen which is one of the major input as raw material is available in-house.



Product Flow-Chart

We strive to ensure the highest quality and efficiency in the production of our products.

Our finished products and applications of each of our products are set out in the table below:

Finished Product	**Application / End User Industry**
Chlor-Alkali products	
Caustic Soda Lye	Pulp & paper, Textiles, Soaps and Detergents, Aluminium, Chemical Process, Soda Bleach, Viscose Fiber, Dyes and Dyes Intermediate, Inorganic chemicals such as Sulphites, Phosphites, etc., Agro Chemicals
Caustic Soda Flakes	Pulp and Paper, Cleaning Products, Oil Exploration, Drilling Mud Chemicals, Cellulose, Textile Bleaching, D.M Water treatment, ph Control, Neutralization of Waste Acids, Organic & Inorganic Chemicals
Sodium Hypo Chloride	Water Treatment, Textiles, Bleaching agent, Disinfectant and Deodorant, Sterilization and Sugar Industry
30% Hydrochloric Acid	Steel Pickling and Scale Removal, Water Treatment, Ore Refining, Oil well acidizing, Food Processing, Calcium Chloride, Activation of Petroleum wells, Catalyst in Organic Process, Removal of heavy metal Leaching Alumina from Crystalline Zeolities, Hydrolyzing Agent, Monosodium Glutamate, Glutamic Acid, Dyes, Latex Coagulation, Floor Cleaning Product
Chlorine Gas	Poly Vinyl Chloride (PVC), Chlorinated Organic Solvents, Chlorinated Paraffin Wax (CPW), Water Purification, Bleaching Agent, Waste & Sewage Treatment, Disinfecting Agent, Sanitizing Agent, Synthetic Chlorinated Rubber, Sodium Hypochlorite, Calcium Hypochlorite, Isocyanates, Polycarbonate, Chloromethanes, Perchloroethane, Phosgene, Inorganic

	Chlorides, Epichlorohydrin, Poly Aluminium Chloride, Silicon dioxide (Aerosol)
Hydrogen Gas	Hydrogen Peroxide, as a fuel, Catalytic Reduction, Hydrochloric Acid, Ammonia Synthesis, Hydrogen-Fuel Cells, Edible Oils and Non-Edible Oils, Petro-Products, Gas Cutting and Plasma Cutting
Caustic Potash Lye	Potassium Carbonate, Potassium Permanganate, Potassium Iodate, Potassium Sulphates, Agro Chemicals and its intermediate, Rubber chemicals, Pharmaceuticals and its intermediate, Dyes and Dyes intermediate, Oil Drilling
Derivative Products	
Methyl Chloride	Methyl Cellulose, Hydroxy Propyl Methyl Cellulose (HPMC), Hydroxy Ethyl Methyl Cellulose (HEMC), Silicone Greases, Butyl Rubber, Pharmaceutical, Dye Stuffs
Methylene Chloride	As a solvent in API, Tablet Film Coating Application for Drug Formulations, Agrochemical and its intermediate, Paint removers and paint formulations, Industrial adhesive and coatings, as a feedstock in the production of Refrigerant HCFC-32, Foam Manufacturing, Used as low temperature heat transfer medium, Lubricants for leathers, plastics
Chloroform	Fluorocarbon refrigerants HCFC-22 and resins, Firefighting agent, Solvent in dye and perfume manufacturing, Extractant for penicillin, essential oils, and alkaloids, nicotine, etc., Soil fumigants, mildew preventives, Pharmaceutical, API and Intermediate preparations, Used as a laboratory reagent, Organic Chemicals (i.e. cyclopropane and tetrafluoroethane
Carbon Tetra Chloride	Fluorocarbon refrigerants and propellants, Grain fumigants and flour bleaching, Solvent in chlorinated rubber manufacturing and petroleum refining industry, Grease removing agent for machinery and tool, Drycleaning fluid, Fire extinguisher, Flotation fluid, synthesis of nylon-7, Pharmaceutical preparations, Feedstock in the Agrochemical Industries (Insecticides)
Hydrogen Peroxide	Pulp & Paper, Bleaching, De-inking Textiles, Pharmaceutical and Cosmetic, Natural Resources Extraction, Cleaning and Sanitization, Organic and Inorganic chemicals peroxides, Dyestuffs, Pesticides, Effluent treatment, Oxidizing agent for Chemical reaction
CPVC Resin and compound	Manufacturing CPVC pipes and fittings
Epichlorohydrin	Majorly used in manufacturing of epoxy resins and also used in pharmaceutical, water treatment and paper industry
Chlorotoluene	*Used in agrochemicals and* pharmaceutical industry

Our manufacturing facility

Spread across 60 hectares of land, our manufacturing facility is located at GIDC – Dahej, Gujarat, India. We commenced our commercial operations in July 2009 as Greenfield Project of 1,19,000 MTPA of Caustic Chlorine and Captive Power Plant of 40MW. Our manufacturing facility at GIDC Dahej is an ISO 9001:2015 and ISO 14001:2015 certified for quality systems.

Details of Manufacturing Units and Production Capacity

As on June 30, 2024, we have one manufacturing unit the details of which, along with the products manufactured are given in the table below:

Sr. No.	Location	Covered Area (Hecter)	Activities
1.	CH/1, CH/2, GIDC Industrial Estate, Dahej, Bharuch, Gujarat	60	Manufacturing of Chemicals

As of June 30, 2024, the Company possessed a complement of the following manufacturing capacities:

Sr. No.	Product	Capacity
1.	Caustic Soda	400 KTPA

2.	Caustic Potash	21 KTPA
3.	CPVC Resin	75 KTPA
4.	Epichlorohydrin	50 KTPA
5.	Chloromethanes	50 KTPA
6.	Hydrogen Peroxide	60 KTPA
7.	Captive power plant	132 MW
8.	Wind-Solar hybrid power plant	18.34 MW

Raw Materials

The raw materials we use in our manufacturing processes are sourced both from globally and within India. Our key raw materials include various items, major ones are glycerine, PVC resin, salt, coal, potassium chloride, methanol and toulene, etc. The aggregate cost of raw materials consumed in Fiscals 2024, 2023 and 2022 was ₹ 1,071.60 Crore, ₹ 1,211.76 crores and ₹ 759.41 crores respectively.

We do not have long term agreements with a majority of our customers or suppliers and the success of our business is significantly dependent on maintaining good relationships with our customers and suppliers. Most of our sales of products are through purchase orders and the pricing of our products comprises of fixed and variable components. The fixed price component remains constant until completion of the order. The variable price is linked to an index as agreed in the purchase order.

Orders and forecasts are collected on rolling basis for three months at a time. Sales orders are generated daily, taking into account the requirements of the customer.

Freight and Transportation

We transport our finished products by rail, road and sea. Our facility is equipped with a warehouse, enabling smooth functioning of our operations. A significant portion of our expenses is due to freight carriage and transport and freight and forwarding expense and export freight charges. In the three months ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, freight (inward and outward) represented 1.6%, 1.2%, 1.3% and 1.1%, respectively, of our revenue from operations.

We sell our products on ex-plant, cost, insurance and freight basis, on a consignee basis and on a door delivery/ DDP basis. In addition, we may have to pay for transportation costs in relation to the delivery of some of the raw materials and other inputs to our manufacturing facilities**.** We do not own any vehicles for the transportation of our products and/or raw materials; we therefore rely on third party transportation and logistics providers for delivery of our raw materials and products. However, we do not have any long-term contractual arrangements with such third-party transportation and logistics providers.

Where we are responsible for shipping the products to the customer, our freight forwarders arrange for the finished products to be trucked to our customers in India or to the port for export, as applicable. Our custom house agents handle the requisite clearance procedures. For exports, our freight forwarders co-ordinate with the shipping line or airline to file and release the necessary bills of lading or air waybills.

Utilities

We consume a substantial amount of fuel and power for our operations at our manufacturing facility, which is sourced through the captive power plant and local state power grid to ensure continuous supply. Additionally, we have also installed generators in our manufacturing facility to ensure uninterrupted supply of power. In the three months ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, power and fuel expenses accounted for 5.80%, 6.43%, 7.34% and 6.28%, respectively, of our total expenses.

Risk Management

Risk management is an integral part of our operations to identify and manage risks in order to reduce uncertainties and ensure continuity of business. We have a Risk Management Committee appointed by our board of directors as well as risk management framework and risk management team.

We aim to provide a high degree of safety to our employees, especially at our factories where chemical processes are executed. We undertake regular inspection of our machinery and also undertake periodic maintenance checks on equipment in order to ensure they meet safety requirements.

Raw material price fluctuations are mitigated through formula-based pricing; our products typically have a fixed and a variable price component and the variable component is linked to the price of the commodity on international markets. We manage currency risks by hedging through forward contracts.

Customers

Our customers include multinational, regional and local companies. We enjoy long term relationships with a number of our customers, and we had business relationships of more than three years with our customers in Fiscal 2024. Our customer base is well diversified, and a different product caters to different industry and customer. We cater to more than 15 different industries.

Our business is diversified, and we are not dependent on a small number of customers. In the three months ended June 30, 2024, and in Fiscal 2024, Fiscal 2023 and Fiscal 2022, our top 10 customers 45.58%, 43.53%, 38.20% and 38.60%, respectively, of our consolidated revenue from operations.

Exports

We export our products to more than 15 + countries across four continents.

Quality Control

Quality control is essential for the success of a business, and we ensure that our products are subject to quality control tests before they are dispatched for delivery to our customers. We have established quality control departments at each of our manufacturing units. Each batch of the manufactured products is subject to quality control tests at our quality control labs. The quality control departments ensure quality of raw materials, in-process samples and the finished products. The quality control department ensures compliance with the specifications required by our customers.

In order to ensure quality control, regular quality audits are undertaken by our in-house quality control team, as well as by our customers. In addition, our products adhere to global quality standards. We have received certification under the Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH"), a European Union regulation enacted to address the production and use of chemical substances. Our REACH certification allows us to export our products to our European customers.

Environment, Health and Safety

We are subject to national, regional and state laws and government regulations in India, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. We handle and use hazardous materials in our R&D and manufacturing activities and any improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees.

We prioritize the health and safety of our employees and undertake several initiatives to promote employee health and quality of life. We work to ensure a safe and healthy workplace and provide our employees with the benefits, resources and flexibility to maintain and improve their wellness. We have a dedicated team of 28 safety personnel on permanent and contractual basis. Stringent safety measures are implemented at the manufacturing facility.

Competition

Our Company operates in a competitive landscape with a multitude of players, both domestic and international. The chemicals industry presents significant entry barriers, including customer validation and approvals, expectation from customers for process innovation and cost reduction, high quality standards and stringent specifications. Our competition varies by market, geographic areas and type of product. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. We face competition from both domestic and international manufacturers especially Asian countries, including China and even European countries for few products. We compete primarily on the basis of product quality, technology, cost, delivery and service, as well as quality and depth of senior level relationships. While we offer a distinctive product portfolio, we continue to face competition from companies that produce similar products, which can pose challenges to our business. Our key competitors include Chemplast Sanmar Limited, DCM Shriram Limited, DCW Limited, Grasim Industries Limited, SRF Limited, and National Peroxide Limited. *(Source: CRISIL Report)*

Sales and Marketing

Our Company employs a multi-channel distribution strategy for its products. Domestically, it leverages a network dealers nationwide, complemented by sales offices in Mumbai and Hyderabad for localized customer service. Internationally, the Company engages in both direct and merchant exports.

. For geographically proximate customers, the Company provides direct pipeline connections from its facility to their factory premises. For customers located at a distance, transportation is facilitated via road, rail, and sea.

Over the past three years, the company has entered into various new chemicals and hence increased the customer base and entered into new industry all together.

Human Recourses

Our Company fosters a high-performance culture that allows us to attract and retain talent. Our comprehensive training programs, coupled with challenging roles and open communication with management, create an environment where employees can thrive and reach their full potential.

As of June 30, 2024, our Company had a dedicated team of 1038 employees. Our strategic recruitment of seasoned professionals across key functions further strengthens our capabilities and positions us for continued expansion. This revised version highlights the Company's focus on employee development, its strong retention rate, and its strategic approach to growth.

Property

Our Registered Office is located at Epigral Tower, 5th, 6th & 7th Floor B/H Safal Profitaire, Corporate Road, Prahladnagar, Ahmadabad City, Gujarat, India - 380015.

Our Manufacturing Site is situated at CH/1, CH/2, GIDC Industrial Estate, Dahej, Tal. Vagra, Dist. Bharuch - 392120, Gujarat.

Our Research & Development Centre is situated at Plot No. 27-38-39B. Indus Industrial Park, Village Matoda, Sanand, Ahmedabad – 382213, Gujarat.

Insurance

Our operations are subject to risks inherent to manufacturing operations, which include defects, liability for product and/or property damage, malfunctions and failures of manufacturing equipment, fire, explosions, loss-in-transit for our products, accidents, personal injury or death, and natural disasters. We maintain insurance coverage that we consider necessary for our business. As of the date of this Preliminary Placement Document, our insurance coverage includes, among others, Industrial All Risk Policy, Marine Policy, Pubic Act Policy, Product Policy, D&O Policy, Comprehensive General Liability Policy, etc.

As of June 30, 2024, the total amount of our insurance coverage was ₹3858.20 Crores which among others includes gross value of all fixed assets (including property, plant and equipment, capital work in progress, right of use asset and intangible assets) , Our insurance cover for the gross value of all fixed assets (including property, plant and equipment, capital work in progress, right of use asset and intangible assets) was 134%, as of June 30, 2024.

Information Technology

Information technology and digital services are indispensable to our efficient operations. We utilize cutting-edge technologies, robust infrastructure, and advanced automation to serve our customers. We have implemented specialized software tailored to our industry and trade to obtain real-time information. Our goal is to harness technology to optimize costs, enhance performance, and maximize efficiency throughout all stages of production.

Intellectual Property

Safeguarding our intellectual property is essential to our competitive advantage. We employ a range of financial, business, scientific, technical information and methods, technologies, processes, and procedures in our business. To establish and protect our intellectual property rights, we primarily rely on trademarks and other intellectual property laws

Environmental, Social and Governance

Our Company has exhibited due consideration to the environmental, social and governance (ESG) issues across its value chain. In an effort at reducing the ecological footprint and promoting long term sustainability, we have introduced sewage treatment plants and water treatment processes, replaced asbestos and allocated 33% land area in its manufacturing facility to a green belt. Our Company adheres to its social responsibility by prioritizing a healthy and safe working environment by implementing engineering control devices, investing in innovative solutions to enhance employee well-being and completing the IMS annual audit by a third party without non-conformities. Further, we have incorporated governance strategies that establish thorough compliance with our Corporate Governance guidelines to ensure integrity and transparency in our corporate affairs.

Corporate Social Responsibility

Our CSR policy reflects our efforts at promoting ethical practices, environmental stewardship and community engagement. With the objective of positive social impact initiatives our philanthropic endeavours are aimed at (a) supporting diverse social, educational and economic development initiatives, (b) uplifting women through education and self-employment opportunities and (c) establishing and supporting educational and medical facilities to enhance access of essential services for underserved communities.

Our Company works in association with Rotary International, Dahej Industrial Association, Dahej Eco-friendly Society, Bharuch District Management Association, Federation of Industries Association, Indian Institute of Chemical Engineering and Institute of Engineers in India, to further its social engagement.

In the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, we incurred ₹7.14 crores, ₹4.58 crores, and ₹3.60 crores, respectively, towards expenditure towards corporate social responsibility.

BOARD OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

Board of Directors

The composition of the Board is governed by the provisions of the Companies Act, the SEBI Listing Regulations and our Articles of Association.

In accordance with our Articles of Association, read with applicable provisions of the Companies Act, our Company is authorised to have a minimum of three (3) Directors and a maximum of fifteen (15) Directors. As on date of this Preliminary Placement Document, our Board consists of ten Directors including one Chairman and Managing Director, one Executive Director, three Non-Executive Directors and five Independent Directors (including one-woman Independent Director).

Our Board composition is in compliance with the Companies Act and the SEBI Listing Regulations.

The following table sets forth details regarding our Board, as of the date of this Preliminary Placement Document:

Name, address, occupation, term, nationality and DIN	Age (years)	Designation
Maulik Jayantibhai Patel **Address**:, Satyagrah Chhavani Society, 359, Lane-18, Satellite road, Ahmedabad, Gujarat– 380015. **Occupation**: Business **Period of directorship:** Since May 10, 2016 **Current term:** For a period of five years with effect from April 1, 2022 to March 31, 2027 **Nationality:** Indian **Date of birth:** September 27, 1981 **DIN**: 02006947	43	Chairman and Managing Director
Kaushal Ashishbhai Soparkar **Address**: 246/A, Lane-13, Satyagrah Chhavni, Opposite ISRO Satellite, Ahmedabad, Gujarat-380015 **Occupation**: Business **Period of directorship:** Since May 18, 2017 **Current term:** For a period of five years with effect from April 1, 2022 and liable to retire by rotation **Nationality:** Indian **Date of birth:** October 14, 1983 **DIN:** 01998162	40	Executive Director

Name, address, occupation, term, nationality and DIN	Age (years)	Designation
Ankit Natwarlal Patel **Address**: 6-B, Ashok Vatika No. 1, Opp. Ekta Farm, Ambli Bopal Road, Bodakdev, Ahmedabad – 380058, Gujarat **Occupation**: Business **Period of directorship:** Since May 10, 2016 **Current term**: For a period of five years with effect from April 1, 2022 **Nationality**: Indian **Date of birth:** October 1, 1985 **DIN**: 02180007	39	Non-Executive Director
Karana Ramesh Patel **Address**: 54, Shrinathpark Society, Bh. Manekbaug Society, Ambawadi, Ahmedabad – 380015, Gujarat **Occupation**: Business **Period of directorship:** Since May 10, 2016 **Current term**: For a period of five years with effect from August 5, 2023 **Nationality**: Indian **Date of birth:** August 26, 1981 **DIN**: 01727321	43	Non-Executive Director
Darshan Anandbhai Patel **Address**: 53, Shrinath Park Society, B/h. Manekbag, Ambawadi, Ahmedabad - 380015, Gujarat **Occupation**: Business **Period of directorship:** Since May 10, 2016 **Current term**: For a period of five years with effect from April 1, 2022 **Nationality**: Indian	37	Non-Executive Director

Name, address, occupation, term, nationality and DIN	Age (years)	Designation
Date of birth: April 27, 1987 **DIN**: 02047676		
Manubhai Khodidas Patel **Address-**141, Chitvan, Bopal, Ahmedabad, Gujarat **Occupation**: Professional **Period of directorship:** Since July 15, 2017 **Current term**: For a period of five years with effect from June 27, 2022 **Nationality**: Indian **Date of birth:** November 6, 1950 **DIN**: 00132045	73	Independent Director
Nirali Bhavin Parikh **Address**: A-401, Ratnakar -3, Prernatirth Derasar Road Satellite, Manekbaug, Ahmedabad - 380 015, Gujarat **Occupation**: Business **Period of directorship:** Since July 20, 2015 **Current term:** For a period of five years with effect from July 01, 2020 **Nationality**: Indian **Date of birth:** September 13, 1982 **DIN**: 05309425	42	Independent Director
Kanubhai Shakarabhai Patel **Address**: 20, Shrikunj Society, Behind Dayawadi, Fabrication Shop, Akota, Vadodara – 390020, Gujarat. **Occupation**: Service **Period of directorship:** Since May 20, 2021 **Current term**: For a period of five years with effect from May 20, 2021	67	Independent Director

Name, address, occupation, term, nationality and DIN	Age (years)	Designation
Nationality: Indian **Date of birth:** May 3, 1957 **DIN**: 00008395		
Raju Swamy **Address**: 206, Brigade Rathna, 42, Ranga Rao Road, Near Ramkrishna Ashram Circle, Shankarapuram, Basavanagudi, Bangalore - 560 004, Karnataka. **Occupation**: Business **Period of directorship:** Since May 20, 2021 **Current term**: For a period of five years with effect from May 20, 2021 **Date of birth:** November 1, 1942 **Nationality**: Indian **DIN**: 03032679	81	Independent Director
Sanjay Khatau Asher **Address**: 32, Modi Street, 3rd Floor, Fort, Mumbai - 400 001, Maharashtra. **Occupation**: Advocate & Solicitor **Period of directorship:** Since May 20, 2021 **Current term**: For a period of five years with effect from May 20, 2021 **Date of birth:** November 26, 1963 **Nationality**: Indian **DIN**: 00008221	60	Independent Director

Brief profiles of our Directors

Maulik Jayantibhai Patel is the Chairman and Managing Director on the Board of our Company. He holds a bachelor's degree in chemical engineering from Sardar Patel University, Vallabh Vidyanagar, Anand along with a master's degree in chemical engineering from University of Southern California, USA. He also holds a master's degree in business administration from Long Island University, USA. He has experience in the chemical industry.

Kaushal Ashishbhai Soparkar is the Executive Director on the Board of our Company. He holds a bachelor's degree in science (chemical engineering) from the University of New Haven, USA and a master's degree in science (engineering management) from University of North-Eastern, USA and has experience in the chemical industry.

Ankit Natwarlal Patel is the Non-Executive Director on the Board of our Company. He holds a bachelor's degree in chemical engineering from Sardar Patel University and a master's degree in engineering management from Griffith Univeristy, Australia. He has also completed his master's in business administration (finance) from S.P Jain Centre of Management. He has experience in the chemical industry and is the chairman and managing director of Meghmani Organics Limited.

Karana Ramesh Patel is the Non-Executive Director on the Board of our Company. He has a diploma in chemical engineering from Nirma University and a bachelor's degree in chemical engineering from Drexel University, USA. He has experience in the chemical industry and is an executive director for Meghmani Organics Limited.

Darshan Anandbhai Patel is the Non-Executive Director on the Board of our Company. He holds a bachelor's degree in chemical engineering from Nirma University, a master's degree in engineering management from Griffith University, Australia and a master's degree in business administration from New York Institute of Technology, USA. He has experience in the chemical industry and is an executive director for Meghmani Organics Limited.

Manubhai Khodidas Patel serves as an Independent Director on the Board of our Company. He is a qualified chartered account and has 29 years of association with the Zydus group. During his tenure at Zydus, he was the chief financial officer. He also has experience and expertise in the field of finance management.

Nirali Bhavin Parikh is a Woman Independent Director on the Board of our Company. She holds a bachelor's degree in business administration and a master's degree in business administration in finance and marketing. She has worked as an academic associate in finance and accounting at Indian Institute of Management, Ahmedabad and a lecturer in finance and accounting at Som-Lalit Institute of Management Studies. She has also edited books on micro-finance and entrepreneurship. She has co-authored a book, "*Commodities Markets – Emerging Paradigms*". She is currently in the business of marketing of industrial pumps.

Kanubhai Shakarabhai Patel is an Independent Director on the Board of our Company. He is a fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. Along with being a director at Paramount Limited, he is a chairman and managing director at Voltamp Transformers Limited and has been associated with them for more than 40 years.

Raju Swamy is an Independent Director on the Board of our Company. He holds a master's in business administration from Indian Institute of Management (IIM), Calcutta. He is experienced in the field of management consulting, serving as an advisor at PROMAG Consulting Services for over 35 years.

Sanjay Khatau Asher is an Independent Director on the Board of our Company. He holds bachelor's degrees in commerce and law from the University of Bombay. He is a qualified chartered accountant. He has been a practicing advocate since 1989 with M/s. Crawford Bayley & Co. He was admitted as a solicitor in the year 1993 and is a partner of M/s. Crawford Bayley & Co. He has over 30 years of experience in the field of law and corporate matters. He specialises in the field of corporate law and commercial law, cross-border mergers and acquisitions, joint ventures, mergers and acquisitions and capitals markets.

Relationship with other Directors

None of our Directors are related to each other.

Shareholding of Directors in our Company

As per the Articles of Association of our Company, our Directors are not required to hold qualification shares.

The following table sets forth details of shareholding of our Directors in our Company as of the date of this Preliminary Placement Document:

Name of the Director	No. of Equity Shares	Percentage (%)
Maulik Jayantibhai Patel	22,39,091	5.39
Kaushal Ashishbhai Soparkar	22,929	0.06

Ankit Natwarlal Patel	19,15,409	4.61
Karana Ramesh Patel	7,24,853	1.74
Darshan Anandbhai Patel	4,07,743	0.98
Nirali Bhavin Parikh	5	0.00
Raju Swamy	4,324	0.01
Total	**53,14,349**	**12.79**

Borrowing powers of the Board

Pursuant to the special resolution passed at the general meeting of our Company held on May 7, 2021, our Board has been authorized to borrow, from time to time, such sum or sums of monies as our Board may deem necessary for the purpose of the business of our Company which together with the monies already 'borrowed by our Company" (apart from the temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) may exceed the aggregate paid up capital of our Company and its free reserves, provided that the aggregate amount so borrowed at any point of time shall not exceed Rs. 1,500.00 Crore.

Interests of our Directors

Our Executive Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as an Executive Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our Directors, see "- *Terms of appointment and remuneration of Executive Directors*" and "- *Remuneration of Non-executive and Independent Directors*" on pages 184 and 186.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company, details of which have been disclosed below under the heading "*Shareholding of Directors in our Company*" on page 183. Our Directors may also be interested to the extent of equity shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our Directors are interested. Further, except as disclosed in the section "*Related Party Transactions*" on page 46, our Directors do not have any other interest in the business or promotion of our Company as of the date of this Preliminary Placement Document.

Except as stated in "*Terms of appointment and remuneration of Executive Directors*" and "*Remuneration of Non-executive and Independent Directors*", our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of this Preliminary Placement Document in which any of our Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. Further, as on the date of this Preliminary Placement Document, our Directors have not taken any loans from our Company.

Except as stated in "*Related Party Transactions*" beginning on page 46, our Directors have no interest in any property acquired or proposed to be acquired of or by our Company as on the date of this Preliminary Placement Document or in any transaction by our Company for acquisition of land, construction of buildings and supply of machinery.

Terms of appointment and remuneration of Executive Directors

Maulik Jayantibhai Patel

Maulik Jayantibhai Patel has been appointed as the Chairman and Managing Director of our Company for 5 years with effect from April 1, 2022, pursuant to a resolution passed by our Board on April 25, 2022 and a resolution passed by our Shareholders on June 27, 2022. Further, the terms and conditions of his appointment as the Chairman and Managing Director are set forth below:

Particulars	Details
Salary	Basic salary of ₹3,00,000 per month and thereafter an increment as the Board may decide from time to time.

Particulars	Details
Other perquisites	i. Performance Bonus up to 10% of the net profits of the Company or such other quantum of the net profits as may be approved by the Board as its discretion. ii. Leave Travel Assistance for self and family in accordance with the policy of the Company. iii. Club Fees: Subscription or reimbursement of membership fees for clubs in India including admission and life membership fees of maximum two clubs. iv. Personal accidental/ Medical Insurance of an amount as may determined by the rules of the Company. v. Contribution to Provident Fund, to the extent these either singly or put together are not taxable under the Income Tax Act vi. Gratuity shall not exceed half month's Basic Salary for each completed year of service (subject to maximum amount permissible under Payment of Gratuity Act) vii. Car with a driver at the cost of the Company, for personal use and office work. The Company shall bill use of car for private purposes. viii. Communication device such as telephones, audio and video conference facilities etc at the residence telephone at the entire cost of the Company. The personal long distance calls will be billed by the Company. ix. Reimbursement of entertainment allowance and all other expenses incurred in the course of business of the Company
Minimum remuneration	Notwithstanding anything to the contrary, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the Company will pay remuneration as per the limit prescribed in Schedule V of the Companies Act, 2013, or any modification(s) or re-enactment (s) from time to time.
Cessation of office	In the event of cessation of office during any financial year, a rateable proportion of the aforesaid remuneration shall be payable by the Company

Kaushal Ashishbhai Soparkar

Kaushal Ashishbhai Soparkar has been appointed as the Managing Director of our Company pursuant to resolution passed by our Board on April 25, 2022 and resolution passed by our Shareholders on June 27, 2022. He was re-designated as a Executive Director on our Board pursuant to a resolution passed by our Board on August 5, 2023.He has been appointed for a term of 5 years beginning from April 1, 2022. Further, the terms and conditions of his appointment as a Whole-time Director are set forth below:

Particulars	Details
Salary	Basic salary of ₹3,00,000 per month and thereafter an increment as the Board may decide from time to time.
Other perquisites	i. Performance Bonus up to 10% of the net profits of the Company or such other quantum of the net profits as may be approved by the Board as its discretion. ii. Leave Travel Assistance for self and family in accordance with the policy of the Company. iii. Club Fees: Subscription or reimbursement of membership fees for clubs in India including admission and life membership fees of maximum two clubs. iv. Personal accidental/ Medical Insurance of an amount as may determined by the rules of the Company. v. Contribution to Provident Fund, to the extent these either singly or put together are not taxable under the Income Tax Act vi. Gratuity shall not exceed half month's basic salary for each completed year of service (subject to maximum amount permissible under Payment of Gratuity Act) vii. Car with a driver at the cost of the Company, for personal use and office work. The Company shall bill use of car for private purposes.

Particulars	Details
	viii. Communication device such as telephones, audio and video conference facilities etc at the residence telephone at the entire cost of the Company. The personal long distance calls will be billed by the Company. ix. Reimbursement of entertainment allowance and all other expenses incurred in the course of business of the Company shall be reimbursed.
Minimum remuneration	Notwithstanding anything to the contrary, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the Company will pay remuneration as per the limit prescribed in Schedule V of the Companies Act, 2013, or any modification(s) or re-enactment (s) from time to time.
Cessation of office	In the event of cessation of office during any financial year, a rateable proportion of the aforesaid remuneration shall be payable by the Company

The following table set forth the compensation paid by our Company to the Executive Directors during the three month period ended June 30, 2024 and Fiscals 2024, 2023, 2022:

(₹ in Crore)

Name of the Director	From July 1, 2024 to the date of this Preliminary Placement Document	For the period from April 1, 2024 till June 30, 2024	For Fiscal 2024**	For Fiscal 2023**	For Fiscal 2022**
Maulik Jayantibhai Patel	0.95	0.95	0.40	0.40	0.40
Kaushal Ashishbhai Soparkar	0.95	0.95	0.40	0.40	.040
Ankit Natwarlal Patel*	-	-	0.14	0.40	0.40
Karana Ramesh Patel*	-	-	0.14	0.40	0.40
Darshan Anandbhai Patel*	-	-	0.14	0.40	0.40

**Ankit Natwarlal Patel, Karana Ramesh Patel and Darshan Anandbhai Patel have been appointed as a Non-Executive Director pursuant to board resolution passed on August 5, 2023.*

** Apart from above the Executive Directors were eligible for performance bonus which was ₹ 4.00 crores, ₹7.25 Crore, ₹15.95 crores and ₹23.00 crores for the three-month period ended on June 30, 2024 and Fiscal Year 2024, 2023 and 2022, respectively.

Remuneration of Non-Executive and Independent Directors

Pursuant to the policy "***Terms and Conditions of Appointment of Independent Director and Non-Executive Directors***" approved vide board resolution dated May 20, 2021 by our Board of Directors, our Non – executive, Independent Directors are entitled to sitting fees of approximately ₹75,000 for attending each meeting of our Board and Audit Committee and sitting fees of ₹ 25,000 per meeting for attending each meeting of the other Committees of our Board. Additionally, our Independent Directors are also entitled to reimbursement of fair and reasonable expenditure incurred while performing the role as an Independent Director.

The following table sets forth the sitting fees paid by our Company to our existing Non-Executive Directors during Fiscals 2024, 2023, 2022 and the three-month period up to June 30, 2024:

(Rs. in crores)

Name of Independent Director	From July 1, 2024 to the date of this Preliminary Placement Document	For the three month period ended June 30, 2024	Fiscal 2024	Fisal 2023	Fiscal 2022
Manubhai Patel	0.03	0.02	0.09	0.08	0.06
Nirali Parikh	0.03	0.02	0.07	0.07	0.06
Sanjay Asher	0.01	0.01	0.05	0.04	0.01

Kanubhai Patel	0.03	0.01	0.07	0.05	0.05
Raju Swamy	0.02	0.01	0.04	0.03	0.03
B. T. Thakkar#	-	-	-	-	0.02

 # B.T Thakkar retired on September 23, 2021.

Corporate Governance

As of the date of this Preliminary Placement Document, we have ten Directors on our Board, which comprises of one Chairman and Managing Director, one Executive Director, three Non-Executive Directors and five Independent Directors (including one-woman Independent Director). Our Company is in compliance with the corporate governance requirements including in relation to the constitution of the Board and committees thereof, as prescribed under the SEBI Listing Regulations.

Committees of the Board of Directors

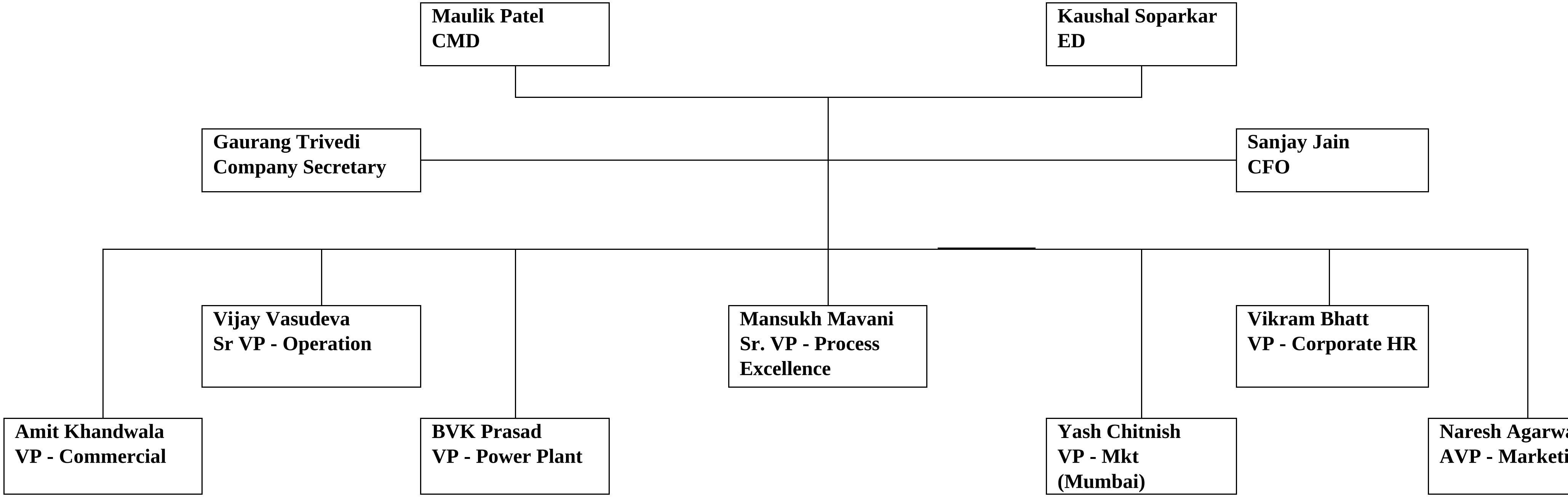
Our Company has constituted the following five statutory committees in terms of the SEBI Listing Regulations and the Companies Act, each of which functions in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations.

Our Board has constituted various committees, which function in accordance with the relevant provisions of the Companies Act, and the SEBI Listing Regulations. These are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Corporate Social Responsibility Committee; (v) Risk Management Committee; and (vi) Environmental, Social and Governance Committee (non-statutory committee).

The following table sets forth the members of the aforesaid committees as of the date of this Preliminary Placement Document:

Name of the Committee	Members
Audit Committee	Manubhai Khodidas Patel- (Chairman) Kanubhai Shakarabhai Patel Nirali Bhavin Parikh
Nomination and Remuneration Committee	Manubhai Khodidas Patel-(Chairman) Sanjay Khatau Asher Nirali Bhavin Parikh
Stakeholders' Relationship Committee	Manubhai Khodidas Patel-(Chairman) Nirali Bhavin Parikh Maulik Jayantibhai Patel
Corporate Social Responsibility Committee	Manubhai Khodidas Patel-(Chairman) Maulik Jayantibhai Patel Kaushal Ashishbhai Soparkar Ankit Natwarlal Patel
Risk Management Committee	Manubhai Khodidas Patel-(Chairman) Maulik Jayantibhai Patel Sanjay Khatau Asher
Environmental, Social and Governance Committee	Maulik Jayantibhai Patel Manubhai Khodidas Patel- (Chairman) Nirali Bhavin Parikh
Fund Raising Committee	Maulik Jayantibhai Patel- (Chairman) Kaushal Ashishbhai Soparkar Karana Rameshbhai Patel

Management Organization Structure



Key Managerial Personnel

The following table sets forth the details of our Key Managerial Personnel ("**Key Managerial Personnel**"), other than our Managing Director, Mr. Maulik Jayantibhai Patel, and Mr. Kaushal Soparkar, Executive Director & CEO:

Name	Designation
Sanjay Jain	Chief Financial Officer
Gaurang Trivedi	Company Secretary and Compliance Officer

For further details of our Managing Director and Whole-time Director and Chief Executive Officer, refer "– *Board of Directors*" beginning on page 179.

Shareholding of Key Managerial Personnel

Other than as set forth in "- ***Shareholding of Directors in our Company***", and as disclosed below, none of our Key Managerial Personnel hold any Equity Shares in our Company, as on the date of this Preliminary Placement Document:

Name of the Key Managerial Personnel	Number of Equity Shares	Percentage (%)
Sanjay Jain	1,000	Negligible

Relationship between Key Managerial Personnel

Other than as set forth and disclosed above in "– *Relationship with other Directors*", none of the Key Managerial Personnel are related to each other or with the Directors of our Company.

Interest of Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them and to the extent of the Equity Shares held by them or their dependants in our Company, if any, and any dividend payable to them and other distributions in respect of such Equity Shares.

Except as stated in "***Interest of our Directors***" above and in "***Related Party Transactions***" on pages 184 and 46 respectively, and to the extent of the remuneration or benefits to which they are entitled to as per the terms of their appointment and reimbursement of expenses incurred by them in the ordinary course of business and to the extent of the Equity Shares held by them in our Company, and any dividend payable to them and other distributions in respect of such shareholding, our Key Managerial Personnel do not have any other interest in our Company. Our Company does not have any bonus or profit-sharing plan with its Non-executive Directors or Key Managerial Personnel.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to us and our employees and requires us to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons.

Our Company is in compliance with the same and has implemented a code of conduct to regulate, monitor and report trading by Insiders ("***Insider Trading Code***") in accordance with the SEBI Insider Trading Regulations, in terms of which the Company Secretary acts as the Compliance Officer of our Company under the aforesaid code of conduct for the Insider Trading Code.

The Insider Trading Code is uploaded on the website of the Company at the link: https://epigral.com/governance-policies-compliances/

Other confirmations

Except to the extent of their shareholding in the Company, none of our Promoters or Directors or Key Managerial Personnel have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Neither our Company, nor our Promoters nor our Directors have been identified as Wilful Defaulters or Fraudulent Borrower, as defined under the SEBI ICDR Regulations.

None of our Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Neither our Company, nor our Directors, or our Promoters or members of our Promoter Group or the companies with which our Promoters are or have been associated as a promoter or a person in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other governmental authority.

None of the Directors, Promoters or Key Managerial Personnel of our Company intend to subscribe to the Issue.

None of our Directors is or was a director of any listed company which has been or was compulsorily delisted from any stock exchange during the term of their directorship in such company.

Our Promoters have interests in other companies that may undertake the same business as our Company in which our Promoters have an interest, are authorized to carry out, or engage in business similar to that of our Company.

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company as on date of September 30, 2024 is as follows:

Summary statement of holding of Equity Shares as at September 30, 2024:

Category of the shareholder	Nos. of shareholders	No. of fully paid-up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	39	2,97,43,556	2,97,43,556	71.58	2,97,43,556	71.58	2,97,43,556
(B) Public	83,137	1,18,06,602	1,18,06,602	28.42	1,18,06,602	28.42	1,18,06,602
(C1) Shares underlying DRs				0.00		0.00	
(C2) Shares held by Employee Trust				0.00		0.00	
(C) Non Promoter-Non Public				0.00		0.00	
Grand Total	83,176	4,15,50,158	4,15,50,158	100.00	4,15,50,158	100.00	4,15,50,158

Shareholding pattern of the Promoter and members of the promoter group of the Company as on September 30, 2024:

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of equity shares held in dematerialized form
						No.(a)	As a % of total Shares held (b)	
A1) Indian					0.00		0.00	
Individuals/Hindu undivided family		39	2,97,43,556	2,97,43,556	71.58	2,97,43,556	71.58	2,97,43,556
Ashishbhai Natawarlal Soparkar	Promoter	1	63,19,857	63,19,857	15.21	63,19,857	15.21	63,19,857
Patel Natwarlal Meghjibhai	Promoter	1	41,76,851	41,76,851	10.05	41,76,851	10.05	41,76,851
Jayantibhai Meghjibhai Patel	Promoter	1	35,76,707	35,76,707	8.61	35,76,707	8.61	35,76,707
Rameshbhai Meghjibhai Patel	Promoter	1	29,29,569	29,29,569	7.05	29,29,569	7.05	29,29,569
Maulik Jayantibhai Patel	Promoter	1	22,39,091	22,39,091	5.39	22,39,091	5.39	22,39,091
Patel Ankit Natwarlal	Promoter Group	1	19,15,409	19,15,409	4.61	19,15,409	4.61	19,15,409
Anandbhai Ishwarbhai Patel	Promoter	1	18,16,644	18,16,644	4.37	18,16,644	4.37	18,16,644

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of equity shares held in dematerialized form
						No.(a)	As a % of total Shares held (b)	
Taraben Jayantilal Patel	Promoter Group	1	10,07,990	10,07,990	2.43	10,07,990	2.43	10,07,990
Patel Karana Rameshbhai	Promoter Group	1	7,24,853	7,24,853	1.74	7,24,853	1.74	7,24,853
Patel Kalpana Rameshbhai	Promoter Group	1	5,50,140	5,50,140	1.32	5,50,140	1.32	5,50,140
Patel Natubhai Meghjibhai	Promoter Group	1	4,86,194	4,86,194	1.17	4,86,194	1.17	4,86,194
Disha Kevatkumar Vanani	Promoter Group	1	4,85,890	4,85,890	1.17	4,85,890	1.17	4,85,890
Vaishakhi Dhiren Goyal	Promoter Group	1	4,18,703	4,18,703	1.01	4,18,703	1.01	4,18,703
Bhartiben Natubhai Patel	Promoter Group	1	4,17,927	4,17,927	1.01	4,17,927	1.01	4,17,927
Chintan Anandbhai Patel	Promoter Group	1	4,08,476	4,08,476	0.98	4,08,476	0.98	4,08,476
Patel Darshan Anandbhai	Promoter Group	1	4,07,743	4,07,743	0.98	4,07,743	0.98	4,07,743

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of equity shares held in dematerialized form
						No.(a)	As a % of total Shares held (b)	
Kruti Adesh Patel	Promoter Group	1	3,65,037	3,65,037	0.88	3,65,037	0.88	3,65,037
Nayanaben A Soparkar	Promoter Group	1	3,36,298	3,36,298	0.81	3,36,298	0.81	3,36,298
Deval A Soparkar	Promoter Group	1	1,98,930	1,98,930	0.48	1,98,930	0.48	1,98,930
Ruchi Ashishbhai Soparkar	Promoter Group	1	1,98,752	1,98,752	0.48	1,98,752	0.48	1,98,752
Patel Naynaben Anandbhai	Promoter Group	1	1,70,225	1,70,225	0.41	1,70,225	0.41	1,70,225
Patel Rameshbhai Meghjibhai	Promoter Group	1	95,880	95,880	0.23	95,880	0.23	95,880
Kantibhai Meghjibhai Patel (Huf)	Promoter Group	1	73,320	73,320	0.18	73,320	0.18	73,320
Patel Jayantibhai Meghjibhai Huf	Promoter Group	1	69,184	69,184	0.17	69,184	0.17	69,184
Kantibhai Meghjibhai Patel	Promoter Group	1	65,800	65,800	0.16	65,800	0.16	65,800

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of equity shares held in dematerialized form
						No.(a)	As a % of total Shares held (b)	
Haribhai Meghjibhai Patel	Promoter Group	1	43,017	43,017	0.10	43,017	0.10	43,017
Sandhya Maulik Patel	Promoter Group	1	42,746	42,746	0.10	42,746	0.10	42,746
Anand I Patel	Promoter Group	1	35,720	35,720	0.09	35,720	0.09	35,720
Jagrutiben Lalitbhai Patel	Promoter Group	1	27,922	27,922	0.07	27,922	0.07	27,922
Popatbhai Meghjibhai Patel	Promoter Group	1	27,113	27,113	0.07	27,113	0.07	27,113
Popatbhai M Patel (Huf)	Promoter Group	1	25,380	25,380	0.06	25,380	0.06	25,380
Kaushal Ashish Soparkar	Promoter	1	22,929	22,929	0.06	22,929	0.06	22,929
Patel Damini Narendra	Promoter Group	1	13,900	13,900	0.03	13,900	0.03	13,900
Adesh K Patel	Promoter Group	1	13,650	13,650	0.03	13,650	0.03	13,650

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of equity shares held in dematerialized form
						No.(a)	As a % of total Shares held (b)	
Hansaben Amrutbhai Patel	Promoter Group	1	12,455	12,455	0.03	12,455	0.03	12,455
Ashishbhai Soparkar	Promoter Group	1	11,968	11,968	0.03	11,968	0.03	11,968
Dhiren Madhur Goyal	Promoter Group	1	7,500	7,500	0.02	7,500	0.02	7,500
Amrutbhai Shivrambhai Patel	Promoter Group	1	3,645	3,645	0.01	3,645	0.01	3,645
Patel Narendra Bhailalbhai	Promoter Group	1	141	141	0.00	141	0.00	141
Sub Total A1		39	2,97,43,556	2,97,43,511		2,97,43,511		2,97,43,556
A2) Foreign								
A=A1+A2		39	2,97,43,556	2,97,43,556	71.58	2,97,43,556	71.58	2,97,43,556

Statement showing shareholding pattern of the public shareholder of the Company as on September 30, 2024:

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form(Not Applicable)
B1) Institutions	0	0		0.00		0.00	
B2) Institutions (Domestic)	0	0		0.00		0.00	
Mutual Funds/	4	430782	430782	1.04	4,30,782	1.04	4,30,782
Alternate Investment Funds	2	54358	53,358	0.13	53,358	0.13	53,358
NBFCs registered with RBI	2	394	394	0.00	394	0.00	394
Sub Total B1	8	4,85,534	4,85,535	1.17	4,85,534	1.17	4,85,534
B3) Institutions (Foreign)	0	0		0.00		0.00	
Foreign Portfolio Investors Category I	64	680391	6,80,391	1.64	6,80,391	1.64	6,80,391
Foreign Portfolio Investors Category II	9	189553	1,89,553	0.46	1,89,553	0.46	1,89,553

Sub Total B2	73	869944	8,69,944	2.09	8,69,944	2.09	8,69,944
B4) Central Government/ State Government(s)/ President of India	0	0		0.00		0.00	
State Government / Governor	1	10339	10,339	0.02	10,339	0.02	10,339
Sub Total B3	1	10339	10,339	0.02	10,339	0.02	10,339
B5) Non-Institutions	0	0		0.00		0.00	
Key Managerial Personnel	1	1000	1,000	0.00	1,000	0.00	1,000
Investor Education and Protection Fund (IEPF)	1	12432	12,432	0.03	12,432	0.03	12,432
Resident Individuals holding nominal share capital up to Rs. 0.02 Crore	79224	5631356	56,31,356	13.55	56,31,356	13.55	56,31,356
Resident Individuals holding nominal share capital in	28	2061336	20,61,336	4.96	20,61,336	4.96	20,61,336

excess of Rs. 0.02 Crore							
Non Resident Indians (NRIs)	1565	597601	5,97,601	1.44	5,97,601	1.44	5,97,601
Bodies Corporate	347	1180264	11,80,264	2.84	11,80,264	2.84	11,80,264
Vls Finance Ltd.	1	810753	8,10,753	1.95	8,10,753	1.95	8,10,753
Any Other (specify)	1898	956796	9,56,796	2.30	9,56,796	2.30	9,56,796
Clearing Members	9	683	683	0.00	683	0.00	683
HUF	1850	504739	5,04,739	1.21	5,04,739	1.21	5,04,739
LLP	36	447512	4,47,512	1.08	4,47,512	1.08	4,47,512
Escrow Account	1	817	817	0	817	0	817
Trusts	2	3045	3,045	0.00	3,045	0.00	3,045
Sub Total B4	83055	10440785	1,04,40,785	25.13	1,04,40,785	25.13	1,04,40,785
B=B1+B2+B3+B4	83137	11806602	1,18,06,602	28.42	1,18,06,647	28.42	1,18,06,602

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):
Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Shareholding pattern of the non-Promoter – non-public shareholder of the Company as on September 30, 2024:

Category and name of the shareholders(I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Total no. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of equity shares held in dematerialized form (XIV)(Not Applicable)
C1) Custodian/DR Holder	0	0	0	0	0
C2) Employee Benefit Trust	0	0	0	0	0

Details of disclosure made by the trading members holding 1% or more of the total number of shares of the Company as on September 31, 2024:

Sl. No.	Name of the Trading Member	Name of the beneficial owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
	NIL	NIL	NIL	NIL	NIL

ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Application Amount, Allocation and Allotment of Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and the investors are assumed to have apprised themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisors in this regard. Bidders that apply in the issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Manager and their respective directors, officer, agents affiliate and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Also see "**Selling Restrictions**" and "**Transfer Restrictions**" beginning on page 220 and 224 respectively.*

Our Company, the Book Running Lead Manager and their respective directors, officers, agents, advisors, shareholders, employees, counsel, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, our Company, being a listed company in India may issue eligible securities to Eligible QIBs provided that certain conditions are met by such Company. Some of these conditions are set out below:

- the shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must *inter alia* specify that, (a) the allotment of securities is proposed to be made pursuant to the QIP; and (b) the relevant date for the QIP;

- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to seek approval of the shareholders for the abovementioned special resolution; except for Equity Shares allotted during the preceding one year from the date of this Preliminary Placement Document;

- invitation to apply in the QIP must be made through a private placement offer-cum-application form serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law; the issuer shall have completed allotments with respect to any earlier offer or invitation made by the issuer or shall have withdrawn or abandoned such invitation or offer made by the issuer, except as permitted under the Companies Act;

- the issuer shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Preliminary Placement Document), the issuer shall prepare and record a list of Eligible QIBs to whom the Issue will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;

- the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited.

- the Promoters or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016;

- In accordance with the SEBI ICDR Regulations, securities will be issued, and allotment shall be made only in dematerialized form to the allottees; and

- the promoter and directors of the issuer are not Fugitive Economic Offenders

At least 10% of the equity shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs

Bidders are not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of up to 5% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated August 14, 2024 and our Shareholders through a special resolution by a postal ballot dated September 16, 2024 have authorised our Board to decide the quantum of discount up to 5 % of the Floor Price at the time of determination of the Issue Price.

The Issue Price shall be subject to appropriate adjustments, if our Company makes any alteration to its share capital as mentioned in Regulation 176 (4) of the SEBI ICDR Regulations.

The "relevant date" mentioned above in case of allotment of equity shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

The securities must be allotted within 365 days from the date of the shareholders' resolution approving the QIP in one or tranches and also within 60 days from the date of receipt of Application Amount from the successful Eligible QIBs. For details of Allotment, see **"*Pricing and Allocation – Designated Date and Allotment of Equity Shares*"** below.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹250 crores; and

- five, where the issue size is greater than ₹250 crores.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "***Application Form – Bid Process***" on beginning page 202.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

The Issue has been authorised and approved by our Board on August 14, 2024 and our Shareholders through a special resolution by a postal ballot dated September 16, 2024.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States, and may not be offered, sold or delivered in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 220 and 224, respectively.

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold. And Bids may not be made by persons in any such jurisdictions, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On Bid / Issue Opening Date, our Company in consultation with the Book Running Lead Manager shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered

Application Form, either in electronic or physical form to Eligible QIBs and the Application Form will be specifically addressed to such Eligible QIBs. In terms of Section 42(3) of the Companies Act, our Company shall maintain complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act and the PAS Rules.

2. The list of QIBs to whom the Application Form is delivered shall be determined by our Company in consultation with the Book Running Lead Manager. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

3. Eligible QIBs may submit an Application Form, including any revisions thereof, along with the Application Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the Book Running Lead Manager.

4. Bidders will be required to indicate the following in the Application Form:

   - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, email id, PAN details (if applicable), phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe to the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;

   - an undertaking that they will deliver an offshore transaction letter to our Company prior to any sale of Equity Shares confirming that they will not re-offer, re-sell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S under the Securities Act;

   - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;

   - equity shares held by the Bidder in our Company prior to the Issue;

   - it has agreed to all the representations, warranties, acknowledgements and agreements set forth in or incorporated by reference in the Application Form, which will include, but will not be limited to, the representations, warranties, acknowledgements and agreements set forth in the "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 3, 6, 202, 220, and 224, respectively, which will be incorporated by reference; and

- a representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in this Preliminary Placement Document and in the Application Form.

NOTE*: Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

5. Eligible QIBs shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "***Epigral Limited QIP Escrow Account***" with the Escrow Bank, within the Bid/Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, (c) the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "*Issue Procedure– Refunds*" on page 202.

6. Once a duly completed Application Form is submitted by a Bidder and the Application Amount is transferred to the Escrow Account, such application constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

9. Upon receipt of the duly completed Application Form, whether signed or not and the Application Amount in the Escrow Account, on or after the Bid/ Issue Closing Date, our Company shall, in consultation with Book Running Lead Manager determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Manager, on behalf of our Company, will send the serially numbered CAN and the Placement Document to the Successful Bidders. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the Book Running Lead Manager.**

10. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

11. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Manager, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

12. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

13. After passing the resolution passed by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

14. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

15. Our Company will then apply for the final trading approvals from the Stock Exchanges.

16. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

17. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

18. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for, through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in "- *Refunds*" on page 202.

Eligible Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Non-Debt Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue (not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations) and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions; (which are resident in India)
- Mutual Funds registered with SEBI;
- pension funds with minimum corpus of ₹25 crore;
- provident funds with minimum corpus of ₹25 crore;
- public financial institutions; as defined under Section 2(72) of the Companies Act
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIS ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control) should not exceed 10.00% of post-Issue Equity Share capital of our Company. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Further, in terms of the FEMA Rules, the total holding of each FPI or an investor group shall be below 10.00% of the post-issue total paid-up Equity Share capital of our Company on a fully diluted basis.

Further, with effect from April 1, 2020, the limit of total holdings of all Eligible FPIs put together shall be the sectoral cap applicable to our Company, currently being 50.00% under the automatic route. As of June 30, 2024, the aggregate FPI shareholding in our Company is 2.71% of our Company's paid-up Equity Share capital on a fully diluted basis. For further details, see "*Shareholding Pattern of our Company*" on page 191.

In case the holding of an FPI including its investor group increases to 10.00% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per the procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. As per the circular issued by SEBI dated November 5, 2019 (circular no. IMD/FPI&C/CIR/P/2019/124), these investment restrictions shall also apply to subscribers of Offshore Derivative Instruments. Two or more subscribers of Offshore Derivative Instruments having a common beneficial owner shall be considered together as a single subscriber of the Offshore Derivative Instruments. In the event an investor has investments as an FPI and as a subscriber of Offshore Derivative Instruments, these investment restrictions shall apply on the aggregate of the FPI and Offshore Derivative Instruments investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed Central Depository Services (India) Limited as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3.00% below the overall limit a red flag shall be activated. The designated depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars / public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions*" on page 220 and 224, respectively.

Please note that participation by non-residents in the Issue is restricted to participation by FPIs under Schedule II of the FEMA Rules, in the Issue subject to limit of the individual holding of an FPI below 10.00% of the post Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding 100.00% (sectoral limit of the sector in which our Company operates) of the paid-up capital of our Company. Other non-residents such as FVCIs are not permitted to participate in the Issue.

Restriction on Allotment.

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a promoter, or any person related to, the promoter. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the promoter:

- rights under a shareholders' agreement or voting agreement entered into with the promoters or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on the board of the Issuer.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoter.

Our Company, the Book Running Lead Manager and any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: Affiliates or associates of the Book Running Lead Manager who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the Book Running Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made all the following representations and warranties and the representations, warranties and agreements made under "***Notice to Investors***", "***Representations by Investors***" and "***Selling Restrictions***" beginning on pages 3, 6 and 220, respectively:

1. Each Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. Each Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoter(s), either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter(s) or members of the Promoter Group or persons related to the Promoter(s);

3. Each Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoter(s);

4. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

5. Each Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

6. Each Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

7. Each Eligible QIB confirms that the Eligible QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

8. Each Eligible QIB confirms that its Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations;

9. The Eligible QIB agrees that it will make payment of its Application Amount along with submission of the Application Form within the Issue Period. Each Eligible QIB agrees that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

10. The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Manager. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as "*proposed Allottees*" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that, disclosure of such details as "*proposed Allottees*" in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Manager;

    a. QIBs "*belonging to the same group*" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other Eligible QIB; and

    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

12. The Eligible QIBs acknowledge that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

13. Each Eligible QIB confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

14. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

15. A representation that such Bidder is outside the United States, is acquiring the Equity Shares in an "offshore transaction" under Regulation S and is not an affiliate of the Company or the Book Running Lead Manager or a person acting on behalf of such an affiliate

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the FDI Policy, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy.

ELIGIBLE QIBs MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANTS IDENTIFICATION NUMBER AND ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM, IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRE BY THE BOOK RUNNING LEAD MANAGER, THE ELIGIBLE QIBs SUBMITTING A BID ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGER TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the Book Running Lead Manager) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the relevant Escrow Account into which the Application Amounts will have to be deposited. The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at either of the following addresses:

Name	Address	Contact Person	Email	Telephone
Emkay Global Financial Services Limited	7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West Mumbai 400 028	Deepak Yadav/Pooja Sarvankar	epgl.qip@emkayglobal.com	+91 22 66121212

The Book Running Lead Manager shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

All Bidders Bidding in the Issue shall pay the entire Application Amount along with the submission of the Application Form, within the Issue Period.

Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "*Epigral Limited QIP Escrow Account*" with Amount only through electronic transfer of funds from their own bank account the Escrow Bank, in terms of the Escrow Agreement entered among our Company, the Book Running Lead Manager and the Escrow Bank. Each Bidder will be required to deposit the Application Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bid/ Issue Period. Bidders can make payment of the Application.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "*Epigral Limited QIP Escrow Account*" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Application Amount in terms of this Preliminary Placement Document. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "*Issue Procedure – Refunds*" on page 202.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. For the purpose of determination of the Floor Price, '*stock exchange*' shall mean any of the recognised stock exchanges in which the Equity Shares are listed and in which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. However, our Company may offer a discount of not more than 5% of the Floor Price in accordance with the approval of the Shareholders of our Company accorded through special resolution by a postal ballot dated September 16, 2024, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Our Company, in consultation with the Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price.

The "Relevant Date" referred to above will be the date of the meeting in which the Board or the committee thereof decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Build-up of the Book

The Bidders shall submit their Bids (including any revision thereof) through the Application Forms within the Bid/ Issue Period to the Book Running Lead Manager. Such Bids cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the Book Running Lead Manager.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our shareholders pursuant to special resolution by a postal ballot dated September 16, 2024. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Manager on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with Book Running Lead Manager has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID

THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE BID/ ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGER ARE NOT OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Application Amount, our Company, in consultation with the Book Running Lead Manager, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Application Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Successful Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the respective Successful Bidders shall be deemed a valid, binding and irrevocable contract for such Bidders to subscribe to the Equity Shares Allocated to them. Subsequently, our Board or the Fund Raising Committee will approve the Allotment of the Equity Shares to the Allottees in consultation with the Book Running Lead Manager.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section "*Notice to Investors*" on page 3 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, no transfer of securities in listed companies in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Allottees.

5. Following the credit of Equity Shares into the respective Allottees' beneficiary accounts, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue under Form PAS-3 with the RoC within the prescribed timelines under the Companies Act, whichever is later.

7. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company.

8. Pursuant to the circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Bidder has deposited the Application Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which Application Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC, whichever is later.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Manager in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the Bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder as set out in the Application Form. For details, see "*Issue Procedure" – "Refund*" on page 202.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL.

The Stock Exchanges have electronic connectivity with NSDL and CDSL. The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Manager shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT AND LOCK UP

Placement Agreement

The Book Running Lead Manager has entered into the Placement Agreement dated October 21, 2024 with our Company, pursuant to which the Book Running Lead Manager has agreed, subject to certain conditions, to manage this Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares on a reasonable effort's basis.

The Equity Shares will be placed with the Eligible QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act read with Rule 14 of the PAS Rules, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and is subject to satisfaction of certain conditions and termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies, and no Equity Shares issued pursuant to the Issue, will be offered in India or overseas to the public or any members of the public in India or any other class of prospective investors, other than Eligible QIBs.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation Sand the applicable laws of the jurisdiction where those offers and sales are made. For further details, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 220 and 224, respectively.

Relationship with the Book Running Lead Manager

In connection with the Issue, the Book Running Lead Manager or its affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase or subscribe to the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see the section "***Offshore Derivative Instruments***" beginning on page 12.

From time to time, the Book Running Lead Manager, and its affiliates and associates may have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, commercial banking, trading services for our Company, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Manager and its affiliates and associates.

Lock up

Under the Placement Agreement, our Company has undertaken that it will not, for a period commencing from the date hereof and ending 90 days from the date of Allotment, without the prior written consent of the Book Running Lead Manager, directly or indirectly:

a) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any equity shares, or any securities convertible into or exercisable or exchangeable for Equity Share (including, without limitation, securities convertible into or exercisable for Equity Shares which may be deemed to be beneficially owned); or

b) file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; or

c) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares, regardless, whether any of the transaction is to be settled by the delivery of Equity Shares or other securities convertible into or exercisable or exchangeable for the Equity Shares, in cash or otherwise; or

d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Shares in any depository receipt facility; or

e) deposit Equity Shares with any other depositary in connection with a depositary receipt facility,

f) publicly announce any intention to enter into any transaction described in (a) to (c) above, whether any such transaction described in (a) to (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise;

However, the foregoing restrictions shall not be applicable to the

(i) the issuance of the Equity Shares pursuant to this Issue;
(ii) preferential issuance of Equity Shares or any other securities to the Promoters of the Company;
(iii) a bonus issue in accordance with applicable laws; and
(iv) any transaction required by law or an order of a court of law or a statutory authority.

Further, subject to approval of our Board and the Shareholders of our Company, our Company may undertake a preferential issue of its Equity Shares to Promoters, HNIs and other investors.

Promoter's Lock-up

Our Promoters and members of the Promoter Group agree that without the prior written consent of the Book Running Lead Manager, they shall not, announce any intention to enter into any transaction whether any such transaction which is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, during the period commencing on the date of the Preliminary Placement Document and ending 90 days from the date of the filing of the Placement Document (both dates inclusive) ("**Lock-up Period**") directly or indirectly: (1) offer, issue, pledge, sell, encumber, contract to sell or announce the intention to sell, lend, purchase any option or contract to sell, grant or sell any option, right, contract or warrant to purchase, lend, make any short sale or otherwise transfer or dispose of any Equity Shares or any other securities of our Company substantially similar to the Equity Shares acquired or purchased during the Lock-Up Period, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, whether now owned or hereinafter acquired; (2) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the Equity Shares and the securities that are convertible into, exercisable or exchangeable for or any such substantially similar securities, whether now owned or hereinafter acquired; whether any such transaction described in clause (1) or (2) above is to be settled by delivery of the Equity Shares or such other securities, in cash or otherwise, (3) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in any depository receipt facility, or (4) publicly announce its intention to enter into the transactions referred to in (1) to (3) above.

Provided, that none of the foregoing restrictions shall restrict –

(i) the inter-se transfer of any Equity Shares between the Promoters and members of the Promoter Group, provided that the lock-up shall continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the Lock-up Period set out herein has expired;
(ii) the bona fide pledge of lock-up Equity Shares, as collateral for loans as per the normal commercial terms entered into, in the ordinary course of business of the Company, where any arrangement for any such

encumbrance as collateral is undertaken with the prior written approval of the Book Running Lead Manager; and

(iii) a preferential issue of Equity Shares or any other securities of our Company, subject to the approval of our Board and the Shareholders of our Company, to our Promoters, in one or more tranches.

In addition, the Promoters shall not, without the prior written consent of the Book Running Lead Manager, during the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any Equity Shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, hereinafter acquired.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under "Notice to Investors" and "Representations by Investors" on pages 3 and 6, respectively.

General

No action has been taken or will be taken by our Company or the Book Running Lead Manager that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made only to Eligible QIBs through a QIP, in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgment and agreements as described in this section and under "*Notice to Investors*", "*Representations by Investors*" and "*Transfer Restrictions*" beginning on pages 3, 6 and 224, respectively.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. The offering of Equity Shares pursuant to this Preliminary Placement Document by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public at large about this Issue is prohibited.

European Economic Area

In relation to each member state of the European Economic Area (each, a "Relevant State"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares that has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of the Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Manager and the Syndicate Members for any such offer; or

c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of Equity Shares shall require our Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the Underwriters and our Company that it is a "qualified investor" within the meaning of the law in that Member State implementing Article 2(e) of the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Member State means the communication in any form and by means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase Equity Shares and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Equity Shares may be offered or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "Financial Instruments and Exchange Act" or the "FIEA"). No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) ("Japanese Resident") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the "Qualified Institutional Investor"), the Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Equity Shares (the "QII Equity Shares") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor

Singapore

The Preliminary Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore, and the Equity Shares will be offered pursuant to exemptions under the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA"). Accordingly, the Equity Shares may not be offered or sold or made the subject of an invitation for subscription or purchase nor may the Preliminary Placement Document or any other document or material in connection with the offer or sale or invitation for subscription or purchase of the Equity Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

c) securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

   i. to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

   ii. where no consideration is or will be given for the transfer

   iii. where the transfer is by operation of law

   iv. as specified in Section 267(7) of the SFA; or

   v. As specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products)

United Kingdom

The communication of this Preliminary Placement Document and any other document or materials relating to the issue of the Equity Shares offered hereby is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "FSMA"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. In the United Kingdom, this Preliminary Placement Document is being distributed only to, and is directed only at those (i) who have professional experience in matters relating to investments and who fall within the definition of investment professionals in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons") or otherwise in circumstances which have not resulted and will not result in an offer to the public of the Equity Shares in the United Kingdom within the meaning of the FSMA. Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this Preliminary Placement Document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this Preliminary Placement Document relates to may be made or taken exclusively by relevant persons.

In addition, in relation to the United Kingdom, no offer of Equity Shares which are the subject of the offering contemplated by this Preliminary Placement Document to the public may be made in the United Kingdom other than:

(i) to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 ("EUWA");

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA) in the United Kingdom subject to obtaining the prior consent of the Underwriters; or

(iii) in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Equity Shares shall require our Company or any Underwriter to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

For the purposes of this provision, the expression "an offer of Notes to the public" in relation to any Equity Shares means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

United States

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see "*Representations by Investors*" and "*Transfer Restrictions*" on pages 6 and 224, respectively.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchange, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 220.

United States Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. By accepting delivery of this Preliminary Placement Document, submitting a bid to each purchaser of the Equity Shares outside the United States is deemed to have represented, agreed and acknowledged as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Preliminary Placement Document) which may be applicable in its jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Equity Shares, and it acknowledges and agrees that none of the Company or the Book Running Lead Manager and their affiliates shall have any responsibility in this regard..

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in offshore transactions in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S) , and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- The Equity Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

- It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the U.S. Securities Act and other applicable securities laws only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and, in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or the Book Running Lead Manager for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.(vi) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.

- It agrees to indemnify and hold the Company and the Book Running Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the Book Running Lead Manager liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

If such person is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that the Company and the Book Running Lead Manager and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the Book Running Lead Manager. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, the Book Running Lead Manager or any of their respective affiliates or advisors

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity

Stock Exchange Regulations

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, as amended from time to time, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate inter alia the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act, and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, to govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding at 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Further, where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

BSE is one of the stock exchanges in India on which our Equity Shares are listed. Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. Deliveries for trades executed "on- market" are exchanged through the National Securities Clearing Corporation Limited. It has evolved over the years into its present status as one of the premier stock exchanges of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen-based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to, inter alia, continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/ voting rights/ control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. The SEBI Takeover Regulations were further amended on June 22, 2020 to exempt any acquisitions by way of preferential issue from the obligation to make an open offer. Subsequently, the SEBI Takeover Regulations were amended on August 13, 2021 exempting (a) persons, together with persons acting in concert with him, holding shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company; and (b) promoter of the target company, together with persons acting in concert with him, from making continual disclosures in relation to aggregate shareholding and voting rights in the target company. Further, the amendment has also removed certain disclosure obligations for acquirers/promoters, pertaining to acquisition or disposal of shares aggregating to 5% and any change of 2% thereafter, annual shareholding disclosure and creation/invocation/release of encumbrance registered in depository systems under the SEBI Takeover Regulations. These relaxations have been given on account of implementation of the System Driven Disclosures (SDD).

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, inter alia, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities listed or proposed to be listed, to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations also provides for disclosure obligations for promoters, members of the promoter group, designated person or director in case value of trade exceed monetary threshold of ₹1 million over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations.

Further, on July 17, 2020, SEBI amended the Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act. Bidders are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share capital

The authorized share capital of our Company is ₹ 5,73,12,88,000 divided into 12,05,00,000 Equity Shares of face value of ₹10 each, 20,00,000 Preference Shares of face value of ₹100 each and 43,26,28,796 Preference Shares of face value of ₹10 each. For further details, see "***Capital Structure***" beginning on page 87.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM of shareholders held each financial year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions specified under Section 123 of the Companies Act and the rules made thereunder no dividend can be declared or paid by a company for any financial year except (a) out of the profits of the company for that year after providing depreciation, calculated in accordance with the provisions of the Companies Act; or (b) out of the profits of the company for any previous financial year(s) arrived at in accordance with the Companies Act and remaining undistributed; or (c) out of both; or (d) out of money provided by the Central Government or a state Government for payment of dividend by the Company in pursuance of a guarantee given by that Government.

Further, as per the Companies Act, read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in case of the inadequacy or absence of profits in any year, a company may declare dividend out of the accumulated profits earned in previous years and transferred to the free reserves, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves based on its most recent audited financial statements; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of the reserves of our Company after such withdrawal shall not fall below 15% of the company's paid up share capital based on its most recent audited financial statements.

These dividends are required to be deposited into a separate bank account within five days of the declaration of such dividend and paid to shareholders within 30 days of the date of its declaration.

The Articles of Association provide that our Company in its general meeting may declare dividends to be paid to the members according to their shareholding. The dividend shall not exceed the amount recommended by our Board. Further, our Board may from time to time pay the members interim dividend as may appear to them to be justified. No dividend may be paid otherwise than out of the profits of our Company, arrived at in the manner provided under the Companies Act.

The dividends of our Company shall be divisible among the members in proportion of the amount of capital paid up or credited as paid-up on the Equity Shares, held by them for the respective period of the holding of the Equity Shares or both. However, our Board may retain any dividends on which our Company may have a lien and may apply the same towards the satisfaction of the debts or liabilities in respect of which the lien exists. All dividends shall be apportioned and paid on the amounts paid or credited as paid on the Equity Shares during any portion or portions of the period in respect of which the dividend is paid but if any Share is issued on terms providing that it shall rank for dividends as from a particular date, such Share shall rank for dividend accordingly. No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Equity Shares while any money may be due or owing from him to the company and our Board may deduct from the interest or dividend to any member all such sums of money so due from him to our Company. A transfer of Equity Shares shall not pass the right to any dividend declared therein before the registration of the transfer.

The Companies Act states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account. Any dividend amount (along with interest) that remains unpaid or unclaimed for seven years from the date of such transfer is to be transferred by our Company to a fund, called the Investor Education and Protection Fund, created by the Government. In addition, all shares in respect of which dividend has not been paid or claimed for seven consecutive years, shall be transferred by the Company to the Investor Education and Protection Fund along with a statement containing requisite details.

Capitalisation of Reserves and Issue of Bonus Shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors, if so approved by the shareholders in a general meeting, to capitalise its profits or reserves for the purpose of issuing fully paid-up bonus shares, which are similar to stock dividend. The Companies Act permits the issue of fully paid up bonus shares from its free reserves, securities premium account or capital redemption reserve account, provided that bonus shares shall not be issued by capitalising reserves created by revaluation of assets. These bonus Equity Shares must be distributed to shareholders in proportion to the number of Equity Shares owned by them as recommended by the board of directors.

Any issue of bonus shares by a listed company would be subject to the SEBI regulations. The relevant SEBI regulations prescribe that no company shall make a bonus issue of Equity Shares if it has outstanding fully or partly convertible debt instruments at the time of making the bonus issue, unless it has made reservation of the Equity Shares in the same class in favour of the holders of the outstanding convertible debt instruments in proportion to the convertible part thereof and the Equity Shares reserved for the holders of fully or partly convertible debt instruments shall be issued at the time of conversion of such convertible debt instruments on the same terms or same proportion on which the bonds were issued. Further, for issuance of such bonus shares, a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The declaration of bonus shares in lieu of a dividend cannot be made. The bonus issuance shall be made out of free reserves built out of genuine profits or share premium collected in cash only. The reserves created by revaluation of fixed assets cannot be capitalised. Further, a company should have sufficient reason to believe that it has not defaulted in respect of the payment of statutory dues of the employees, such as contributions to provident funds, gratuities and/or bonuses.

The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of Equity Shares and standing to the credit of the Shares Premium Account) be capitalized and distributed among such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.

Alteration of Share Capital

Subject to the provisions of the Companies Act our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of our Shareholders in a General Meeting may determine. According to Section 62(1)(a) of the Companies Act such new shares shall be offered to existing shareholders in proportion to the paid up share capital on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date or on receipt of earlier intimation from the persons to whom such notice is given that they decline to accept the shares offered, the Board may dispose of the shares offered in respect of which no acceptance has been received in a manner which shall not be disadvantageous to the shareholders of our Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. Private Placement and Public Issues shall be undertaken pursuant to Chapter III of the Companies Act.

Under the provisions of Section 62(1)(c) of the Companies Act and the Companies (Share Capital and Debentures)

Rules, 2014, new shares may be offered to any persons whether or not those persons include existing shareholders or employees to whom shares are allotted under a scheme of employees stock options, either for cash or for consideration other than cash, if a special resolution to that effect is passed by our Company's shareholders in a general meeting. Our Company may, by a resolution passed in a general meeting, from time to time, increase the share capital by the creation of new Equity Shares of such amount as may be deemed expedient and specified in the resolution. Such increase in the share capital shall be subject to compliance with the provision of the Companies Act and of any other laws that may be in force. New Equity Shares shall be issued upon such terms and conditions and with such rights and privileges attached thereto as are consistent with provisions of the Companies Act and which the general meeting, resolving upon the creation thereof shall direct and if no direction be given, as our Board shall determine, and in particular such Equity Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of our Company and with a special or without any right of voting, subject to the conditions prescribed under the Companies Act.

Our Company may by Ordinary Resolution:

(i) Consolidate and divide its Equity Shares or any of them into Equity Shares of larger amount than its existing Equity Shares; subject to the applicable approvals under the Companies Act for any consolidation and division which results in change in the voting percentage of members;

(ii) Subdivide its existing Equity Shares or any of them into Equity Shares of smaller amount than is fixed originally by the Memorandum of Association, such that in the subdivision, the proportion between the amount paid and the amount unpaid on each reduced Share be the same as it was in the case of the Share from which the reduced Share is derived and other conditions, if any, laid down by the Articles of Association;

(iii) Cancel any Equity Shares which at the date of the passing of the ordinary resolution, have not been taken or agreed to be taken by any person and also may diminish the amount of its Share capital by the amount of the Equity Shares so cancelled.

Further, our Company may, from time to time, by special resolution, reduce its share capital or any share premium account in any manner, subject to any incident authorized and consent required by law.

General Meetings of Shareholders

Every year our Company is required to hold an annual general meeting in addition to any other meetings. Further, our Board may, whenever it thinks fit, call an extraordinary general meeting and shall, on the requisition of a number of members who constitute not less than one-tenth of the paid-up capital of our Company, proceed to call an extraordinary general meeting. Not less than 21 days' clear notice in writing of the general meeting is to be given, but shorter notice may be given if consent in writing is accorded by all the members entitled to vote and in case of any other meetings, with the consent of members holding not less than 95 per cent of such part of the paid-up Share capital of our Company which gives a right to vote at the meeting. For a meeting of the shareholders, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. No business is to be transacted at the general meeting unless the requisite quorum is present at the commencement of the same. If the quorum is not present within half an hour of the time appointed for a meeting, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place. The Articles of Association further provide that no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

The Chairman of our Board shall be entitled to take the chair at every general meeting or, if there is no such chairman, or if at any general meeting he is not present within fifteen minutes after the time appointed for holding such general meeting or is unwilling to act as Chairman, the Directors present shall elect one of them to be the chairman of the meeting. If no Director is present or if all the Directors present decline to take the chair, then the members present shall choose one amongst themselves to be chairman of the general meeting.

A company intending to pass a resolution relating to matters such as, but not limited to, amendments to the objects clause of the Memorandum of Association, a variation of the rights attached to a class of shares or debentures or other securities, buy-backs of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the notice. Postal ballot includes voting by electronic mode.

Voting Rights

Every member present in person shall have one vote on poll and the member present in person or by proxy shall have one vote for each Share of our Company held by him, subject to any rights or restrictions for the time being attached to any class or classes of Equity Shares. The Articles of Association provide that votes may be given by proxies in a manner as authorized under the Articles of Association.

The instrument appointing a proxy is required to be lodged at the registered office at least 48 hours before the time of the meeting. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument or transfer of the Share in respect of which the vote is given provided no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office of our Company before the general meeting. Provided never the less that the chairman of any general meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

No member is entitled to be present or to vote on any question either personally or by proxy or as proxy for another member at any general meeting or upon a poll or to be reckoned in a quorum while any call or other sum payable to our Company in respect of any of the Equity Shares of such member shall remain unpaid, and no member is entitled to be present or to vote at any general meeting in respect of any Equity Share that he has acquired by transfer unless his name is entered as the registered holder of the Equity Share in respect of which he claims to vote, but this shall not affect Equity Shares acquired under a testamentary disposition or by succession to an intestate or under an insolvency or liquidation.

Ordinary resolutions may be passed by simple majority of those present and voting and those voting electronically. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

Directors

The Articles of Association provide that the number of Directors shall not be less than three and not be more than fifteen. The Directors shall be appointed by our Company in the general meeting subject to the provisions of the Companies Act and the Articles of Association. The Companies Act provides that not less than two-thirds of the total number of directors on the board of a company, excluding the independent directors, shall be liable to retire by rotation. One-third of the directors shall automatically retire every year at the annual general meeting and shall be eligible for re-appointment. The directors to retire by rotation shall be decided based on those who have been longest in office, and as between persons appointed on the same day, the same shall be decided by mutual agreement or by draw of lots. The independent directors may be appointed for a maximum of two terms of up to five consecutive years each; however, such directors are eligible for re-appointment after the expiry of three years of ceasing to be an independent director provided that such directors were not, during the three-year period, appointed in or associated with the company in any other capacity, either directly or indirectly. Any reappointment of independent directors, inter alia, shall be on the basis of performance evaluation report and requires the approval of the shareholders by way of a special resolution.

Our Board is required to meet at least once every 120 days for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year. The quorum for a meeting of our Board is one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher. However, where it involves a decision on an affirmative vote item, the quorum is required to include an investor Director.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act and the related SEBI guidelines issued in connection therewith.

Transfer and transmission of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system.

Transfers of beneficial ownership of shares held through a depository are subject to STT (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with NSDL and CDSL.

SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered. Pursuant to the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository. The Equity Shares shall be freely transferable, subject to applicable laws

Liquidation Rights

In the event that our Company is wound up, and the assets available for distribution among the members as such are insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the Equity Shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the paid up capital at the commencement of the winding up the excess shall be distributed amongst the members but this shall be without prejudice to the rights of member registered in respect of Equity Shares issued upon special terms and conditions. On winding up, preference shares issued by our Company, if any, shall rank in priority to Equity Shares but shall not be entitled to any further participation in profits or assets.

STATEMENT OF POSSIBLE TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO EPIGRAL LIMITED (FORMERLY KNOWN AS MEGHMANI FINECHEM LIMITED) AND ITS SHAREHOLDERS UNDER THE INCOME-TAX ACT, 1961

The Board of Directors of Epigral Limited
(Formerly known as Meghmani Finechem Limited)
"Epigral House," Behind Safal Profitaire,
Corporate Road, Prahlad Nagar,
Ahmedabad- 380015
Gujarat, India.

Dear Sirs / Madams,

Statement of Possible Tax Benefits available to Epigral Limited and its shareholders under the Income Tax ACT, 1961.

We hereby confirm that the enclosed Annexure, prepared by Epigral Limited (formerly known as Meghmani Finechem Limited), (hereinafter referred as the 'Company'), provides the possible tax benefits available to the Company, and to the shareholders of the Company under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act (No. 2), 2024, i.e. applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, presently in force in India:

1. The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing Act, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

   Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company, and / or its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company, or its shareholders may or may not choose to fulfil.

2. We do not express any opinion or provide any assurance as to whether:

   i) the Company or its shareholders will continue to obtain these benefits in future;
   ii) the conditions prescribed for availing the benefits have been / would be met with; and
   iii) the revenue authorities/courts will concur with the views expressed herein.

3. The contents of the enclosed Annexure is based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

4. This Statement is issued solely in connection with the Qualified Institution placement offering of equity shares of face value of Rs. 10 each (the "Offer"), to be filed by the Company with the National Stock Exchange of India Limited and BSE Limited, and is not to be used, referred to or distributed for any other purpose.

S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Abhishek Karia
Partner
Membership Number: 132122
UDIN: 24132122BLAXCA2168
Place of Signature: Ahmedabad
Date: October 21, 2024

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA - INCOME-TAX ACT, 1961

Outlined below are the tax benefits available to Epigral Limited (the "Company") and its Shareholders under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act (No. 2), 2024 applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India and the amendments inserted by Finance (No. 2) Act, 2024. These tax benefits are dependent on the Company and its Shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its Shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

1. Possible Tax benefits available to the Company under the Act

A. Deduction under Section 80-IA of the Act

The Company is entitled for tax holiday under section 80-IA of the Act on the power generation unit i.e., its 20 Mega Watt Power Plant. Section 80IA of the Act provides tax benefits to businesses that operate in infrastructure, power, telecommunication, and other specified sectors. Under Section 80-IA, eligible businesses can claim a tax exemption on their profits. As per section 80-IA, a deduction of an amount equal to 100% of the profits and gains derived by an undertaking or an enterprise from business of power generation, shall be allowed. This deduction is available for 10 consecutive years out of 15 years beginning from the year in which the enterprise develops or begins to operate the businesses. This exemption is available only if profits are derived from eligible business activities. Any income generated from non-eligible activities will not qualify for the exemption.

However, the aforementioned deductions are not available while computing tax liability of the Company under Minimum Alternate Tax (MAT). Nonetheless, such MAT paid / payable on the book profits of the Company computed in terms of the provisions of the Act, read with Companies Act, 2013 would be eligible for credit against tax liability arising under normal provisions of tax.

B. Deduction under Section 80JJAA of the Act

As per Section 80JJAA of the Act, an assessee subject to tax audit under Section 44AB of the Act, is entitled to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided, subject to fulfilment of prescribed conditions therein.

The deduction under Section 80JJAA is available even if the Company opts for concessional tax rate in future under Section 115BAA of the Act.

C. Deduction under Section 80M of the Act

As per Section 80M of the Act, where domestic companies have declared dividend and are also in receipt of the dividend from another domestic company or a foreign company or a business trust, deduction is allowed with respect to the dividend received as long as the same is distributed as dividend one month prior to the due date of furnishing the return of income under sub-section (1) of Section 139 of the Act.

The deduction under Section 80M is available even if domestic company opts for concessional tax rate in future under Section 115BAA of the Act.

D. Deduction under Section 115BAA of the Act

As per Section 115BAA of the Act, an assessee has an option to compute corporate tax at a reduced rate of 22% (plus applicable surcharges and education cess) from FY 2019-20, provided such companies do not avail specified exemptions / incentives (e.g., deductions under section 10AA,32(1)(iia), 33ABA, 35(2AB), 80-IA, etc.)

The provisions of Section 115JB regarding Minimum Alternate Tax (MAT) are not applicable if the Company opts for the concessional income tax rate as prescribed under Section 115BAA of the Act.

E. Deduction under Section 80G of the Act

A deduction equal to 100% or 50% (with or without qualifying limit), as the case may be, on sums paid as donations to certain specified entities is allowable as per section 80G of the Act while computing the total income of the Company.

However, benefit under this section will not be available if the Company opts for concessional tax regime under section 115BAA of the Act in future.

F. Allowance of additional depreciation under Section 32 of the Act

Subject to the specified conditions under Section 32(1)(iia) of the Act, assessee engaged in the business of manufacture or production of any article or thing or in the business of generation, transmission or distribution of power is allowed additional depreciation at the rate of 20% on any new plant and machinery installed after 31 March 2005.

However, benefit under this section will not be available if the Company opts for concessional tax regime under section 115BAA of the Act in future.

G. Deduction in respect of Research & Development under Section 35 of the Act

The Company has launched its first research and development centre at Ahmedabad recognized by the Department of Scientific and Industrial Research (DSIR) and Ministry of Science & Technology, during FY 2023-24. The Company has obtained a registration from the Department of Scientific and Industrial Research ("DSIR") on March 06, 2024 for its Research and Development Unit located at Plot No. 27 to 38, 39B, Indus Industrial Tower, Near Shailja Door, Opposite Pharmez, Village - Matoda, Changodar, Sarkhej Bavla Road, Ahmedabad, Gujarat from February,15 2024 to March 31, 2026.

As per Section 35(1)(i) of the Act, 100% deduction is allowed in respect of revenue expenditure for the R&D unit in the year which the expense is incurred. Expenditure incurred before 3 years immediately preceding the commencement of the business on payment of salary to research personnel engaged in scientific research related to the business or on purchase of material inputs for scientific research will also be allowed as a deduction in the year in which the R&D unit's operations are commenced.

Further, as per Section 35(1)(iv) of the Act, the capital expenditure incurred in the said unit (except the cost of land) would be eligible for 100% deduction to the company in the year of incurring the same, subject to compliances as prescribed under the Income Tax Act and related Rules made for the same.

2. Possible Tax benefits available to Shareholders

There are no special tax benefits available to the shareholders of the Company for investing in the shares of the company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the Act. Further, it may be noted that these are general tax benefits available to the equity shareholders (other types of shareholders, if any, are not covered for analysis below).

A. Dividend Income

Dividend earned by the equity shareholders would be taxable in their hands at applicable rates. However, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, maximum rate of surcharge would be restricted to 15%, irrespective of the amount of dividend. Further, in case shareholder is a domestic company, deduction under Section 80M of the Act would be available on fulfilment of the prescribed conditions.

In case of dividend income earned by domestic shareholders, income reported under the head "Income from other sources," shall be computed after making deduction of sum paid by way of interest on capital borrowed for the purpose of investment. However, no deduction shall be allowed from dividend income, other than deduction on account of interest expense, and in any financial year such deduction under Section 57 of the Act, shall not exceed 20% of the dividend income.

NOTES:

1. This Annexure sets out only the tax benefits available to the company and the shareholders under the current Income-tax Act, 1961 i.e. the Act as amended by the Finance Act (No. 2), 2024 applicable for Financial year 2024-25 relevant to the Assessment year 2025-26, presently in force in India.
2. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
4. The above statement covers only certain tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company. The subscribers of the shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them under the laws of such jurisdiction.

5. The above statement of tax benefits sets out the provisions of the Act, read with the relevant rules, circulars, and notifications, in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.

6. The above statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

7. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant double tax avoidance agreements, if any, between India and the country in which such non -resident is a tax resident of.

For Epigral Limited

____
Chief Financial Officer
Place: Ahmedabad
Date: October 21, 2024

LEGAL PROCEEDINGS

We are involved in various legal proceedings including arbitrations from time to time, mostly arising in the ordinary course of business. These legal proceedings, including arbitrations are primarily in the nature of tax disputes, criminal and civil proceedings, which are pending before various adjudicating forums.

*Except as disclosed below, in terms of our Company's "Policy for Determination of Materiality of Events/information" ("**Materiality Policy**") framed in accordance with Regulation 30 of the SEBI Listing Regulations, there are no outstanding litigations involving our Company that have been disclosed to the Stock Exchanges, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Preliminary Placement Document.*

*However, solely for the purpose of the Issue, our Company has disclosed in this section, to the extent applicable (i) all outstanding criminal proceedings involving our Company, our Directors and our Promoters; (ii) all outstanding actions by statutory or regulatory authorities against our Company, our Directors and our Promoters;; (iii) outstanding civil proceedings and arbitrations involving against our Company, our Promoters and our Directors which involve an amount equivalent to or above ₹13.37 crores, which is 5% of average of profit after tax based on the last three Audited Consolidated Financial Statements ("**Materiality Threshold**"); (iv) consolidated disclosure of the direct and indirect tax matters involving the Company; (v) any matter including pending and settled cases, reflected in the watchout search for the last three financial years and the three-month period ended June 30, 2024 and (vi) any other outstanding litigation involving our Company, our Directors and our Promoters wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of our Company.*

Except as disclosed below, (i) there is no litigation or legal action pending or taken by any ministry or department of the government or a statutory authority against any of our Promoters during the last three years immediately preceding the year of circulation of this Preliminary Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Preliminary Placement Document involving our Company, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company; (iii) there are no defaults in repayment of (a) debentures and interests thereon; (b) deposits and interests thereon; and (c) loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Preliminary Placement Document;(iv) there no significant delays in payment of undisputed statutory dues (v) there are no material frauds committed against us in the last three years; (vi) there are no defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder; (vii) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; or (viii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of this Preliminary Placement Document.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Directors and/or our Promoters from third parties (excluding statutory / regulatory /governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Directors and/or our Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

1. Litigation involving our Company

Material civil proceedings involving our Company

A. Civil Proceedings filed by our Company

As on date of this Preliminary Placement Document, there are no outstanding material civil proceedings initiated by our Company.

B. Civil Proceedings filed against our Company

APICAL (Malayasia) Sdn. Bhd., ("**Claimant**") initiated arbitration proceedings on December 15, 2023 against our Company ("**Respondent**"), before the Singapore International Arbitration Centre ("**SIAC**") in connection with further sale of refined glycerine on dated July 8, 2022 ("**Product**"), to the Respondent which the Respondent claims to be a non-existent or non-concluded contract ("**Alleged Contract**"). The Claimant's claim before SIAC is USD 3,180,000 (amounting to ₹ 26.70 crores). Subsequently, Respondent filed regular civil suit no. 98 of 2024 ("**Suit**") before the Principal Senior Civil Judge, Ahmedabad (Rural) at Mirzapur ("**Trial Court**"), *inter alia* for restraining Claimant from proceedings with the SIAC arbitration and to declare the Alleged Contract as null, void, non-binding. In the Suit, Claimant appeared and thereafter filed two interim applications on May 05, 2024 (i) application under section 45 of the Arbitration and Conciliation Act, 1996 for referring parties to arbitration before SIAC since existence and disputes arising out of the Alleged Contract were to be decided in SIAC arbitrations which had already commenced and (ii) another application under Order 7 Rule 11 of the Code of Civil Procedure, 1908, for rejection of the plaint in the Suit. (together as "**Applications**"). On August 22, 2024, the Trial Court partly allowed both the above Applications and returned the plaint of the Suit to Respondent to approach the appropriate court as also proceed with the arbitration proceedings ("**Order**"). The Respondent has filed a special civil application no. 14334 of 2024 before the Hon'ble Gujarat High Court date. The matter is still pending.

Criminal Proceedings involving our Company

A. Criminal Proceedings filed by our Company

Our Company ("**Complainant")** has filed a first information report dated September 15, 2015, with the Dahej Police Station ("**FIR**") against Miteshkumar Arjunbhai Darji, an ex-employee of the Complainant along with Mukeshbhai Ravjibhai Padhiyar, Akhilesh Shriram Prasad Gupta, Vimleshkumar Shriram and Bhikhaji Lahujibhai Patil ("**Accused**") under section 408, 406, 420 and 114 of the Indian Penal Code, 1860 ("**IPC**"). The Complainant has alleged that the Accused have committed criminal breach of trust by cheating the Complainant of 200 tons of caustic lye worth ₹0.50 crores.

B. Criminal Proceedings filed against our Company

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings filed against our Company.

Actions taken by statutory or regulatory authorities against our Company

As on the date of this Preliminary Placement Document, there are no actions taken by statutory or regulatory authorities filed against our Company.

Tax proceedings involving our Company

We have set out below claims relating to direct and indirect taxes involving our Company in a consolidated manner giving details of number of cases and total amount involved in such claims (Net of Provision):

Nature of case	Number of cases	Amount Involved (Net of Provision) (in ₹ crores)
Direct Tax	6	16.63
Indirect Tax	5	6.76

2. Litigation involving our Directors

Material civil proceedings involving our Directors

A. Civil Proceedings filed by our Directors

As on the date of this Preliminary Placement Document, there are no outstanding material civil proceedings by our Directors.

B. Civil Proceedings filed against our Directors

As on the date of this Preliminary Placement Document, there are no outstanding material civil proceedings against our Directors.

Criminal proceedings involving our Directors

A. Criminal Proceedings filed by our Directors

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings by our Directors.

B. Criminal Proceedings filed against our Directors

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings against our Directors.

Actions taken by statutory or regulatory authorities against our Directors

As on the date of this Preliminary Placement Document, there are no pending actions taken by statutory or regulatory authorities against our Directors.

Tax proceedings involving our Directors

As on the date of this Preliminary Placement Document, there are no pending tax proceedings against our Directors that will materially impact our Company.

3. Litigation involving our Promoters

Material civil proceedings involving our Promoters

A. Civil Proceedings filed by our Promoters

As on the date of this Preliminary Placement Document, there are no outstanding material civil proceedings by our Promoters.

B. Civil Proceedings filed against our Promoters

As on the date of this Preliminary Placement Document, there are no outstanding material civil proceedings against our Promoters.

Criminal proceedings involving our Promoters

A. Criminal Proceedings filed by our Promoters

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings by our Promoters.

B. Criminal Proceedings filed against our Promoters

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings against our Promoters.

Actions taken by statutory or regulatory authorities against our Promoters

As on the date of this Preliminary Placement Document, there are no pending actions taken by statutory or regulatory authorities against our Promoters.

Tax proceedings involving our Promoters

As on the date of this Preliminary Placement Document, there are no pending tax proceedings against our Promoters that will materially impact our Company

4. **Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years**

   There have been no inquiries, inspections or investigations initiated or conducted against our Company or under the Companies Act, 1956 or the Companies Act, 2013 in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company.

5. **Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company**

   There have been no material frauds committed against our Company in the last three years preceding the date of this Preliminary Placement Document.

6. **Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon**

   As on the date of this Preliminary Placement Document, our Company has no outstanding defaults in repayment of statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

7. **Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder**

   As on the date of this Preliminary Placement Document, our Company has not made any default in filings of our Company under the Companies Act, 2013 and the rules made thereunder.

8. **Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operation.**

   There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

9. **Matters, including pending and settled cases, reflected in the watch-out search for the last three years and the date of filing of the Preliminary Placement Document**

   There are no matters, including pending and settled cases, reflected in the watch-out search for the three years till the date of filing the Preliminary Placement Document against the Company, Promoters and Directors.

OUR STATUTORY AUDITORS

SRBC & Co LLP, Chartered Accountants, are the current independent Statutory Auditors with respect to our Company as required by the Companies Act and in accordance with the guidelines prescribed by ICAI.

In terms of the provision of section 139,142 and other applicable provisions of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rule, 2014 (including any statutory modification or re-enactment thereof for the time being in force), M/s S R B C & Co, Chartered Accountants, were reappointed as the Statutory Auditor of our company pursuant to a resolution adopted by our Shareholders.

SRBC & Co LLP, Chartered Accountants, have audited the Audited Consolidated Financial Statements for Fiscals 2024, 2023 and 2022, and their audit reports on those financial statements are included in this Preliminary Placement Document in "***Financial Statements***" on page 249.

The Unaudited Consolidated Quarterly Financial Results have been subjected to limited review by our Statutory Auditors and are included in this Preliminary Placement Document in "***Financial Statements***" on page 249.

GENERAL INFORMATION

1. Our Company was originally incorporated as "*Meghmani Finechem Limited*" on September 11, 2007 at Gujarat, Ahmedabad as a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Our Company obtained a certificate of commencement of business on September 17, 2007 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The name of our Company was changed to "*Epigral Limited*" as approved by our Shareholders by way of a resolution dated July 27, 2023 passed by way of postal ballot and a fresh certificate of incorporation pursuant to change of name dated August 4, 2023 was issued by the RoC.

2. Our Registered and Corporate Office is located at 'Epigral Tower', 5th, 6th and 7th floor, behind Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad - 380 015, Gujarat, India.

3. Our corporate identification number is L24100GJ2007PLC051717. The website of our Company is www.epigral.com.

4. The Equity Shares are listed on BSE and NSE.

5. The Issue has been authorized by the Board of Directors pursuant to its resolution passed on August 14, 2024. Shareholders have authorized and approved the Issue by way of a special resolution passed through a postal ballot dated September 16, 2024.

6. Our Company has received in-principle approvals in terms of Regulation 28(1) of the SEBI Listing Regulations from each of BSE and NSE on October 21, 2024 to list the Equity Shares issued pursuant to the Issue on the Stock Exchange. We will apply for final listing and trading approvals of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges after Allotment of the Equity Shares in the Issue.

7. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 10.00 am to 5.00 pm on all working days, (except Saturdays and public holidays) during the Bid/ Issue Period at our Registered Office.

8. Except as disclosed in this Preliminary Placement Document, there has been no material adverse change in our financial or trading position since the date of the Fiscal 2024 Audited Consolidated Financial Statements, which has been included in this Preliminary Placement Document.

9. Except as disclosed in this Preliminary Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "***Legal Proceedings***" on page 241.

10. The Floor Price is ₹ 2203.29 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations in accordance with the approval of the Shareholders accorded through their resolution passed through a postal ballot dated September 16, 2024.

11. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

12. Our Company has obtained necessary consents, approvals and authorizations as may be required in connection with the Issue.

    Our Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk

13. In terms of Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited as a Monitoring Agency pursuant to the Monitoring Agreement for monitoring the utilisation of proceeds in relation to the Issue.

14. Details of the Company Secretary and Compliance Officer of our Company:

Gaurang Trivedi
Company Secretary and Compliance Officer

Epigral Limited
'Epigral Tower', 5th, 6th and 7th floor,
behind Safal Profitaire, Corporate Road,
Prahladnagar, Ahmedabad - 380 015,
Gujarat, India
Tel: +91-79-7176100/29709600
Email: gaurang.trivedi@epigral.com

DETAILS OF PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue share capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)^*
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]

^ Based on beneficiary position as on [●], 2024(adjusted for Equity Shares Allocated in the Issue).
** The details of the proposed Allottees have been intentionally left blank and will be filled in before filing of the Placement Document with the Stock Exchanges and issuing of the Placement Document to such proposed Allottees.*

FINANCIAL STATEMENTS

S. No.	Financial Information
1.	Unaudited Consolidated Quarterly Financial Results
2.	Fiscal 2024 Audited Consolidated Financial Statements along with audit report issued
3.	Fiscal 2023 Audited Consolidated Financial Statements along with audit report issued
4.	Fiscal 2022 Audited Consolidated Financial Statements along with audit report issued

EPIGRAL

24.07.2024

To,

National Stock Exchange of India Limited	BSE Limited
"Exchange Plaza",	Floor- 25, P J Tower,
Bandra-Kurla Complex,	Dalal Street,
Bandra (East) Mumbai 400 051	Mumbai 400 001
SYMBOL:- EPIGRAL	**Scrip Code: 543332**

Dear Sirs,

Sub.: Outcome of Board Meeting held on Wednesday, 24th July, 2024 and submission of Un-Audited Financial Results (Standalone & Consolidated) for the First Quarter ended on 30th June, 2024

Pursuant to Regulations 30, 33 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform that the Board of Directors of Epigral Limited (Formerly known as Meghmani Finechem Limited) ['the Company'] at its meeting held today i.e. Wednesday, 24th July, 2024 has inter-alia transacted the following business:

1. approved Un-Audited (Standalone & Consolidated) Financial Results of the Company for the First Quarter ended on 30th June, 2024; and
2. took on record 'Limited Review Report' thereon issued by M/s. S R B C & CO LLP, Statutory Auditors of the Company.

A copy of the approved Un-Audited Financial Results along with Limited Review Report are enclosed herewith.

The meeting commenced at 11.00 a.m. and concluded at 01:00 p.m. at the Registered Office of the Company situated at Ahmedabad.

You are requested to kindly take the same on record.

Thanking You,

Yours faithfully,
For Epigral Limited
(formerly known as 'Meghmani Finechem Limited')

Gaurang Trivedi
Company Secretary and Compliance Officer
M. No. 22307

Epigral Limited (Formerly known as Meghmani Finechem Limited)
CIN No. L24100GJ2007PLC051717
Address :"Epigral Tower", B/h Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad - 380 015.

Statement of unaudited Standalone Financial Results for the Quarter ended June 30, 2024

(₹ in Crore, except as stated otherwise)

Sr. No.	Particulars	Quarter ended			Year Ended
		June 30, 2024	March 31, 2024	June 30, 2023	March 31, 2024
		Unaudited	Audited (refer note 1)	Unaudited	Audited
I	Revenue from operations	651.20	524.63	454.89	1,929.19
II	Other income	2.40	1.52	1.52	6.52
III	**Total income (I+II)**	**653.60**	**526.15**	**456.41**	**1,935.71**
IV	**EXPENSES**				
	(a) Cost of materials consumed	339.48	272.88	281.43	1,071.60
	(b) Changes in inventories of finished goods and work-in-progress	19.87	(6.09)	(7.19)	(10.78)
	(c) Employee benefits expenses	27.40	25.52	20.81	89.65
	(d) Finance costs	14.25	13.69	18.33	73.49
	(e) Depreciation and amortisation expense	33.45	30.38	30.80	123.56
	(f) Power and Fuel expense	30.31	27.96	17.62	105.75
	(g) Other expenses	57.74	48.97	47.03	191.77
	Total expenses (IV)	**522.50**	**413.31**	**408.83**	**1,645.04**
V	**Profit before exceptional items and tax (III - IV)**	**131.10**	**112.84**	**47.58**	**290.67**
VI	Exceptional items	-	-	-	-
VII	**Profit before tax (V - VI)**	**131.10**	**112.84**	**47.58**	**290.67**
VIII	Tax expense				
	(1) Current tax	23.17	19.94	8.85	52.71
	(2) Net deferred tax expense	21.92	16.24	7.05	42.17
IX	**Net Profit for the periods/year (VII-VIII)**	**86.01**	**76.66**	**31.68**	**195.79**
X	Other Comprehensive Income				
	A (i) Items that will not be reclassified to profit or loss in subsequent periods	(0.18)	(1.00)	0.09	(0.73)
	(ii) Income tax relating to items that will not be reclassified to profit or loss as mentioned above	0.06	0.35	(0.03)	0.26
	Total Other Comprehensive Income/(Loss) for the Year, net of Tax				
XI	**Total Comprehensive Income for the periods/year (IX + X) (comprising Profit / Loss and Other Comprehensive Income for the periods/year)**	**85.89**	**76.01**	**31.74**	**195.32**
XII	Paid up equity share capital (face value of ₹ 10 each)	41.55	41.55	41.55	41.55
XIII	Other equity				1,212.54
XIV	**Earnings per share after exceptional item (not annualised for Quarters)**				
	Basic (in rupees)	**20.70**	**18.45**	**7.62**	**47.12**
	Diluted (in rupees)	**20.70**	**18.45**	**7.62**	**47.12**

See accompanying notes to the standalone financial results

S R B C & CO LLP • CHARTERED ACCOUNTANTS •

EPIGRAL LIMITED AHMEDABAD

Notes to standalone financial results:

1 The above statement of Unaudited Standalone Financial results for the quarter ended June 30, 2024 ('the Statement') of Epigral Limited (Formerly Meghmani Finechem Limited) ('the Company') is reviewed by the Audit Committee and thereafter approved by the Board of Directors at their respective meeting held on July 24, 2024. The Unaudited standalone financial results are prepared in accordance with the recognition and measurement principles laid down in the Indian Acounting Standards 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and read with relevant rules issued there under as amended from time to time.

The figures for the quarter ended March 31,2024 are the balancing figures between audited figures for the year March 31, 2024 and published unaudited figures for the nine months ended December 31,2023, which were subjected to limited review.

2 The Company's operations primarily relate to manufacturing and selling of Chloro Alkali & its Derivatives. The Company's business activities falls within a single business segment viz. "Chloro Alkali & its Derivatives" and sales substantially being in the domestic market, there is no separate reportable segment as per Ind AS 108 "Operating Segment".

3 Power and fuel expenses includes power procurement expenses, electricity duty on power generation and other related expenses.

4 Pursuant to the Board and Shareholder's approval and on receipt of certificate of incorporation for change of name from the Registrar of Companies, Ahmedabad, Gujarat, the name of the Company has been changed from "Meghmani Finechem Limited" to "Epigral Limited" with effect from August 04, 2023.

5 The standalone financial results are available on Company's website and have been submitted to the BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com).

6 Previous period / year-end figures have been regrouped/ reclassified wherever necessary, to conform to current period's classification.

For and on behalf of Board of Directors of
Epigral Limited (Formerly known as Meghmani Finechem Limited)

S R B C & CO LLP CHARTERED ACCOUNTANTS

EPIGRAL LIMITED AHMEDABAD

Date: July 24, 2024
Place: Ahmedabad

Maulik Patel
Chairman and Managing Director
DIN : 02006947

S R B C & CO LLP
Chartered Accountants

21st Floor, B Wing, Privilon
Ambli BRT Road, Behind Iskcon Temple
Off SG Highway, Ahmedabad - 380 059, India
Tel : +91 79 6608 3900

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Epigral Limited (Formerly known as Meghmani Finechem Limited)

1. We have reviewed the accompanying statement of unaudited standalone financial results of Epigral Limited (Formerly known as Meghmani Finechem Limited) (the "Company") for the quarter ended June 30, 2024 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

Per Shreyans Ravrani
Partner
Membership No.: 62906
UDIN: 24062906BKETMF9397
Ahmedabad
July 24, 2024

S R B C & CO LLP CHARTERED ACCOUNTANTS

S R B C & CO LLP, a Limited Liability Partnership with LLP Identity No. AAB-4318
Regd. Office : 22, Camac Street, Block 'B', 3rd Floor, Kolkata-700 016

Epigral Limited (Formerly known as Meghmani Finechem Limited)
CIN No. L24100GJ2007PLC051717
Address :"Epigral Tower", B/h Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad - 380 015.

Statement of Unaudited Consolidated Financial Results for the Quarter ended June 30, 2024

(₹ in Crore, except as stated otherwise)

Sr. No.	Particulars	Quarter ended			Year Ended
		June 30, 2024	March 31, 2024	June 30, 2023	March 31, 2024
		Unaudited	Audited (refer note 1)	Unaudited	Audited
I	Revenue from operations	651.20	524.63	454.89	1,929.19
II	Other income	2.40	1.52	1.52	6.57
III	**Total income (I+II)**	**653.60**	**526.15**	**456.41**	**1,935.76**
IV	**EXPENSES**				
	(a) Cost of materials consumed	339.48	272.88	281.43	1,071.60
	(b) Changes in inventories of finished goods and work-in-progress	19.87	(6.09)	(7.19)	(10.78)
	(c) Employee benefits expenses	27.40	25.52	20.81	89.65
	(d) Finance costs	14.25	13.69	18.33	73.49
	(e) Depreciation and amortisation expense	33.45	30.38	30.80	123.56
	(f) Power and Fuel expense	30.31	27.96	17.62	105.75
	(g) Other expenses	57.74	48.97	47.03	191.77
	Total expenses (IV)	**522.50**	**413.31**	**408.83**	**1,645.04**
V	**Profit before exceptional items, share of profit/(loss) from Associate and tax (III - IV)**	**131.10**	**112.84**	**47.58**	**290.72**
VI	Share of profit/(loss) from Associate (refer note 5)	(0.14)	0.61	(0.17)	0.03
VII	**Profit before exceptional items and tax (V + VI)**	**130.96**	**113.45**	**47.41**	**290.75**
VIII	Exceptional items	-	-	-	-
IX	**Profit before tax (VII - VIII)**	**130.96**	**113.45**	**47.41**	**290.75**
X	Tax expense				
	(1) Current tax	23.17	19.94	8.85	52.71
	(2) Net deferred tax expense	21.92	16.24	7.05	42.17
XI	**Net Profit for the periods/year (IX-X)**	**85.87**	**77.27**	**31.51**	**195.87**
XII	Other Comprehensive Income				
	A (i) Items that will not be reclassified to profit or loss in subsequent periods	(0.18)	(1.00)	0.09	(0.73)
	(ii) Income tax relating to items that will not be reclassified to profit or loss as mentioned above	0.06	0.35	(0.03)	0.26
XIII	**Total Comprehensive Income for the periods/year (XI + XII) (comprising Profit / Loss and Other Comprehensive Income for the periods/year)**	**85.75**	**76.62**	**31.57**	**195.40**
	Profit attributable to:				
	Owners of the Company	**85.87**	**77.27**	**31.51**	**195.87**
	Non-controlling interests	-	-	-	-
	Other Comprehensive Income attributable to:				
	Owners of the Company	**(0.12)**	**(0.65)**	**0.06**	**(0.47)**
	Non-controlling interests	-	-	-	-
	Total Comprehensive Income attributable to:				
	Owners of the Company	**85.75**	**76.62**	**31.57**	**195.40**
	Non-controlling interests	-	-	-	-
XIV	Paid up equity share capital (face value of ₹ 10 each)	41.55	41.55	41.55	41.55
XV	Other equity				1,212.55
XVI	**Earnings per share after exceptional item (not annualised for Quarters)**				
	Basic (in rupees)	**20.67**	**18.60**	**7.58**	**47.14**
	Diluted (in rupees)	**20.67**	**18.60**	**7.58**	**47.14**

See accompanying notes to the consolidated financial results

S R B C & CO LLP CHARTERED ACCOUNTANTS

EPIGRAL LIMITED AHMEDABAD

Notes to consolidated financial results:

1 The above statement of Unaudited Consolidated Financial results for the quarter ended June 30, 2024 ('the Statement') of Epigral Limited (Formerly Meghmani Finechem Limited) ('the Holding Company') and its Associate i.e ReNew Green (GJS three) Private Limited, is reviewed by the Audit Committee and thereafter approved by the Board of Directors at their respective meeting held on July 24, 2024. The Unaudited consolidated financial results are prepared in accordance with the recognition and measurement principles laid down in the Indian Acounting Standards 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and read with relevant rules issued there under as amended from time to time.

The figures for the quarter ended March 31,2024 are the balancing figures between audited figures for the year March 31, 2024 and published unaudited figures for the nine months ended December 31,2023, which were subjected to limited review.

2 The Holding Company's operations primarily relate to manufacturing and selling of Chloro Alkali & its Derivatives. The Holding Company's business activities falls within a single business segment viz. "Chloro Alkali & its Derivatives" and sales substantially being in the domestic market, there is no separate reportable segment as per Ind AS 108 "Operating Segment".

3 The wholly owned subsidiary Meghmani Advanced Science Limited (MASL) has been closed with effect from September 20,2023 and accordingly these unaudited consolidated financial result includes its result upto aforesaid date.

4 Power and fuel expenses includes power procurement expenses, electricity duty on power generation and other related expenses.

5 The Holding Company has entered into Share Subscription and Shareholders' Agreement (SSSA) with ReNew Green (GJS three) Private Limited ("RGPL") whereby the Holding Company has invested Rs. 2,054.08 Lakhs for 26% equity share capital of RGPL. RGPL is in the business of developing and operating 18.34 MW wind-solar hybrid power plant in Gujarat. Based on "Energy Supply Agreement(ESA) with RGPL the Holding Company has exclusive right to purchase the energy produced by RGPL for a period of 25 years. RGPL has started its operation during June quarter in 2023.

6 Pursuant to the Board and Shareholder's approval and on receipt of certificate of incorporation for change of name from the Registrar of Companies, Ahmedabad, Gujarat, the name of the Holding Company has been changed from "Meghmani Finechem Limited" to "Epigral Limited" with effect from August 04, 2023.

7 The standalone and consolidated financial results are available on Holding Company's website and have been submitted to the BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com).

8 Previous period / year-end figures have been regrouped/ reclassified wherever necessary, to conform to current period's classification.

For and on behalf of Board of Directors of
Epigral Limited (Formerly known as Meghmani Finechem Limited)

S R B C & CO LLP CHARTERED ACCOUNTANTS

EPIGRAL LIMITED AHMEDABAD

Maulik Patel
Chairman and Managing Director
DIN : 02006947

Date: July 24, 2024
Place: Ahmedabad

S R B C & CO LLP
Chartered Accountants

21st Floor, B Wing, Privilon
Ambli BRT Road, Behind Iskcon Temple
Off SG Highway, Ahmedabad - 380 059, India
Tel : +91 79 6608 3900

Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Epigral Limited (Formerly known as Meghmani Finechem Limited)

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Epigral Limited (Formerly known as Meghmani Finechem Limited) (the "Holding Company") and its associate for the quarter ended June 30, 2024 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. The Holding Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the Master Circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Epigral Limited (Formerly known as Meghmani Finechem Limited)	Holding Company
ReNew Green (GJS Three) Private Limited	Associate

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

S R B C & CO LLP CHARTERED ACCOUNTANTS

S R B C & CO LLP, a Limited Liability Partnership with LLP Identity No. AAB-4318
Regd. Office : 22, Camac Street, Block 'B', 3rd Floor, Kolkata-700 016

6. The accompanying Statement includes unaudited interim financial results and other unaudited financial information in respect of one associate, whose interim financial results includes the Holding Company's share of net loss of Rs. 0.14 crores and Holding Company's share of total comprehensive loss of Rs. 0.14 crores for the quarter ended June 30, 2024.

   The unaudited interim financial results and other unaudited financial information of the associate has not been reviewed by the auditor and has been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of this associate, is based solely on such unaudited interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial results are not material to the Holding Company.

7. Our conclusion on the Statement in respect of matters stated in paragraph 6 above is not modified with respect to our reliance on the financial results and other information certified by the Management.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Shreyans Ravrani
Partner
Membership No.: 62906
UDIN: 24062906BKETMG5473

S R B C & CO LLP CHARTERED ACCOUNTANTS

Ahmedabad
July 24, 2024

21st Floor, B Wing, Privilon
Ambli BRT Road, Behind Iskcon Temple
Off SG Highway, Ahmedabad - 380 059, India
Tel : +91 79 6608 3900

INDEPENDENT AUDITOR'S REPORT

To the Members of Epigral Limited (formerly known as Meghmani Finechem Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Epigral Limited (formerly known as Meghmani Finechem Limited) (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") its associate comprising of the consolidated Balance sheet as at March 31 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material 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, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("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 consolidated state of affairs of the Group, its associate as at March 31, 2024, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, associate, 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 for the financial year ended March 31, 2024. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

S R B C & CO LLP CHARTERED ACCOUNTANTS

Key audit matters	How our audit addressed the key audit matter
Revenue recognition *(as described in Note 02 of the consolidated financial statements)*	
The group majorly generates revenue from sale of Chloro-Alkali and its Derivatives products. The Group recognises revenue from sales of goods in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers, measured at fair value of the consideration received or receivable in the ordinary course of its activities. Revenue from sale of goods is recognised net of discounts, rebates and taxes. Certain terms in sales arrangements relating to timing for transfer of control to the customer and delivery specifications including incoterms, involves significant judgment in determining whether the revenue is recognised in the correct period.	Our audit procedures included the following: • Read and evaluated the Group's policy for revenue recognition and assessed its compliance with Ind AS 115 'Revenue from contracts with customers'. • Assessed the design and tested the operating effectiveness of internal controls related to revenue. • Performed on test check basis, sales transactions and inspected the underlying sales orders, invoice copies, terms of delivery, lorry receipts, bill of lading, and collection as per the terms of the contract with customers. • Performed on test check basis, transactions near year end date as well as credit notes issued after the year end date. Assessed the relevant disclosures in the Consolidated financial statements for compliance with disclosure requirements.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's 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 such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is 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 financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of their respective companies.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements,

including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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 for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) The consolidated financial statements also include the Group's share of net profit of Rs. 2.82 Lakhs for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of one associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above 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 and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit on separate financial statements and the other financial information of the subsidiary company and associate company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and the other financial information of subsidiary and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g) ;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary and associate company, none of the directors of the Group's companies, its associates, incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company and associate company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company, its subsidiary and associate company incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g).

(i) 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 and based on the other financial information of the subsidiary and associate, as noted in the 'Other matter' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate in its consolidated financial statements – Refer Note 38 to the consolidated financial statements;

   ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 42 to the consolidated financial statements in respect of such items as it relates to the Group, its associate and (b) the Group's share of net profit in respect of its associate;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary and associate company, incorporated in India during the year ended March 31, 2024.

iv. a) The respective managements of the Holding Company and its subsidiary and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, other than as disclosed in the note 45 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary, and associate to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiary and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, other than as disclosed in the note 45 to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiary and associate from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary and associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the subsidiary and associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The final dividend paid by the Holding Company, its subsidiary and associate company incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 15 to the consolidated financial statements, the respective Board of Directors of the Holding Company, its subsidiary and associate company, incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data when using certain access rights, as described in note 47 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974

UDIN: 24101974BKERRY4055

Place of Signature: Ahmedabad
Date: April 22, 2024

Annexure 1 to the Independent Auditor's report of even date on the consolidated Financial Statements of Epigral Limited (formerly known as Meghmani Finechem Limited)

The Subsidiary Company included in the consolidated financial statements has been closed with effect from September 20, 2023 and the report of the associate company included in the consolidated financial statements has not been issued by its auditor till the date of our auditor's report. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to Holding Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974

UDIN: 24101974BKERRY4055

Place of Signature: Ahmedabad
Date: April 22, 2024

Annexure 2 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Epigral Limited (formerly known as Meghmani Finechem Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of **Epigral Limited (formerly known as Meghmani Finechem Limited)** (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and its associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group and its associate, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN: 24101974BKERRY4055
Place of Signature: Ahmedabad
Date: April 22, 2024

Epigral Limited (Formerly Known as Meghmani Finechem Limited)
Consolidated Balance Sheet as at March 31, 2024

(₹ in Lakhs, except as stated otherwise)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
I. Assets			
Non-Current Assets			
(a) Property, Plant and Equipment	3.1	1,74,468.19	1,77,885.52
(b) Capital Work in Progress	3.2	48,284.27	15,810.25
(c) Intangible Assets	3.3	2,196.19	2,519.43
(d) Financial Assets			
(i) Investments	4	2,057.66	2,054.84
(ii) Other Financial Assets	5	853.01	740.46
(e) Income Tax Assets (net)	6	591.74	639.62
(f) Other Non-Current Assets	7	790.12	1,623.48
Total Non-Current Assets		2,29,241.18	2,01,273.60
Current Assets			
(a) Inventories	8	26,299.31	21,182.82
(b) Financial Assets			
(i) Trade Receivables	9	17,875.29	16,632.23
(ii) Cash and Cash Equivalents	10	318.30	1,424.00
(iii) Bank Balances other than (ii) above	11	361.27	86.80
(iv) Loans	12	48.33	14.47
(v) Other Financial Assets	13	4,034.31	1,824.63
(c) Other Current Assets	14	1,256.17	784.98
Total Current Assets		50,192.98	41,949.93
Total Assets		2,79,434.16	2,43,223.53
II Equity and Liabilities			
Equity			
(a) Equity Share Capital	15	4,155.02	4,155.02
(b) Other Equity	16	1,21,255.05	1,02,755.00
Total Equity		1,25,410.07	1,06,910.02
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	54,704.13	54,464.04
(ii) Lease Liabilities	40	9.40	134.91
(b) Provisions	18	487.97	272.11
(c) Deferred Tax Liabilities (net)	34	20,865.18	16,673.40
Total Non-Current Liabilities		76,066.68	71,544.46
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	41,564.69	33,150.34
(ii) Lease Liabilities	40	125.51	126.93
(iii) Trade Payables	20		
Total outstanding dues of Micro and Small Enterprise		4,051.37	840.51
Total outstanding dues of Creditors other than Micro and Small Enterprise		12,476.87	10,176.79
(iv) Other Financial Liabilities	21	17,185.14	19,273.92
(b) Other Current Liabilities	22	2,354.06	1,175.39
(c) Provisions	23	20.18	15.55
(d) Current Tax Liabilities (net)	24	179.59	9.62
Total Current Liabilities		77,957.41	64,769.05
Total Liabilities		1,54,024.08	1,36,313.51
Total Equity and Liabilities		2,79,434.16	2,43,223.53

Summary of Material Accounting Policies 2

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our Report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

S R B C & CO LLP CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date: 22nd April, 2024

For and on behalf of the Board of Directors of
Epigral Limited (Formerly known as Meghmani Finechem Limited)
(CIN: L24100GJ2007PLC051717)

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman & Managing Director
DIN: 02006947

K.D. Mehta
Company Secretary

Kaushal Soparkar
Executive Director
DIN: 01998162

Place: Ahmedabad
Date: 22nd April, 2024

Epigral Limited (Formerly Known as Meghmani Finechem Limited)
Statement of Consolidated Profit and Loss for the Year ended March 31, 2024

(₹ in Lakhs, except as stated otherwise)

Particulars	Notes	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Revenue			
Revenue from Operations	25	1,92,919.16	2,18,839.97
Other Income	26	656.50	798.39
Total Income (A)		**1,93,575.66**	**2,19,638.36**
Expenses			
Cost of Materials Consumed	27	1,07,159.83	1,21,175.69
Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	28	(1,078.34)	(9,697.39)
Employee Benefits Expenses	29	8,965.45	8,660.07
Finance Costs	30	7,348.90	6,550.22
Depreciation and Amortization Expenses	3	12,356.38	10,895.33
Power and Fuel Expenses	31	10,574.54	12,289.50
Other Expenses	32	19,176.72	17,517.36
Total Expense (B)		**1,64,503.48**	**1,67,390.78**
Profit before Exceptional Items and Tax		**29,072.18**	**52,247.58**
Share of profit from associate		2.82	(1.69)
Profit Before Tax (C) = (A-B)		**29,075.00**	**52,245.89**
Tax Expense:	34		
Current Tax		5,270.96	9,430.77
Net Deferred Tax Expense /(Credit)		4,217.45	7,486.06
Total Tax Expense (D)		**9,488.41**	**16,916.83**
Net Profit for the Year (E) = (C-D)		**19,586.59**	**35,329.06**
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss in subsequent periods			
Remeasurement Gain / (Loss) on Defined Benefit Plans		(73.45)	34.98
Income Tax effect on above		25.67	(12.22)
Total Other Comprehensive Income / (Loss) for the Year, net of Tax (F)		**(47.78)**	**22.76**
Total Comprehensive Income for the Year (G) = (E+F)		**19,538.81**	**35,351.82**
Profit attributable to :			
Owners of the Company		19,586.59	35,329.06
Non controlling interests		-	-
Other comprehensive income attributable to:			
Owners of the Company		(47.78)	22.76
Non controlling interests		-	-
Total comprehensive income attributable to:			
Owners of the Company		19,538.81	35,351.82
Non controlling interests		-	-
Earnings per Equity Share (face value of ₹ 10 each) (in ₹)			
Basic	33	47.14	85.03
Diluted		47.14	85.03
Summary of Material Accounting Policies	2		

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our Report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. - 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

S R B C & CO LLP CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date: 22nd April, 2024

For and on behalf of the Board of Directors of
Epigral Limited (Formerly known as Meghmani Finechem Limited)
(CIN: L24100GJ2007PLC051717)

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman & Managing Director
DIN: 02006947

K.D. Mehta
Company Secretary

Kaushal Soparkar
Executive Director
DIN: 01998162

Place: Ahmedabad
Date: 22nd April, 2024

 (₹ in Lakhs, except as stated otherwise)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
A. Cash Flow from Operating Activities		
Profit Before Taxation	29,072.18	52,247.58
Adjustment to reconcile profit before tax to net cash flow :		
Depreciation and Amortisation Expenses	12,356.38	10,895.33
Interest Income	(9.82)	(84.27)
Interest and Finance Charges	7,348.90	6,550.22
Unrealised Foreign Exchange (Gain)/Loss	(51.82)	(75.47)
(Profit)/Loss on Sale of Property, Plant & Equipment	5.32	0.49
Sundry Balances Written off	(63.80)	(251.79)
Operating Profit before Working Capital changes	48,657.33	69,282.08
Adjustment for:		
(Increase) in Inventories	(5,116.49)	(5,768.93)
(Increase)/Decrease in Trade Receivables	(1,212.82)	9,041.80
(Increase) in Other Non Current Financial Assets	(31.68)	(52.66)
(Increase)/Decrease in Other Non Current Assets	(3.46)	4.15
(Increase) in Other Current Financial Assets	(2,621.49)	(1,353.32)
(Increase)/Decrease in Other Current Assets	(471.19)	144.23
(Increase)/Decrease in Short Term Loans and Advances	(33.85)	8.22
Increase in Trade Payables	5,532.52	2,240.65
Increase in Long Term Provision	142.41	17.78
Increase/(Decrease) in Other Current Financial Liabilities	(1,207.46)	1,228.18
Increase/(Decrease) in Other Current Liabilities	1,178.67	(1,430.94)
Increase/(Decrease) in Short Term Provisions	4.63	(2.34)
Working Capital Changes	(3,840.22)	4,081.82
Cash Generated from Operation	44,817.11	73,363.91
Direct Taxes Paid (Net of Refund)	(5,053.11)	(10,747.74)
Net Cash Generated from Operating Activities	39,764.00	62,616.17
B. Cash Flow from Investment Activities		
Purchase of Property, Plant & Equipment (including CWIP and intangible asset	(39,842.97)	(41,645.44)
Investment in Subsidiary/Associate	-	(2,054.08)
Other Investments	-	(2.45)
(Investment) of earmarked balances with bank	(274.47)	(86.80)
Interest Received	7.55	66.79
Net Cash (Used in) Investing Activities	(40,109.89)	(43,721.98)
C. Cash Flow from Financing Activities		
Interest and Finance Charges Paid	(7,201.47)	(6,045.19)
Proceeds from Long-Term Borrowing	21,300.00	7,475.00
Repayment of Long-Term Borrowing	(19,626.19)	(13,909.53)
Proceed/(Repayment) from Short-Term Borrowing (Net)	12,923.61	1,156.58
Payment of Lease Liability	(143.85)	(141.17)
Dividend paid on Preference Shares	(1,474.63)	(1,385.48)
Dividend paid on Equity Shares	(1,037.29)	(1,036.95)
Redemption of Preference Shares	(5,500.00)	(6,091.99)
Net Cash (Used in)/Generated from Financing Activities	(759.82)	(19,978.73)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(1,105.70)	(1,084.54)
Cash and Cash Equivalent at the beginning of the Year	1,424.00	2,508.54
Cash and Cash Equivalent at the end of the Year	318.30	1,424.00
Cash and Cash Equivalent comprises as under		
Cash on Hand	0.75	1.49
Balance with Schedule Banks in Current Accounts	317.55	1,422.51
Cash & Cash Equivalent at the end of the Year (refer note 10)	318.30	1,424.00

Notes to the Cash Flow Statement for the year ended on 31 March 2024

I) The Cash Flow Statement has been prepared as per Indirect Method in accordance with the Indian Accounting Standard - 7 on "Statement of Cash Flow " issued by the Institute of Chartered Accountants of India.

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2) Changes in liabilities arising from Financing Activities

(₹ in Lakhs)

Particulars	April 1, 2023	Cash Flow	Other	March 31, 2024
Current Borrowings (Note 19)	9,170.91	12,923.61	10.26	22,104.78
Non-Current Lease Liabilities (Note 40)	134.91	(143.85)	18.34	9.40
Non- Current Borrowings (Note 17)	78,443.47	(3,826.19)	(453.24)	74,164.04
Accrued Interest (Note 21)	1,929.11	(7,201.47)	6,651.28	1,378.93
Total Liabilities from Financing Activities	**89,678.41**	**1,752.11**	**6,226.64**	**97,657.15**

(₹ in Lakhs)

Particulars	April 1, 2022	Cash Flow	Other	March 31, 2023
Current Borrowings (Note 19)	8,014.33	1,156.58	-	9,170.91
Non-Current Lease Liabilities (Note 40)	261.84	(141.17)	14.24	134.91
Non- Current Borrowings (Note 17)	90,921.87	(12,526.52)	48.12	78,443.47
Accrued Interest (Note 21)	1,841.65	(6,045.19)	6,132.65	1,929.11
Total Liabilities from Financing Activities	**1,01,039.69**	**(17,556.30)**	**6,195.01**	**89,678.41**

Others includes the effects of reclassification of Non Current portion of Borrowings including Lease Liabilities to Current due to passage of time and effect of unrealised foreign currency amount on External Commercial Borrowings.

The accompanying notes are an integral part of these Consolidated Financial Statements.

As per our Report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. - 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

S R B C & CO LLP CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date: 22nd April, 2024

For and on behalf of the Board of Directors of
Epigral Limited (Formerly known as Meghmani Finechem Limited)
(CIN: L24100GJ2007PLC051717)

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman & Managing Director
DIN: 02006947

K.D. Mehta
Company Secretary

Kaushal Soparkar
Executive Director
DIN: 01998162

Place: Ahmedabad
Date: 22nd April, 2024

Epigral Limited (Formerly Known as Meghmani Finechem Limited)
Consolidated Statement of Changes in Equity (SOCIE) For the Year ended March 31, 2024
(A) Equity Share Capital

Particulars	(₹ in Lakhs, except as stated otherwise)	
	No. of Shares	Amount
Equity Share of ₹ 10 each Issued, Subscribed and Fully Paid up		
Balance as at 1st April 2022	**4,15,50,158**	**4,155.02**
Changes in Equity Share Capital due to Prior Period Errors	-	-
Balance as at 1st April 2022	4,15,50,158	4,155.02
Changes in Equity Share Capital during the Year	-	-
Balance as at 31st March 2023	**4,15,50,158**	**4,155.02**
Balance as at 1st April 2023	**4,15,50,158**	**4,155.02**
Changes in Equity Share Capital due to Prior Period Errors	-	-
Balance as at 1st April 2023	4,15,50,158	4,155.02
Changes in Equity Share Capital during the Year	-	-
Balance as at 31st March 2024	**4,15,50,158**	**4,155.02**

(B) Other Equity			
	(₹ in Lakhs, except as stated otherwise)		
Particulars	Capital Reserve (refer note 16)	Retained Earnings (refer note 16)	Total Other Equity (refer note 16)
Balance at 1st April 2022	**(24,668.00)**	**93,109.93**	**68,441.93**
Changes in Accounting Policy / Prior Period Errors	-	-	-
Balance as at 1st April 2022	(24,668.00)	93,109.93	68,441.93
Profit for the Year	-	35,329.06	35,329.06
Other Comprehensive Income for the Year (net of Taxes)	-	22.76	22.76
Total Comprehensive Income for the Year	-	**35,351.82**	**35,351.82**
Dividend Paid During the Year	-	(1,038.75)	(1,038.75)
Balance at 31st March 2023	**(24,668.00)**	**1,27,423.00**	**1,02,755.00**
Balance as at 1st April 2023	**(24,668.00)**	**1,27,423.00**	**1,02,755.00**
Changes in Accounting Policy / Prior Period Errors	-	-	-
Balance as at 1st April 2023	(24,668.00)	1,27,423.00	1,02,755.00
Profit for the Year	-	19,586.59	19,586.59
Other Comprehensive Income for the Year (net of Taxes)	-	(47.78)	(47.78)
Total Comprehensive Income for the Year	-	**19,538.81**	**19,538.81**
Dividend Paid During the Year	-	(1,038.76)	(1,038.76)
Balance as at 31st March 2024	**(24,668.00)**	**1,45,923.05**	**1,21,255.05**

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our Report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. - 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

S R B C & CO LLP CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date: 22nd April, 2024

For and on behalf of the Board of Directors of
Epigral Limited (Formerly known as Meghmani Finechem Limited)
(CIN-L24100GJ2007PLC051717)

Maulik Patel
Chairman & Managing Director
DIN: 02006947

Sanjay Jain
Chief Financial Officer

Kaushal Soparkar
Executive Director
DIN: 01998162

K.D. Mehta
Company Secretary

Place: Ahmedabad
Date: 22nd April, 2024

EPIGRAL LIMITED (Formerly Known as Meghmani Finechem Limited)

Notes to the Consolidated Financial Statement for the year ended March31,2024

1. CORPORATE INFORMATION

The Consolidated Financial Statements comprises Financial Statements of Epigral Limited (Formerly known as Meghmani Finechem Limited) (the Company) and its Sub sidiary Meghmani Advanced Sciences Limited (Collectively, the Group) and its Associate i.e ReNew Green (GJS Three) Private Limited for year ended on March 31, 2024. Epigral Limited (the Company) (Formerly Known as Meghmani Finechem Limited) is a Public Company limited by shares domiciled in India, incorporated under the provisions of Companies Act, 1956. Its share are listed on Bombay Stock Exchange and National Stock Exchange in India. The registered office at Epigral Tower, B/h. Safal Profitaire, Prahladnagar, Satellite, Ahmedabad Gujarat, India. The Group isprimarily engaged in manufacturing and selling of Chlor Alkali & its Derivatives. The Group is also engaged in trading of Agrochemical Products.

The Financial Statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 22nd April 2024.

2. MATERIAL ACCOUNTIG POLICIES

2.1 Basis for Preparation of Accounts

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS.

The Financial Statements have been prepared on accrual basis and under historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) i.e. Derivative financial instruments

In addition, the Financial Statements are presented in INR which is also the Group's functional currency and all values are rounded to the nearest Lakh (INR 00,000), except when otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The Consolidated financial statements provide comparative information in respect of the previous period.

2.2 Basis of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Company, its Subsidiary and its associate as at 31st March 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of Subsidiary :

Consolidation of a Subsidiary begins when the Group obtains control over the Subsidiary and ceases when the Group losses control of the Subsidiary. Assets, Liabilities, Income and Expenses of a Subsidiary acquired or disposed off during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the Subsidiary. The proportion of ownership interest in each Subsidiary of the parent is as follows:

Name of the Subsidiary	Country of Domicile	Proportion of Ownership Interest
Meghmani Advanced Sciences Limited	India	100%

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies. The Financial Statements of the Group are drawn up to same reporting date as that of the parent Company, i.e., year ended on 31st March 2023.

Consolidation Procedure

(a) Combine line items of Assets, Liabilities, Equity, Income, Expenses and Cash Flows of the parent with those of its subsidiary. For this purpose, income and expenses of the Subsidiary are based on the amounts of the Assets and Liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of Equity of each Subsidiary. Business combinations policy explains how to account for any related Goodwill.

(c) Eliminate in full intragroup Assets and Liabilities, Equity, Income, Expenses and Cash Flows relating to transactions between entities of the Group (profits or losses resulting from Intragroup transactions that are recognised in Assets, such as Inventory and Fixed Assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of Subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group Assets and Liabilities, Equity, Income, Expenses and Cash Flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group looses control over a Subsidiary, it derecognises the assets and liabilities of the Subsidiary, and any related non-controlling interests and other components of Equity. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the Statement of Profit and Loss.

Equity Accounted Investees :

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries. The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition

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date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment. When the Group's share of losses of an equity accounted investee exceed the Group's interest in that associate or joint venture (which includes any long-term interest that, in substance, form part of Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the associate or joint venture. Unrealised gains resulting from the transaction between the Group and joint ventures are eliminated to the extent of the interest in the joint venture, and deferred tax is made on the same.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the Statement of Profit and Loss.

Upon loss of significant influence over the Associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.3 Use of Estimates, Assumptions and Judgements

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.

Estimates and Assumptions

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 are reflected in the assumptions when they occur.

Taxes:

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

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Defined Benefit Plans (Gratuity Benefits)

A liability in respect of defined benefit plans is recognised in the Balance Sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 35 for details of the key assumptions used in determining the accounting for these plans.

Useful economic lives of Property, Plant and Equipment

Property, Plant and Equipment as disclosed in note 3 are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values.

Intangible Assets

Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and future economic benefits are probable. The costs which can be capitalised are directly attributable to development of the asset. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer note 2.3 (f) for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in note 3.

Impairment of Non- Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costsof disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

2.4 Summary of Material Accounting Policies

a. BUSINESS COMBINATION

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory.

Business Combination involving entities or businesses under common control shall be accounted for using the pooling of interest method based on the predecessor values retrospectively for all periods presented.

The pooling of interest method is considered to involve the following:
(i)The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonious accounting policies and tax adjustments if any.

(iii) The components of other equity of the acquired companies are added to the same components within other equity except that any share capital and investments in the books of the acquiring entity is cancelled and the differences, if any, is adjusted in the opening retained earnings.

(iv) The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

b. CURRENT VS. NON-CURRENT CLASSIFICATION:

The Group presents assets and liabilities in the Statement of Assets and Liabilities based on Current/ Non-Current classification.
An asset is treated as current when it is:

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

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of Trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other assets and liabilities are classified as Non-Current Assets and Liabilities. Deferred Tax Assets and Liabilities are classified as Non-Current Assets and Liabilities.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

c. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with Customers is recognised when control of the goods are transferred to the Customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the Customer.

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The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided below.

1) **Sale of Goods**

Revenue from Sale of Goods is recognised at the point in time when control of the goods is transferred to the customer, generally on dispatch/ delivery of the goods or terms as agreed with the customer. The normal credit term is 30 to 90 days from the date of dispatch. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer.

(i) **Variable Consideration**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the Customer. The variable consideration is estimated at the time of completion of performance obligation and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with cash discount in accordance with the group policy. The cash discount component gives rise to variable consideration.

Volume Rebates

The Group provides retrospective volume rebates to certain customers once the quantity of product purchases during the period exceeds a threshold specified in the contract.

(ii) Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in (Financial Instruments – initial recognition and subsequent measurement.)

(iii) Contract Liabilities (advance from customers)

A contract liability is recognized when a customer pays consideration before the Group transfers goods to the Customer or when the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2) Interest Income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment,extension, call and similar options) but does not consider the expected credit losses. Interest income is included in Other Income in the Statement of Profit or Loss.

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

5) Insurance Claims
Claims receivable on account of insurance are accounted for to the extent the Group is virtually certain of their ultimate collection.

d. FOREIGN CURRENCIES
The Group's financial statements are presented in INR, which is also the Group's functional currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot ratesat the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit or Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit or Loss are also recognised in OCI or Statement of Profit or Loss, respectively).

e. FAIR VALUE MEASUREMEMT

The Group measures financial instruments, such as investments (other than equity investments in Subsidiaries and Associates) and derivatives at fair values at each Balance Sheet date.

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

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participants that would use the asset in its highest and best use.

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The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The management comprises of the Managing Director, Chief Executive Officer (CEO) and Chief Finance Officer (CFO).

External valuers are involved for valuation of significant assets. Involvement of external valuers is decided upon annually by the Board of Directors after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

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

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. Refer note 42.

- Disclosures for valuation methods, significant estimates and assumptions.
- Quantitative disclosures of fair value measurement hierarchy.
- Investment in Equity Shares.
- Financial Instruments (including those carried at amortised cost).

f. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment (PPE) and Capital Work in Progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are

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required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in Statement of profit and loss as incurred.

Capital Work-in-Progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the Balance Sheet date.

Items of Stores and Spares that meet the definition of Property, Plant and Equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as Inventories.

An item of Property, plant and Equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

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

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

Asset	Estimated Useful life
Leasehold Land	99 Years
Building	30 Years
Carpeted Roads – RCC	10 Years
Plant & Machinery	12-25 Years
Electrical Installations	10 Years
Captive Power Plant and equipments	20 – 40 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers	3 Years
Other equipments	5 Years

g. INTANGIBLE ASSETS

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Cost include acquisition and other incidental cost related to acquiring the intangible asset. Research costs are expensed as incurred. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the

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amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible Assets

Assets	Amortization Method	Amortization Period
Usage Rights	On Straight-line basis	10 years
Technical Know How	On Straight-line basis	10 years

h. IMPAIRMENT OF NON- FINANCIAL ASSETS

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired.If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of Profit and Loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

i. FINANCIAL INSTRUMENT

A Financial Instrument is any contract that gives rise to a Financial Asset of one Entity and a Financial Liability or Equity instrument of another Entity.

(A) Financial Asset

Initial Recognition and Measurement

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Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under Ind AS 115.

Subsequent Classification and measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a) Debt instruments at amortised cost
b) Debt instruments at fair value through other comprehensive income (FVTOCI)
c) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortised Cost

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss such as interest income on Bank deposits and other interest income. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at Fair Value through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the Equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt Instrument at Fair Value through Profit & 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 FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has designated certain debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Investments

Investment in Subsidiaries, Associates and Joint ventures are out of scope of Ind AS 109 and hence, the Group has accounted for its investment in Subsidiaries and Associates at cost.

All other Equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTOCI. For all other Equity instruments, the Group may make an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value. The Group makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an Equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within Equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Balance Sheet) when

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

b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligationto pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

   i) the Group has transferred substantially all the risks and rewards of the asset, or
   ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

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a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'Contractual Revenue Receivables' in these Financial Statements)

The Group follows 'simplified approach' for recognition of impairment loss allowance on:
- Trade receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(B) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, Loans and Borrowings, Payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of Loans and Borrowings and Payables, net of directly attributable transaction costs.

The Group's financial liabilities include Trade and Other Payables, Loans and Borrowings.

Subsequent measurement of Financial Liabilities

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities at amortised cost - Loan and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Trade and Other Payables

These amounts represent liability for good and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and Other Payables are presented as current liabilities unless payment is not due within 12 months after the

S.R.B.C. & CO. LLP CHARTERED ACCOUNTANTS reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derivatives and Hedging Activities

The Group uses derivative financial instruments, such as forward currency contracts and currency swapsto hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instrumentsare initially recognised at fair value on the date on which a derivative contract is entered into and aresubsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Off-setting Financial Instrument

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

j. INVENTORIES

Stores and Spares, Packing Materials and Raw Materials are valued at lower of cost or net realisable value and for this purpose, cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

Work in progress , Finished Products and By-Products are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

k. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l. RETIREMENT AND OTHER EMPLOYEE BENEFITS

Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the Statement of Profit and Loss in the year when employee rendered related services.

The Group has a defined benefit Gratuity Plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days salary (last drawn salary) for each completed year

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of service as per the rules of the Group. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The Scheme is funded with an Insurance Company in the form of a qualifying insurance policy.

The Group has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The aforesaid leave encashment is funded with an Insurance Company in the form of a qualifying insurance policy.

Re-measurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

m. ACCOUNTING FOR TAXES ON INCOME

Tax Expense comprises of Current Income Tax and Deferred Tax

Current Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Deferred Taxes

Deferred Tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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- In respect of taxable temporary differences associated with investments in Subsidiaries andAssociates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

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

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of Deferred Tax Asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

Deferred Tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other Comprehensive Income or in Equity). Deferred Tax items are recognised in correlation to the underlying transaction either in OCI or directly in Equity.

Deferred Tax Assets and Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax relates to the same taxable Entity and the same taxable Authority.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit only to the extent that it is probable that the Group will be able to set off against the normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognize MAT creditas an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company and its subsidiaries review the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

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n. PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, thereimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a Finance Cost.

o. CONTINGENT LIABILITIES

Provisions are not recognised for future operating losses.

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non—occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a Contingent Liability but discloses its existence in the Financial Statements.

A Contingent Assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, Contingent Assets are disclosed in the Financial Statements.

Contingent liabilities and Contingent Assets are reviewed at each Balance Sheet date.

p. LEASES

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

Where the Company is the Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group recognises a Right-Of-Use Asset and a Lease Liability at the lease commencement date. The Right-Of-Use Asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The Right-Of-Use Assets and Lease Liabilities include these options when it is reasonably certain that the option will be exercised.

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The Right-Of-Use Assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the Right-Of-Use Assets or the end of the lease term. In addition, the Right-Of-Use Assets is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the Lease Liability.

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

The Lease Liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee,or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the Lease Liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the Right-Of-Use Asset or is recorded in profit or loss if the carrying amount of the Right-Of-Use asset has been reduced to zero.

Lease payments have been classified as financing activities in Statement of Cash Flow.

The Group has elected not to recognise Right-Of-Use Assets and Lease Liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Group recognises the lease payments associated with these leases as an expense in statementof profit and loss over the lease term. The related cash flows are classified as operating activities.

q.EARNING PER SHARE

Basic Earnings Per Share

Basic Earnings Per Share are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

Diluted Earnings per Share

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

r. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalent in the Financial Statements comprise Cash at Banks and on Hand and Short-Term Deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and and subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents consist of Cash and Short-Term Deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

s. Government Grants and Subsidies:

Government Grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the

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periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

Government grants, that are receivable towards capital investments under State Investment Promotion Scheme, are recognised in the Statement of Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is being recognised in the Statement of Profit and Loss

When the group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

t. SEGMENT REPORTING

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

u.Dividend to Equity and Redeemable Preference Shareholders of the Company

The Group recognises a liability for dividends to Equity Holders of the Group when the dividend is authorised and the dividend is no longer at the discretion of the Group. As per the Corporate laws in India,a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in Equity.

The Group recognises liability for dividends to Redeemable Preference share Holders of the Group on accrual basis. Dividend is paid based on authorisation by the Board of Directors. Dividend to Redeemable Preference Shareholders is cumulative and recognised in finance cost as interest expense.

v. New Standards, Interpretations and amendments adopted by the company

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Group applied for the first-time these amendments.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's Consolidated financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the

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measurement, recognition or presentation of any items in the Group's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Group previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities anda deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

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Epigral Limited (Formerly Known as Meghmani Finechem Limited)
Notes to the Consolidated Financial Statement for the Year ended March 31, 2024

3 Property, Plant and Equipment, Capital Work in Progress and Other Intangible Assets as at March 31,2024

(₹ in Lakhs)

	Description	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
		As at 1st April, 2023	Additions	Deduction / Adjustments	As at 31st March, 2024	As at 1st April, 2023	For the Year	On Deduction / Adjustment	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
3.1	TANGIBLE ASSET										
	Freehold Land	1,527.28	-	-	1,527.28	-	-	-	-	1,527.28	1,527.28
	Right of Use Asset - Lease Hold Land	18,412.58	1,328.83	-	19,741.41	182.94	225.51	-	408.45	19,332.96	18,229.64
	Building	21,377.99	1,984.78	-	23,362.77	4,376.42	913.54	-	5,289.96	18,072.81	17,001.57
	Right of Use Asset - Building	583.03	-	-	583.03	368.08	109.76	-	477.84	105.19	214.95
	Plant & Machineries	1,44,857.01	4,644.19	0.03	1,49,501.17	38,781.95	9,157.70	0.00	47,939.65	1,01,561.52	1,06,075.06
	Captive Power Plant & Equipments	40,704.47	-	-	40,704.47	6,471.82	1,416.48	-	7,888.30	32,816.17	34,232.65
	Furnitures & Fixtures	475.85	301.96	6.81	771.00	186.23	59.69	2.60	243.32	527.68	289.62
	Office Equipment	292.62	296.97	1.86	587.73	80.98	80.55	0.91	160.62	427.11	211.64
	Vehicles	220.12	22.78	-	242.90	153.36	47.74	-	201.10	41.80	66.76
	Computers	95.41	41.61	0.62	136.40	59.06	22.17	0.49	80.74	55.66	36.35
	TOTAL (A)	2,28,546.36	8,621.12	9.32	2,37,158.16	50,660.84	12,033.14	4.01	62,689.97	1,74,468.19	1,77,885.52
3.3	INTANGIBLE ASSET										
	Usage Rights	2,621.23	-	-	2,621.23	700.65	247.00	-	947.65	1,673.58	1,920.58
	Technical Know-How	802.50	-	-	802.50	203.65	76.24	-	279.89	522.61	598.85
	TOTAL (B)	3,423.73	-	-	3,423.73	904.30	323.24	-	1,227.54	2,196.19	2,519.43
	TOTAL (A+B)	2,31,970.09	8,621.12	9.32	2,40,581.89	51,565.13	12,356.38	4.01	63,917.51	1,76,664.38	1,80,404.95

Notes:

During the Current Year exchange gain of ₹ Nil (31 March 2023: exchange gain of Nil) arising on reporting of long term foreign currency monetary item related to Property,Plant and Equipment has been added/deducted to cost of Property,Plant and Equipment and the unamortised balance carried as part of tangible asset as at the year end aggregate to ₹ 316.33 Lakhs (31st March 2023: ₹ 345.87 Lakhs), in view of option given in para D13AA of IND-AS 101 on first time adoption of IND-AS.

3.2 Capital Work-in-Progress

(₹ in Lakhs)

Particulars	Amount
Cost	
As at 31st March 2023	15,810.25
Addition during the Year	39,044.87
Capitalisation	(6,570.84)
As at 31st March 2024	48,284.27

Ageing Schedule of Capital Work in Progress as at March 31,2024

(₹ in Lakhs)

Particulars	Amount of CWIP for a period of				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	
Project in Progress	36,215.71	12,068.56	-	-	48,284.27
As at 31st March 2024	36,215.71	12,068.56	-	-	48,284.27

Extract of above Capital Work in Progress which is overdue for completion, expected to be completed within

Particulars	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
As at 31st March 2024	30,533.57	-	-	-	30,533.57

The name of the Holding Company was changed from Meghmani Finechem Limited to Epigral Limited during the year with effect from August 04, 2023. Accordingly, the Holding Company is in the process of changing the title deeds of immovable properties viz: free hold land, building and leasehold land and building in its updated name.

Capital Work in Progress ₹ 48,284.27 Lakhs as at 31st March 2024 comprises expenditure for Expansion Project of Chloro Polyvinyl Chloride, Chlorotoluene and other projects which are in the course of construction.

The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31st March 2024 is ₹ 683.60 Lakhs (31st March 2023: ₹ 911.75 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation is 8.15%, which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

Refer note 40 for Right of Use assets details.

As on 31st March, 2024 other than mentioned above there are no Projects whose completion are overdue or exceed its cost as compare to plan, also there is no suspended Projects as on 31st March,2024.

For Property Plant & Equipment and Intangible assets existing as on 1 April 2015 i.e. the date of transition to Ind AS, the Group has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation is netted off as on 1 April 2015.

3 Property, Plant and Equipment, Capital Work in Progress and Other Intangible Assets as at March 31,2023

(₹ in Lakhs)

	Description	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
		1st April, 2022	Additions	Deduction / Adjustments	31st March, 2023	1st April, 2022	For the Year	Deduction / Adjustment	31st March, 2023	31st March, 2023	31st March, 2022
3.1	TANGIBLE ASSET										
	Freehold Land	-	1,527.28	-	1,527.28	-	-	-	-	1,527.28	-
	Right of Use Asset - Lease Hold Land	3,221.83	15,190.75	-	18,412.58	56.77	126.17	-	182.94	18,229.64	3,165.06
	Building	15,577.16	5,800.83	-	21,377.99	3,549.84	826.58	-	4,376.42	17,001.57	12,027.30
	Right of Use Asset - Building	583.03	-	-	583.03	258.32	109.76	-	368.08	214.95	324.70
	Plant & Machineries	95,227.50	49,629.51	-	1,44,857.01	30,688.40	8,093.55	-	38,781.95	1,06,075.06	64,539.10
	Captive Power Plant & Equipments	28,575.88	12,128.59	-	40,704.47	5,198.44	1,273.38	-	6,471.82	34,232.65	23,377.44
	Furnitures & Fixtures	443.96	31.89	-	475.85	143.07	43.16	-	186.23	289.62	300.89
	Office Equipment	131.93	160.69	-	292.62	41.63	39.35	-	80.98	211.64	90.32
	Vehicles	194.43	25.69	-	220.12	108.83	44.53	-	153.36	66.76	85.60
	Computers	74.60	22.54	1.73	95.41	44.69	15.61	1.24	59.06	36.35	29.91
	TOTAL (A)	1,44,030.32	84,517.77	1.73	2,28,546.36	40,089.99	10,572.09	1.24	50,660.84	1,77,885.52	1,03,940.33
3.3	INTANGIBLE ASSET										
	Usage Rights	2,621.23	-	-	2,621.23	453.65	247.00	-	700.65	1,920.58	2,167.58
	Technical Know-How	802.50	-	-	802.50	127.41	76.24	-	203.65	598.85	675.09
	TOTAL (B)	3,423.73	-	-	3,423.73	581.06	323.24	-	904.30	2,519.43	2,842.67
	TOTAL (A+B)	1,47,454.05	84,517.77	1.73	2,31,970.09	40,671.06	10,895.33	1.24	51,565.14	1,80,404.95	1,06,783.00

Notes:

During the Current Year exchange gain of ₹. Nil (31 March 2022: exchange gain of Nil) arising on reporting of long term foreign currency monetary item related to Property, Plant and Equipment has been added/deducted to cost of Property, Plant and Equipment and the unamortised balance carried as part of tangible asset as at the year end aggregate to ₹ 345.87 Lakhs (31st March 2022: ₹ 375.41 Lakhs), in view of option given in para D13AA of IND-AS 101 on first time adoption of IND-AS.

3.2 Capital Work-in-Progress

(₹ in Lakhs)

Particulars	Amount
Cost	
As at 31st March 2022	58,925.44
Addition during the period	24,508.17
Capitalisation	(67,623.36)
As at 31st March 2023	15,810.25

Ageing Schedule of Capital Work in Progress as at March 31,2023

(₹ in Lakhs)

Particulars	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
Project in Progress	15,810.25	-	-	-	15,810.25
As at 31st March 2023	15,810.25	-	-	-	15,810.25

Capital Work in Progress ₹ 15,810.25 Lakhs as at 31st March 2023 comprises expenditure for Expansion Project of Chloro Polyvinyl Chloride and Chlorotoluene and Research & Development center which are in the course of construction.

The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31st March 2023 is ₹ 911.75 Lakhs (31st March 2022: ₹ 1,645.65 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 7.05% to 7.70%, which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

As on 31st March, 2023 there is no Projects whose completion is overdue or exceed its cost as compare to plan, also there is no suspended Projects as on 31st March,2023

For Property Plant & Equipment existing as on 1 April 2015 i.e. the date of transition to Ind AS, the Group has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation so netted off as on 1 April 2015.

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CHARTERED ACCOUNTANTS

4 Financial Assets : Investments

Particular	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Investment in Equity Shares of Associate at Cost (Unquoted)		
Equity Shares of ₹ 10 each in Renew Green (GJS Three) Pvt Limited 1,30,71,419 (31 March 2023 : 1,30,71,419) (refer note below)	2,055.21	2,052.39
Investment - Others (Unquoted)		
24,500 Equity Shares (31 March 2023 : 24,500) Shares Of - Meghmani Foundation	2.45	2.45
Aggregate book value of Unquoted Investment	**2,057.66**	**2,054.84**

The holding company has entered into Share Subscription and Shareholders' Agreement (SSSA) with ReNew Green (GJS three) Private Limited ("RGPL") whereby the holding company has invested Rs. 2,054.08 Lakhs for 26% equity share capital of RGPL. RGPL is in the business of developing and operating 18.34 MW wind-solar hybrid power plant in Gujarat. Based on "Energy Supply Agreement(ESA) with RGPL the holding company have exclusive right to purchase the energy produced by RGPL for a period of 25 years. RGPL has started its operation during first quarter of the Year.

5 Other Financial Assets (Non-Current)

Particular	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Security Deposits	727.76	696.65
Bank deposits with original maturity of more than 12 months (including interest accrued) (refer note below)	46.08	43.81
Mark to Market Derivative Assets	79.17	-
Total	**853.01**	**740.46**

Margin Money Deposits amounting ₹ 46.08 Lakh (31 March 2023: ₹ 43.81 Lakh) are given as Security Deposit against Bank Guarantee with bank. These deposits are made for varying periods of between 1 year to 10 years and earn interest ranging between 5.40% to 7.25%.

6 Income Tax Assets (Net)

Particular	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Advance payment of Income Tax (Net of Provision)	591.74	639.62
Total	**591.74**	**639.62**

7 Other Non-Current Assets

Particular	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Unsecured, Considered Good		
Capital Advances	706.27	1,543.10
Balance with Government Authorities (Amount paid under Protest)	83.85	80.38
Total	**790.12**	**1,623.48**

8 Inventories (valued at lower of cost or net realisable value)

Particular	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Raw Materials (including in Transit ₹ 1,739.06 Lakhs (31st March 2023: ₹ 618.35 Lakhs))	9,382.83	6,362.93
Work-in-Progress	127.90	48.07
Finished Goods	10,831.36	9,645.57
Finished Goods In transit	572.01	759.29
Consumable Stores and Spares	5,258.00	4,237.20
Others (Packing Materials)	127.21	129.76
Total	**26,299.31**	**21,182.82**

During the year the Group recorded inventory write-down to Net Realisable value of ₹ Nil (March 31, 2023: ₹ 3,023.66 Lakhs).

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9 Trade Receivables

(₹ in Lakhs)

Particular	As at March 31, 2024	As at March 31, 2023
Trade Receivables - Related Parties (refer note 36)	3,634.33	4,484.51
Trade Receivables - Others	14,240.96	12,147.72
Total Trade Receivables	**17,875.29**	**16,632.23**
Break-up for security details:		
Trade Receivables		
Secured, Considered Good	677.99	628.67
Unsecured, Considered Good	17,197.30	16,003.56
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
Total	**17,875.29**	**16,632.23**
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, Considered Good	-	-
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
Total	**17,875.29**	**16,632.23**

Trade Receivable are secured to the extent of deposit received from the Customers.

Trade Receivables are non interest bearing and generally have credit period of 30-90 days.

For amount due and terms and conditions relating to related party, please refer note no 36.

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For information about Credit Risk and Market Risk related to Trade Receivables, please refer note no 42.

Trade Receivables Ageing Schedule (₹ in Lakhs)

As at 31 March 2024	Current but Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables - Considered	12,022.18	5,808.62	44.48	-	-	-	17,875.29
Undisputed Trade Receivables - Which have significant increase in credit	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in credit	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit	-	-	-	-	-	-	-
Total	**12,022.18**	**5,808.62**	**44.48**	-	-	-	**17,875.29**

(₹ in Lakhs)

As at 31 March 2023	Current but Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables - Considered	11,859.23	4,766.00	4.76	2.24	-	-	16,632.23
Undisputed Trade Receivables - Which have significant increase in credit	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in credit	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit	-	-	-	-	-	-	-
Total	**11,859.23**	**4,766.00**	**4.76**	**2.24**	-	-	**16,632.23**

S R B C & CO LLP CHARTERED ACCOUNTANTS

Epigral Limited (Formerly Known as Meghmani Finechem Limited)

Notes to the consolidated Financial Statement for the Year ended March 31, 2024

10 Cash and Cash Equivalents

Particular	(₹ in Lakhs)	
	As at March 31, 2024	**As at March 31, 2023**
Balance with Banks		
- In Current Accounts	317.55	1,422.51
Cash on Hand	0.75	1.49
Total	**318.30**	**1,424.00**

11 Bank Balances other than Cash and Cash Equivalents

Particular	(₹ in Lakhs)	
	As at March 31, 2024	**As at March 31, 2023**
Balance with Banks earmarked for CSR expenses	358.00	85.00
Balance with Banks earmarked for Unpaid Dividend	3.27	1.80
Total	**361.27**	**86.80**

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2024 and 31st March, 2023

12 Loans

Particular	(₹ in Lakhs)	
	As at March 31, 2024	**As at March 31, 2023**
Unsecured, Considered Good (current)		
Loans to Employees (refer note below)	48.33	14.47
Total	**48.33**	**14.47**

Loans to Employees are interest free and generally given for tenure of 6 to 12 months

Since all the above loans given by the Group are unsecured and considered good, the bifurcation of loan in other categories as required by Schedule III of Companies Act 2013 via: a) Secured, b) Loans which have significant increase in credit risk and c) Credit Impaired is not applicable.

There are no Loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

13 Other Financial Assets (Current)

Particular	(₹ in Lakhs)	
	As at March 31, 2024	**As at March 31, 2023**
Unsecured, Considered Good		
Export Benefits Receivables	23.63	11.80
Balances with Government Authorities (refer note below)	109.19	89.73
Government Grant/Incentive Receivable	2,956.25	1,053.97
Security Deposits	80.80	75.00
Mark to Market Derivative Assets	24.36	436.17
Other Receivables	840.08	157.96
Total	**4,034.31**	**1,824.63**

Balance with Government Authorities pertains to Refund Receivable from Goods and Service Tax Authorities.

14 Other Current Assets

Particular	(₹ in Lakhs)	
	As at March 31, 2024	**As at March 31, 2023**
Unsecured, Considered Good		
Prepaid Expenses	239.14	185.29
Export Benefits Receivables	12.25	5.12
Balances with Government Authorities (refer note below)	94.59	43.01
Advance to Employees	-	6.10
Advances to Suppliers	910.19	545.46
Total	**1,256.17**	**784.98**

Balance with Government Authorities include VAT / Cenvat / Goods and Service Tax credit Receivable, net of liabilities.

15 Share Capital

Particular	(₹ in Lakhs)	
	As at March 31, 2024	**As at March 31, 2023**
Authorised Share Capital		
Equity Shares of ₹ 10 each		
12,05,00,000 Equity Shares (31st March 2023: 12,05,00,000) each Share of ₹ 10/-	12,050.00	12,050.00
Preference Shares of ₹ 100 each		
20,00,000 Preference Shares (31st March 2023: 20,00,000) each Share of ₹ 100 /-	2,000.00	2,000.00
Preference Shares of ₹ 10 each		
432,628,796 Preference Shares (31st March 2023: 432,628,796) each Share of ₹ 10 /-	43,262.88	43,262.88
Total Authorised Capital	**57,312.88**	**57,312.88**

Particular	As at March 31, 2024	As at March 31, 2023
		(₹ in Lakhs)
ISSUED, SUBSCRIBED and FULLY PAID UP		
Equity Share Capital		
4,15,50,158 Equity Shares (31st March 2023: 4,15,50,158) each of ₹ 10 /- Fully Paid Up	4,155.02	4,155.02
Total	4,155.02	4,155.02

Reconciliation Shares outstanding at the beginning and at the end of the Year (₹ in Lakhs)

Equity Share Capital	No. of Shares	Amount
As at 1st April 2022	4,15,50,158	4,155.02
Change During the Year	-	-
As at 31st March 2023	4,15,50,158	4,155.02
Change During the Year	-	-
As at 31st March 2024	4,15,50,158	4,155.02

(i) Equity Share:
The Holding Company has only one class of Equity Shares with par value of ₹ 10 per share. Each equity shareholder is entitled to one vote per share. All Equity Shareholders have equal dividend rights. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

During the year the Group has proposed final dividend of 50% i.e. Rs.5 per equity share.

Details of Shareholding (more than 5% Equity Shares)

Particular	As at March 31, 2024	As at March 31, 2023
(a) Natwarlal Patel	41,76,851	41,76,851
% of Share held	10.05%	10.05%
(b) Ashish Soparkar	46,19,857	46,19,857
% of Share held	11.12%	11.12%
(c) Jayanti Patel	35,76,707	35,76,707
% of Share held	8.61%	8.61%
(d) Ramesh Patel	29,29,569	29,19,569
% of Share held	7.05%	7.03%
(e) Maulik Patel	21,98,074	21,54,367
% of Share held	5.29%	5.18%

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

Promoters' Shareholding

Promoter Name (31 March 2024)	No of Share at the beginning of the year	Change during the year	No of Share at the end of the year	% of Total share	% Change during the year
Ashish Soparkar	46,19,857	-	46,19,857	11.12%	0.00%
Natwarlal Patel	41,76,851	-	41,76,851	10.05%	0.00%
Jayanti Patel	35,76,707	-	35,76,707	8.61%	0.00%
Ramesh Patel	29,19,569	10,000	29,29,569	7.05%	0.34%
Maulik Patel	21,54,367	43,707	21,98,074	5.29%	2.03%
Anand Patel	18,16,644	-	18,16,644	4.37%	0.00%
Kaushal Soparkar	17,22,929	-	17,22,929	4.15%	0.00%

Promoter Name (31 March 2023)	No of Share at the beginning of the year	Change during the year	No of Share at the end of the year	% of Total share	% Change during the year
Ashish Soparkar	46,14,657	5,200	46,19,857	11.12%	0.11%
Natwarlal Patel	41,76,851	-	41,76,851	10.05%	0.00%
Jayanti Patel	35,76,707	-	35,76,707	8.61%	0.00%
Ramesh Patel	29,14,769	4,800	29,19,569	7.03%	0.16%
Maulik Patel	20,94,591	59,776	21,54,367	5.18%	2.85%
Anand Patel	18,16,644	-	18,16,644	4.37%	0.00%
Kaushal Soparkar	17,21,379	1,550	17,22,929	4.15%	0.09%

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Dividend Distribution made and proposed

Particular	As at March 31, 2024	As at March 31, 2023
Dividend on Equity shares declared and paid:		
Interim dividend for 31 March 2024 : ₹ Nil per share (31 March 2023 : ₹ 2.50 per share)	-	1,038.75
Proposed dividend on Equity shares:		
Proposed dividend for 31 March 2024 : ₹ 5.00 per share (31 March 2023 : ₹ 2.50 per share)	2,077.50	1,038.75

Proposed Dividends on Equity Shares are subject to approval at the Annual General Meeting and are not recognised as a Liability as at 31 March.

16 Other Equity

Particular	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Capital Reserve		
Balance as at the beginning of the Year	(24,668.00)	(24,668.00)
Balance as at the end of the Year	**(24,668.00)**	**(24,668.00)**
Retained Earnings		
Balance as at the beginning of the Year	1,27,423.00	93,109.93
Add: Profit for the Year	19,586.59	35,329.06
Add: Other Comprehensive Income for the Year	(47.78)	22.76
Less: Dividend Paid	(1,038.76)	(1,038.75)
Balance as at the end of the Year	**1,45,923.05**	**1,27,423.00**
Total	**1,21,255.05**	**1,02,755.00**

Capital Reserve
The balance in Capital Reserve represents difference between consideration paid and net asset acquired under common control business combination transactions and cancellation of shares pursuant to scheme of arrangement

Retained Earnings
Retained earnings are the profits that the Group has earned till date, less any transfer to General Reserve, Dividend paid to Shareholders. It also includes Re-measurement gain/(loss) on defined benefit plans that will not be re-classified to the Statement of Profit and Loss.

17 Borrowings

Particular	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Term Loan Facilities from Banks:		
Indian Rupee loan (Secured) (refer note below)	49,204.13	43,464.04
From Corporate Bodies		
Redeemable Preference Share Capital (RPS)	5,500.00	11,000.00
Total Non-Current Borrowing	**54,704.13**	**54,464.04**
[refer note 19 for Current Maturities of Term Loan from Banks and Financial Institutions and RPS ₹ 19,459.91 (31st March 2023 : ₹ 23,979.43 Lakh)]		
The above amounts includes:		
Secured borrowing	49,204.13	43,464.04
Unsecured borrowing	5,500.00	11,000.00

refer note - 42 For Interest Rate Risk and Liquidity Risk.

Details of Security and Repayment Terms :

i) The Group has availed following Rupee Term Loan facilities:

1) Term loan amounting ₹ 15,000 Lakhs from HDFC Bank Limited is for capital expenditure towards setting up of new Caustic Soda Lye Plant with new 36 MW Captive Power Plant. Outstanding balance for this facility is ₹ 3,333.33 Lakhs (31st March 2023: ₹ 6,667 Lakhs). This borrowing carries interest @ 1 year MCLR (Benchmark rate) plus NIL spread (to be set every year) payable on monthly rest. The term loan is repayable in 18 quarterly instalments of ₹ 833.33 Lakhs each starting from 1st November, 2020.

2) Term loan amounting ₹ 12,500 Lakhs from Federal Bank Limited is for capital expenditure towards setting up of new Hydrogen Peroxide Plant. Outstanding balance for this facility is ₹ 2,632 Lakhs (31st March 2023: ₹.5,263 Lakhs). The borrowing carries interest @ 12 month T-bill rate (benchmark as published by RBI - to be reset every year) plus spread (fixed @ 0.94%) payable on monthly rest. The Term Loan is repayable in 19 quarterly instalments of ₹ 657.89 Lakhs each starting from 29th September, 2020.

3) Term Loan amounting ₹ 35,000 Lakhs from Axis Bank Limited is for capital expenditure towards setting up of new Chloro Tolune and its Value Chain Plant and expansion of Chloro Polyvinly Chloride, the Company has drawn down ₹ 21,300 Lakhs during the year. The borrowing carries interest @ Repo Rate plus spread (fixed@ 1.65%) payable on monthly rest. The Term Laon is repayable in 24 quarterly installment of ₹1,458.33 Lakhs each starting from December 2025

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4)Term loan amounting ₹ 19,000 Lakhs from State Bank of India is for capital expenditure towards setting up of new Epichlorhydrin Plant. Outstanding balance for this facility is ₹ 13,195 Lakhs as at the Balance Sheet date (31st March 2023: ₹ 17,095 Lakhs). The borrowing carries interest at 6 month MCLR (Benchmark rate) plus spread of 0.10% (to be reset every half year) payable on monthly rest. The Term Loan is repayable in 20 quarterly instalments of ₹ 950.00 Lakhs each starting from 31st December, 2022. 5) Term loan amounting ₹ 28,475 lakhs from HDFC Bank Limited is for capital expenditure towards setting up of new Chloro Polyvinyl Chloride Plant and expansion of Caustic capacity with 36 MW Captive Power Plant. Outstanding balance for the facility is ₹ 24,204 Lakhs as at the Balance Sheet date (31st March 2023: ₹ 28,475 Lakhs). The borrowing carries interest at 7.20% Linked to 6 month MCLR (Benchmark rate) plus NIL Spread resets half yearly. The Term Loan is repayable in 20 quarterly instalments of ₹ 1,423.75 Lakhs each starting from September 2023. 6) The Term Loan facilities are secured by first pari passu mortgage charge of all immovable properties of the Company and first pari passu hypothecation charge over all the movable assets of the Group. However, the security creation for Term Loan of ₹35,000 Lakhs from Axis Bank Limited is under process as on 31st March 2024.
ii) The Group has executed an Indenture of Mortgage with Lenders of these term loans (Secured Parties) by creating mortgages on Immovable Properties of the Group by creating a charge by way of registered mortgage. According to the indenture, all the Secured Parties will share pari passu charge with first ranking and priority over the Immovable Properties of the Group, both present and future.
iii) Bank loans availed by the Group are subject to certain covenants relating to Interest Service Coverage Ratio, Current Ratio, Debt Service coverage Ratio, Total Outside Liabilities to Total Net Worth, Fixed Assets Coverage Ratio, Ratio of Total Term Liabilities to Net Worth and Return on Property, Plant and Equipments. The Group has complied with the covenants as per the terms of the loan agreements.
iv) 9,50,00,000 Redeemable Preference Shares (31 March 2023 : 15,00,00,000) of Rs 10 each is cumulative and carry coupon/dividend rate of 8.00% p.a. with redeemable tenure of 20 Years from the date of allotment. The Group has the right to exercise the option of early redemption, considering which Group has redeemed ₹ 5,500 Lakhs (31st March 2023 : ₹ 6,091.99 Lakhs) during the year. Redemption is done at face value.

18 Long Term Provisions

Particular	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefits		
Gratuity (refer note 35)	321.22	157.94
Compensated Absences	166.75	114.17
Total	**487.97**	**272.11**

19 Borrowings (Current)

Particular	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Secured Loans		
Rupee Loans repayable on Demand		
Cash Credit / WCDL Facility from Banks (refer note below)	22,104.78	9,170.91
Current Maturities of Long-Term Debt (refer note 17)	19,459.91	23,979.43
Total	**41,564.69**	**33,150.34**

Note:

The Group has availed Working Capital Facility of ₹ 40,000 Lakhs (31st March 2023: ₹ 40,000 Lakhs) as sanctioned limit from consortium comprising of ICICI Bank Limited ₹ 9,000 Lakhs, Standard Chartered Bank ₹ 8,000 Lakhs and HDFC Bank Ltd. ₹ 8,000 Lakhs, State Bank of India ₹10,000 Lakhs and Kotak Mahindra Bank ₹5,000 Lakhs.
Rate of interest stipulated by ICICI Bank Limited is 6 Month MCLR +Nil spread on the principal amount remains outstanding each day.
Rate of interest stipulated by Standard Chartered Bank is monthly MCLR .
Rate of interest stipulated by HDFC Bank Limited is as per prevailing 6 Month MCLR + Nil Spread.
Rate of interest stipulated by Kotak Mahindra Bank is 6 month MCLR +NIL Spread.
Rate of interest stipulated by State Bank of India is 6 month MCLR +NIL Spread.
The Holding Company has executed hypothication deed on 16th August 2023 creating first pari passu charge on the current asset of the Company in favor the consortium.
Bank loans availed by the Group are subject to certain covenants relating to Interest Service Coverage Ratio, Current Ratio, Debt Service Coverage Ratio, Total Outside Liabilities to Total Net Worth, Fixed Assets Coverage Ratio, Ratio of Total Term Liabilities to Net Worth and Return on Property, Plant and Equipments. The Group has complied with the covenants as per the terms of the loan agreements.

20 Trade Payables

Particular	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Outstanding dues of Micro and Small Enterprise (refer note 39)	4,051.37	840.51
Outstanding dues of Creditors other than Micro and Small Enterprise	12,476.87	10,176.79
Total	**16,528.24**	**11,017.30**

Trade Payables are non-interest bearing and are normally settled on 90-360 days terms.
For amounts due to related parties and terms and conditions with Related Parties, refer note 36.
For Group's Credit Risk management processes refer note 42.

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Trade Payables Ageing Schedule

As at 31 March 2024	Unbilled Dues	Current but Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 year	2-3 year	More than 3 year	
Total outstanding dues of Micro and Small Enterprise	302.06	1,835.57	1,913.74	-	-	-	4,051.37
Total outstanding dues of creditors other than Micro and Small Enterprise	59.69	9,033.17	3,261.28	105.80	9.39	7.53	12,476.87
Disputed outstanding dues of Micro and Small Enterprise	-	-	-	-	-	-	-
Disputed outstanding dues of creditors other than Micro and Small Enterprise	-	-	-	-	-	-	-
Total	**361.75**	**10,868.74**	**5,175.02**	**105.80**	**9.39**	**7.53**	**16,528.24**

(₹ in Lakhs)

As at 31 March 2023	Unbilled Dues	Current but Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 year	2-3 year	More than 3 year	
Total outstanding dues of Micro and Small Enterprise	-	605.14	230.97	4.39	-	-	840.51
Total outstanding dues of creditors other than Micro and Small Enterprise	141.13	7,269.15	2,748.06	14.30	0.92	3.24	10,176.79
Disputed outstanding dues of Micro and Small Enterprise	-	-	-	-	-	-	-
Disputed outstanding dues of creditors other than Micro and Small Enterprise	-	-	-	-	-	-	-
Total	**141.13**	**7,874.29**	**2,979.03**	**18.69**	**0.92**	**3.24**	**11,017.30**

21 Other Current Financial Liabilities

(₹ in Lakhs)

Particular	As at March 31, 2024	As at March 31, 2023
Financial Liabilities carried at Amortised Cost		
Interest Accrued but not due on Borrowing	1,378.93	1,929.11
Capital Creditors (refer note (i) below)	5,757.64	6,085.25
Security Deposits Payable	1,368.00	1,217.00
Employee Benefits Payable	1,902.98	2,446.60
Unpaid Dividend (refer note (ii) below)	3.27	1.80
Book Overdraft	-	93.46
Expenses Payable	6,774.32	7,500.70
Total	**17,185.14**	**19,273.92**

(i) Refer note 39 for capital creditors due to MSME.

(ii) It does not include any amount due and outstanding to be credited to the Investor Education and Protection Fund but represents only unclaimed dividend.

22 Other Current Liabilities

(₹ in Lakhs)

Particular	As at March 31, 2024	As at March 31, 2023
Advances from Customers	1,240.52	155.89
Statutory Dues Payables	1,113.54	1,019.50
Total	**2,354.06**	**1,175.39**

23 Short Term Provisions

(₹ in Lakhs)

Particular	As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefits		
Compensated Absences	20.18	15.55
Total	**20.18**	**15.55**

24 Current Tax Liabilities (Net)

(₹ in Lakhs)

Particular	As at March 31, 2024	As at March 31, 2023
Current Tax Payable (net)	179.59	9.62
Total	**179.59**	**9.62**

25 Revenue from Operations

Particular	For the Year ended March 31, 2024	For the Year ended March 31, 2023
		(₹ in Lakhs)
Sales of Products		
Sale of products	1,89,170.98	2,16,579.06
Sale of By-product	212.20	365.10
Sales of Products	**1,89,383.18**	**2,16,944.16**
Other Operating Revenue		
Export Benefits and Other Incentives	3,201.41	1,637.43
Scrap Sales	334.57	258.38
Total Other Operating Revenue	**3,535.98**	**1,895.81**
Total	**1,92,919.16**	**2,18,839.97**

25.1 **Disaggregated Revenue Information**

Set out below is the disaggregation of the Group's revenue from Contracts with Customers:

Particular	For the Year ended March 31, 2024	For the Year ended March 31, 2023
		(₹ in Lakhs)
Type of Goods or Service		
Chlor Alkali & its Derivatives	1,89,383.18	2,16,944.16
Total Revenue from contracts with Customers	**1,89,383.18**	**2,16,944.16**
Geographical location of Customer		
India	1,80,811.84	2,08,275.41
Outside India	8,571.34	8,668.75
Total Revenue from contracts with Customers	**1,89,383.18**	**2,16,944.16**
Timing of Revenue Recognition		
Goods transferred at a point in time	1,89,383.18	2,16,944.16
Total Revenue from Contracts with Customers	**1,89,383.18**	**2,16,944.16**

25.2 **Contract balances**

The Group has recognised the following Revenue-related Contract Asset and Liabilities

Particular	As at March 31, 2024	As at March 31, 2023
		(₹ in Lakhs)
Trade Receivables	17,875.29	16,632.23
Advance from Customers	1,240.52	155.89

Trade Receivables are non interest bearing and generally have credit period of 30-90 days.
Trade Receivable are secured to the extent of deposits received from the Customers.

Contract Liabilities includes Short Term Advance received from Customers towards Sale of Products.

25.3 **Reconciling the amount of Revenue recognised in the Statement of Profit and Loss with the Contracted price**

Particular	For the Year ended March 31, 2024	For the Year ended March 31, 2023
		(₹ in Lakhs)
Revenue as per contracted price	1,97,959.97	2,30,930.33
Adjustments		
Sale Returns	(231.76)	(342.55)
Trade Discount and Quantity Rebate	(6,762.16)	(12,023.77)
Cash Discount	(470.30)	(586.12)
Sales Commission	(1,112.57)	(1,033.74)
Revenue from contract with Customers	**1,89,383.18**	**2,16,944.16**

(Net of amount capitalised during the trial run amounting to ₹ Nil (March 31, 2023: ₹ 3,333.21 Lakhs)

25.4 **Performance Obligation**

The performance obligation is satisfied upon dispatch of Goods from the Group's premises / delivery of Goods to the Customer in accordance with the terms of contract with Customer and payment is generally due within 30 to 90 days from date of dispatch/delivery of Goods.

25.5 **Information about Major Customers**

No single Customer represents 10% or more of the Group's total Revenue during the year ended 31st March 2024 and 31st March 2023.

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26 Other Income

Particular	For the Year ended March 31, 2024	For the Year ended March 31, 2023
	(₹ in Lakhs)	
Interest Income on		
- Bank Deposit	8.91	81.80
- Other	0.92	2.47
Net gain on Foreign Currency Transactions and Translations (net)	487.38	315.87
Miscellaneous Income	95.49	54.51
Insurance Claims Received	-	91.96
Sundry Balance Written Back	63.80	251.78
Total	**656.50**	**798.39**

27 Cost of Materials Consumed

Particular	For the Year ended March 31, 2024	For the Year ended March 31, 2023
	(₹ in Lakhs)	
Chlor Alkali & its Derivatives	1,07,159.83	1,21,175.69
Total	**1,07,159.83**	**1,21,175.69**

Note: The above amount comprises of Raw Material consumption generated from the accounting system and related adjustment thereto. Purchases therein amounts to ₹ 1,10,179.73 Lakhs (31st March 2023: ₹ 1,16,158.90 Lakhs) and inventory balance of raw material is as per note 9.

28 Change In Inventories Of Finished Goods, Work in Progress and Stock in Trade

Particular	For the Year ended March 31, 2024	For the Year ended March 31, 2023
	(₹ in Lakhs)	
Inventories at the beginning of the Year		
(i) Finished Goods	10,404.86	755.54
(ii) Work in Progress	48.07	-
Total (A)	**10,452.93**	755.54
Inventories at the end of the Year		
(i) Finished Goods	11,403.37	10,404.86
(ii) Work in Progress	127.90	48.07
Total (B)	**11,531.27**	10,452.93
Changes in Inventories (A-B)	**(1,078.34)**	(9,697.39)

29 Employee Benefit Expenses

Particular	For the Year ended March 31, 2024	For the Year ended March 31, 2023
	(₹ in Lakhs)	
Salaries and Wages	7,235.69	6,107.68
Director Remuneration	834.45	1,775.00
Contribution to Provident and Other Funds (refer note 35)	371.42	311.91
Staff Welfare Expenses	523.89	465.48
Total	**8,965.45**	**8,660.07**

30 Finance Costs

Particular	For the Year ended March 31, 2024	For the Year ended March 31, 2023
	(₹ in Lakhs)	
Interest Expense on :		
- Term Loan	4,637.56	4,107.21
- Cash Credit and Working Capital Demand Loan	1,300.17	610.76
-Lease Liability (refer note 40)	16.92	26.79
- Others	278.72	234.28
Dividend on Non Convertible Redeemable Preference Shares	1,106.62	1,638.47
Loss/(Gain) on Derivative Instruments	332.65	(131.07)
Exchange Difference on borrowing costs	(398.19)	15.34
Other Borrowing Costs (includes Bank Charges, etc.)	74.45	48.44
Total	**7,348.90**	**6,550.22**

31 Power and Fuel Expenses

Particular	For the Year ended March 31, 2024	For the Year ended March 31, 2023
	(₹ in Lakhs)	
Power and Fuel	8,366.89	9,101.23
Electricity Duty on Power Generation	2,207.65	2,373.48
Renewal Purchase Obligation	-	814.79
Total	**10,574.54**	**12,289.50**

32 Other Expenses

Particular	For the Year ended March 31, 2024	For the Year ended March 31, 2023
	(₹ in Lakhs)	
Consumption of Stores and Spares	2,659.83	2,681.96
Consumption of Packing Materials	2,778.26	2,593.12
Repairs and Maintenance:		
- Buildings	157.71	73.43
- Plant and Machinery	1,295.30	1,278.60
Rent (refer note 40)	1,221.51	195.23
Rates and Taxes	90.18	167.76
Insurance	672.54	600.99
Contract Labour Charges	1,585.69	1,422.22
Selling and Promotion Expenses	2,566.05	2,936.42
Loss on Sale of Property, Plant and Equipment	5.32	0.49
Water Charges	3,557.58	3,081.36
Expenditure towards Corporate Social Responsibility (refer not (i) below)	714.34	458.00
Payments to the Auditors (refer note (ii) below)	27.14	25.96
Miscellaneous Expenses	1,845.27	2,001.82
Total	**19,176.72**	**17,517.36**

Miscellaneous expenses includes political contribution of ₹ Nil (31st March 2023 : ₹ 250.Lakhs)

(i) Corporate Social Responsibility Expenditure

PARTICULAR	For the Year ended March 31, 2024	For the Year ended March 31, 2023
	(₹ in Lakhs)	
Amount required to be spent during the Year	712.00	458.00
Amount approved by the Board to be spend during the Year	712.00	458.00
Amount Spent during the year in Cash	675.00	75.00
i. Construction / Acquisition of an Assets	-	-
ii. On purpose other than (i) above	675.00	75.00

Details related to spent/unspent obligation		
i) Contribution to Public Trust		-
ii) Contribution to Charitable Trust	675.00	75.00
iii) Unspent amount for ongoing Project	37.00	383.00

Details of ongoing projects :

PARTICULAR	For the Year ended March 31, 2024	For the Year ended March 31, 2023
	(₹ in Lakhs)	
In case of Section 135(6) (Ongoing Project)		
Opening Balances		
With Group	-	-
In Separate CSR unspent account	468.00	85.00
Amount required to be spent during the year	712.00	458.00
Amount spent during the year		
From Group's bank account	675.00	75.00
From Separate CSR unspent account	110.00	-
Closing balances		
With Group	-	-
In Separate CSR unspent account (refer note below)	358.00	85.00
In companys' bank account to be transferred to separate CSR account before April 30, 2024	37.00	383.00

Includes amount transferred to separate CSR bank account as per section 135 of the Companies Act.

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Nature of CSR Activities

(i) Eradicating hunger, poverty and mal nutrition, promoting health care including preventive health and sanitation.

(ii) Promoting education including special education and employment enhancing vocation skills in educational institutes.

(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

(ii) Payment to Auditors (excluding Tax)

PARTICULAR	(₹ in Lakhs)	
	For the Year ended March 31, 2024	For the Year ended March 31, 2023
(a) Statutory Audit Fees	25.00	25.00
(b) Reimbursement of Expenses	1.45	0.96
Total	26.45	25.96

33 DISCLOSURE OF EARNING PER SHARE

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the year.

The following reflects the Income and Share used in the Basic and Diluted EPS computation:

PARTICULAR	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Profit for the Year attributable to Shareholders (Figure in ₹ in Lakhs)	19,586.59	35,329.06
Total number of Equity Shares at the end of the Year (Nos)	4,15,50,158	4,15,50,158
Weighted Average number of Equity Shares outstanding (Nos)		
- For basic EPS calculation	4,15,50,158	4,15,50,158
- For diluted EPS calculation	4,15,50,158	4,15,50,158
Nominal value per Equity Share (₹)	10.00	10.00
Basic Earnings Per Share (₹)	47.14	85.03
Diluted Earnings Per Share (₹)	47.14	85.03

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34 Tax expense

(a) Amounts recognised in Profit and Loss

Particular	Year ended March 31, 2024 (₹ in Lakhs)	Year ended March 31, 2023 (₹ in Lakhs)
Current Income Tax	5,270.96	9,430.77
Deferred Tax Expenses	4,217.45	7,486.06
Tax Expense for the Year	**9,488.41**	**16,916.83**

(b) Amounts recognised in Other Comprehensive Income

(₹ in Lakhs)

Particular	31st March 2024			31st March 2023		
	Before Tax	Tax (expense)/ benefit	Net of Tax	Before Tax	Tax (expense) /benefit	Net of Tax
Items that will not be reclassified to Profit or Loss						
Remeasurements of the Defined Benefit Plans	(73.45)	25.67	(47.78)	34.98	(12.22)	22.76
Total	(73.45)	25.67	(47.78)	34.98	(12.22)	22.76

(c) Reconciliation of Effective Tax Rate

(₹ in Lakhs)

Particular	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Profit Before Tax	29,075.00	52,245.89
Tax using the Group's domestic tax rate	10,159.97	18,256.80
(Current Year 34.944% and 31st March 2023 34.944%)		
Tax effect on Non Deductible Tax Expenses/Income not subject to tax/other adjustments		
Dividend on Preference Share	386.70	572.55
Corporate Social Responsibility Expense	125.09	80.02
Others	49.08	25.55
Interest on MSME	43.60	24.73
Interest on delayed payment of Income tax	23.65	17.63
Income exempt u/s 80 IA	(1,299.68)	(2,060.45)
Tax Expense as per Consolidated Statement of Profit and Loss	**9,488.41**	**16,916.83**
Effective Tax Rate	**32.63%**	**32.38%**

S R B C & CO LLP CHARTERED ACCOUNTANTS

(₹ in Lakhs)

(d) Movement in Deferred Tax balances for the year ended 31st March 2024

Particulars	Net balance 1st April 2023	Recognised in Profit and Loss	Recognised in OCI	Other	31st March 2024		
					Net	Deferred Tax Asset	Deferred Tax Liability
Property, Plant and Equipment	(22,556.24)	(2,447.93)	-	-	(25,004.17)	-	(25,004.17)
Employee Benefits	105.43	28.45	25.67	-	159.55	159.55	-
Lease Liabilities	17.33	(6.00)	-	-	11.33	11.33	-
Tax Credit (MAT)	5,580.62	(1,764.61)	-	-	3,816.01	3,816.01	-
Others	179.47	(27.36)	-	-	152.11	152.11	-
Tax Assets/ (Liabilities)	(16,673.40)	(4,217.45)	25.67	-	(20,865.18)	4,138.99	(25,004.17)
Set off Tax							4,138.99
Net Tax Assets / (Liabilities)							(20,865.18)

(₹ in Lakhs)

(e) Movement in Deferred Tax balances for the year ended 31st March 2023

Particulars	Net balance 1st April 2022	Recognised in Profit and Loss	Recognised in OCI	Other	31st March 2023		
					Net	Deferred Tax Asset	Deferred Tax Liability
Property, Plant and Equipment	(14,372.65)	(8,183.60)	-	-	(22,556.24)	-	(22,556.24)
Employee Benefits	113.38	4.28	(12.22)	-	105.43	105.43	-
Lease Liabilities	18.94	(1.61)	-	-	17.33	17.33	-
Tax Credit (MAT)	4,890.66	689.96	-	-	5,580.62	5,580.62	-
Others	174.56	4.91	-	-	179.47	179.47	-
Tax Assets/ (Liabilities)	(9,175.11)	(7,486.06)	(12.22)	-	(16,673.40)	5,882.85	(22,556.24)
Set off tax							5,882.85
Net Tax Assets/ (Liabilities)							(16,673.40)

35 GRATUITY AND OTHER EMPLOYMENT BENEFIT PLANS

(a) **Retirement Benefits**

The Gratuity Plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans:

Table 1: Reconciliation of Defined Benefit Obligation (DBO)

(₹ in Lakhs)

Particulars	31st March 2024	31st March 2023
Opening balance of Defined Benefit Obligation	648.14	553.94
Service Cost		
a. Current Service Cost	146.41	113.27
Interest Cost	46.18	34.34
Benefits Paid	(21.22)	(18.53)
Re-measurements		
a. Actuarial Loss/(Gain) from changes in financial assumptions	5.67	(39.59)
b. Actuarial Loss/(Gain) from experience over the past period	62.42	4.70
c. Actuarial (Loss)/Gain from change in demographic assumptions		
Closing balance of the Defined Benefit Obligation	887.60	648.14

Table 2: Reconciliation of Fair Value of Plan Assets

(₹ in Lakhs)

Particulars	31st March 2024	31st March 2023
Opening balance of Fair Value of Plan Assets	490.21	356.16
Contributions by Employer	68.16	128.79
Benefits Paid	(21.22)	(18.53)
Interest Income on Plan Assets	34.37	23.69
Re-measurements		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	-
b. Return on plan assets excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	(5.34)	0.09
Closing balance of Fair Value of Plan Assets	566.18	490.21
Actual Return on Plan Assets	*29*	*22*
Expected Employer Contributions for the coming period	*100*	*100*

Table 3: Expenses Recognised in the Profit and Loss Account

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Service Cost		
a. Current Service Cost	146.41	113.27
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	-	-
Net Interest on net Defined Benefit Liability/ (Asset)	11.81	12.66
Employer Expenses	158.22	125.93

Table 4: Net Liability/ (Asset) recognised in the Balance Sheet

(₹ in Lakhs)

Particulars	31st March 2024	31st March 2023
Present Value of DBO	887.60	648.14
Fair Value of Plan Assets	566.18	490.21
Liability/ (Asset) recognised in the Balance Sheet	321.22	157.94
Funded Status [Surplus/(Deficit)]	(321.22)	(157.94)
Of Which, Short term Liability	-	-
Experience Adjustment on Plan Liabilities: (Gain)/Loss	62.42	4.70
Experience Adjustment on Plan Assets: Gain/(Loss)	(5.34)	0.09

Table 5: Percentage Break-down of Total Plan Assets

Particulars	31st March 2024	31st March 2023
Investment Funds with Insurance Company	100%	100%
Of which, Traditional/ Non-Unit Linked	*100%*	*100%*
Total	100%	100%

Note: None of the assets carry a quoted market price in an active market or represent the Group's own transferable financial instruments or are property occupied by the Group.

Table 6: Actuarial Assumptions

Particulars	31st March 2024	31st March 2023
Salary Growth Rate	10% p.a.	10% p.a.
Discount Rate	7%p.a	7.1%p.a
Withdrawal Rate	12% p.a.	12% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2012-14 Ult.
Expected Return on Plan Assets	7.1%p.a	6.2%p.a
Expected weighted average remaining working life	5 years	5 years

Table 7: Movement in Other Comprehensive Income

(₹ in Lakhs)

Particulars	31st March 2024	31st March 2023
Opening Balance (Loss)/Gain	(114.08)	(149.06)
Re-measurements on DBO		
a. Actuarial (Loss)/Gain from changes in financial assumptions	(5.67)	39.59
b. Actuarial (Loss)/Gain from experience over the past period	(62.42)	(4.70)
c. Actuarial (Loss)/Gain from change in demographic assumptions		-
Re-measurements on Plan Assets		
a. Actuarial (Loss)/Gain from changes in financial assumptions		
b. Return on Plan assets, excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	(5.34)	0.09
Other Comprehensive Income	(73.43)	34.98
Closing Balance (Loss)/Gain	(187.51)	(114.08)

Table 8: Sensitivity Analysis

Financial Year ended 31st March 2024	**Increases 1%**	**Decreases 1%**
Salary Growth Rate	DBO increases by Rs 58.25 Lakh	DBO decreases by Rs 52.84 Lakh
Discount Rate	DBO decreases by Rs 53.78 Lakh	DBO increases by Rs 60.56 Lakh
Withdrawal Rate	DBO decreases by Rs 12.27 Lakh	DBO increases by Rs 13.30 Lakh
Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.17 Lakh	
Mortality (increase in expected lifetime by 3 years)	DBO increases by Rs 0.49 Lakh	

Financial Year ended 31st March 2023	**Increases 1%**	**Decreases 1%**
Salary Growth Rate	DBO increases by Rs 42.61 Lakh	DBO decreases by Rs 38.70 Lakh
Discount Rate	DBO decreases by Rs 39.35 Lakh	DBO increases by Rs 44.25 Lakh
Withdrawal Rate	DBO decreases by Rs 8.24 Lakh	DBO increases by Rs 8.96 Lakh
Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.12 Lakh	
Mortality (increase in expected lifetime by 3 years)	DBO increases by Rs 0.34 Lakh	

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses.

Table 9: Movement in Surplus/ (Deficit)

(₹ in Lakhs)

Particulars	31st March 2024	31st March 2023
Surplus/ (Deficit) at start of Year	(157.97)	(197.79)
Current Service Cost	(146.41)	(113.27)
Past Service Cost	-	1.96
Net Interest on net DBO	(11.81)	(12.66)
Actuarial gain/ (loss)	(73.43)	34.98
Contributions	68.16	128.79
Surplus/ (Deficit) at end of Year	(321.46)	(157.97)

(b) **Defined Contribution Plans**

The Group makes Provident Fund contributions to Defined Contribution Plans for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of payroll costs to fund the benefits. The Group has recognised Provident Fund contribution of ₹213.12 Lakhs (31st March 2023: ₹ 185.77 Lakhs) and contribution to labour welfare of ₹ 0.23 lakhs (31st March 2023: ₹ 0.21 Lakhs) as expense in Note 29 under the head 'Contributions to Provident and Other Funds'

36 RELATED PARTIES DISCLOSURES :-

⟹ Associates	:	ReNew Green (GJS three) Pvt Limited
⟹ Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence :	:	Meghmani Organics Limited (MOL) Meghmani Dyes & Intermediates LLP (MDIL) Meghmani Industries Limited (MIL) Meghmani Pigments (MP) Trent Chemical Industries (Trent Chemicals) Arjan Owners LLP (Arjan) Meghmani Novotech Pvt Ltd (Meghmani Novotech) Meghmani LLP (MLLP) Atvantic Finechem Private Limited (Atvantic) Kilburn Chemicals Limited (Kilburn) Meghmani Foundation
⟹ Key Managerial Personnel	:	Mr. Maulik Patel (Chairman and Managing Director) Mr. Kaushal Soparkar (Executive Director) Mr. Ankit Patel (Executive Director upto 5th August 2023) Mr. Karana Patel, (Executive Director upto 5th August 2023) Mr. Darshan Patel (Executive Director upyo 5th August 2023) Mr. Kamlesh Mehta (Company Secretary) Mr. Sanjay Jain (Chief Financial Officer)
⟹ Relatives of Key Managerial Personnel	:	Mr. Jayanti Patel Mr. Ashish Soparkar Mr. Natwarlal Patel Mr. Ramesh Patel Mr. Anand Patel
⟹ Non Executive Directors	:	Mr. Manubhai Patel Ms. Nirali Parikh Mr. Kanubhai Patel Mr. Sanjay Asher Mr. Raju Swami Mr. Ankit Patel (w.e.f. 5th August 2023) Mr. Karana Patel, (w.e.f. 5th August 2023) Mr. Darshan Patel (w.e.f. 5th August 2023)

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Transaction with Related Parties (Continued):

(₹ in Lakhs)

Particulars	Associate		Enterprises in which Key Managerial Personnel (KMP)and its Relatives have significant influence		Key Managerial Personnel and its Relatives(KMP)		Total	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Sale of Goods to MOL	-	-	10,433.11	18,881.44	-	-	10,433.11	18,881.44
Sale of Goods to MDIL	-	-	583.98	1,059.73	-	-	583.98	1,059.73
Sale of Goods to MIL	-	-	1,012.73	1,689.28	-	-	1,012.73	1,689.28
Sale of Goods to MP	-	-	236.61	246.61	-	-	236.61	246.61
Sale of Goods to MLLP	-	-	4,903.72	6,392.20	-	-	4,903.72	6,392.20
Sale of Goods to Trent Chemicals	-	-	197.49	952.61	-	-	197.49	952.61
Sale of Goods to Atvantic	-	-	92.17	2.43	-	-	92.17	2.43
Sale of Goods to Kilburn	-		14.06	26.57	-		14.06	26.57
Sale of Goods to Meghmani Novotech	-	-	9.46	140.00	-	-	9.46	140.00
Availing of Services (Rent) Arjan	-	-	148.11	143.55	-	-	148.11	143.55
Purchase from MOL	-	-	6.00	-	-	-	6.00	-
Purchase from Atvantic	-	-	184.18	-	-	-	184.18	-
Purchase from Renew Green (GJS three) Pvt Ltd	949.09	-	-	-	-	-	949.09	-
Sitting fees	-	-	-	-	32.00	26.75	32.00	26.75
Maulik Patel- Remuneration	-	-	-	-	40.32	40.32	40.32	40.32
Kaushal Soparkar- Remuneration	-	-	-	-	40.32	40.32	40.32	40.32
Ankit Patel- Remuneration	-	-	-	-	13.98	40.32	13.98	40.32
Karana Patel- Remuneration	-	-	-	-	13.98	40.32	13.98	40.32
Darshan Patel- Remuneration	-	-	-	-	13.98	40.32	13.98	40.32
Director Performance Bonus #	-	-	-	-	725.00	1,595.00	725.00	1,595.00
Sanjay Jain - Remuneration	-	-	-	-	60.46	53.69	60.46	53.69
Kamlesh Mehta - Remuneration	-	-	-	-	38.34	25.62	38.34	25.62
Investment in Equity shares of Renew Green (GJS three) Pvt Ltd	2,055.21	2,052.39	-	-	-	-	2,055.21	2,052.39
Investment in Meghmani Foundation	-	-	-	2.45	-	-	-	2.45
Contribution for CSR to Meghmani foundation	-		110.00	75.00	-		110.00	75.00
Redemption of Preference Shares to MOL	-		5,500.00	6,091.99	-	-	5,500.00	6,091.99
Dividend Paid	-		-	-	-	600.14	-	600.14
Dividend Paid on RPS to MOL	-	-	1,106.62	1,638.47	-	-	1,106.62	1,638.47

Outstanding Balance with Related Parties:

(₹ in Lakhs)

Particulars	Associate		Enterprises in which Key Managerial Personnel (KMP) and its Relatives have significant influence		Key Managerial Personnel and its Relatives(KMP)		Total	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Receivable from MOL*	-	-	1,887.09	1,818.09	-	-	1,887.09	1,818.09
Receivables from MDI*	-	-	60.97	152.14	-	-	60.97	152.14
Receivables from MIL*	-	-	194.05	304.73	-	-	194.05	304.73
Receivables from MP*	-	-	45.38	44.29	-	-	45.38	44.29
Receivables from MLLP*	-	-	1,100.82	1,290.04	-	-	1,100.82	1,290.04
Receivables from Trent Chemical*	-	-	58.18	188.80	-	-	58.18	188.80
Receivables/(Payable) from Meghmani Novotech*	-	-	(10.48)	36.66	-	-	(10.48)	36.66
Receivable/(Payable) to Kilburn	-	-	4.20	(0.26)	-	-	4.20	(0.26)
Receivables from Atvantic*	-	-	14.65	2.43	-	-	14.65	2.43
Payable to Renew Green (GJS three) Pvt Ltd	390.44	-	-	-	-	-	390.44	-
Remuneration Payable to Maulik Patel	-	-	-	-	2.64	1.12	2.64	1.12
Remuneration Payable to Kaushal Soparkar	-	-	-	-	2.64	1.12	2.64	1.12
Remuneration Payable to Ankit Patel	-	-	-	-	-	1.12	-	1.12
Remuneration Payable to Karana Patel	-	-	-	-	-	2.64	-	2.64
Remuneration Payable to Darshan Patel	-	-	-	-	-	2.64	-	2.64
Director Performance Bonus #					725.00	1,595.00	725.00	1,595.00
Remuneration Payable to Sanjay Jain	-	-	-	-	3.94	3.30	3.94	3.30
Remuneration Payable to Kamlesh Mehta	-	-	-	-	2.94	2.71	2.94	2.71
Dividend Payable on RPS to MOL	-	-	995.96	1,474.62	-	-	995.96	1,474.62

*Receivables from related parties are net of payable.

#The distribution of commission/performance bonus in under consideration of NRC and hence disclosed cumulatively.

(i) Transaction entered into with Related Parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

(ii) The Groups's transactions with Related Parties are at arm's length. Management believes that the Group's domestic transactions with related parties post 31st March 2024 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the Financial Statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the period end.

37 Segment Reporting

The Groups's Chief Operating Decision Maker (CODM) examines the Company's performance from business and geographic perspective. In accordance with Ind AS-108 - Operating Segments, evaluation by the CODM and based on the nature of activities performed by the Company, which primarily relate to manufacturing of Chloro Alkali & its Derivatives, the Company does not operate in more than one business segment.

Analysis By Geographical Segment

Segment Revenue is analysed based on the location of Customers regardless of where the goods are produced. The following provides an analysis of the Sales by Geographical Markets.

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue :		
Within India	1,80,811.84	2,08,275.41
Outside India	8,571.34	8,668.75
Total Revenue from Contracts with Customers	1,89,383.18	2,16,944.16

The following is analysis of the carrying amount of Non Current Assets, which do not include Deferred Tax Assets, Tax Assets, Investment in Subsidiary and Financial Assets analysed by the geographical area in which the assets are located:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount of Segment Assets		
Within India	2,25,738.77	1,97,838.68
Outside India	-	-

38 Contingent Liabilities & Commitments

A. Claim against the Group not acknowledged as Debts (excluding Interest and Penalty)

(₹ in Lakhs)

Particular	As at March 31, 2024	As at March 31, 2023
Disputed Income Tax Liability*	1,662.83	1,662.83
Disputed Service Tax Liability**	53.69	53.69
Disputed Custom Duty Liability***	621.83	621.83
Disputed Other Civil liability****	234.16	-
(In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various Forums / Authorities. The Group has assessed that it is only possible but not probable, the outflow of economic resources will be required)		
In respect of Letter of Credit	5,424.90	2,036.53

*Income tax demand comprise demand from the Indian Income Tax authorities for payment of additional tax of ₹ 1,662.83 Lakhs (31 March 2023: ₹1,662.83 Lakhs), upon completion of their tax review for the assessment year 2016-17, 2017-18 and 2018-19. The tax demands are mainly on account of adjustment pertaining to 80 IA benefits claimed for captive power plant against sale of steam and power. Till FY 2022-23, the matter was pending before CIT(A) and Income Tax Appellate Tribunal (ITAT). During FY 2023-24, the Group has received favourable ITAT Order from Ahmedabad pertaining to AY 2016-17 and AY 2017-18 against which the Department has filed appeal before Gujarat High Court.

**Service tax demand comprise demand from Service tax Authorities for payment of additional tax of ₹ 53.69 Lakhs (31 March 2023: ₹ 53.69 Lakhs), upon completion of their tax review for the financial year 2012-13 and 2014-15. The tax demands are on account of service tax on sales commission and classification of coal. The matter is pending before Commissioner of Excise Service Tax Appellate Tribunal (CESTAT).

***Customs tax demand comprise demand from Custom Authorities for payment of additional tax of ₹ 621.83 Lakhs (31 March 2023: ₹ 621.83 Lakhs), upon completion of their tax review for the financial year 2012-13. The tax demands are on account of classification of coal. The matter is pending before Commissioner of Excise Service Tax Appellate Tribunal (CESTAT).

****Other Legal demand comprise demand on account of civil litigation for payment to Aggrived party amounting to ₹ 234.16 Lakhs (31 March 2023: Nil) .The legal dispute is majorly on account of non fulfilment of obligation by creditor and corresponding deductions. The matter is pending before Highcourt.

The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely be in favour of Group in the appellate process and no tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

B. Capital Commitment

The Estimated amount of Contract to be executed on Capital Account of ₹ 2,878.43 Lakhs (31st March 2023 ₹ 24,965.66 Lakhs) and not provided for (Net of Advances).

C. Other Commitment

The Group has imported capital good for the various expansion projects under the EPCG Scheme at nil rate of custom duty by undertaking obligation to export. Future outstanding export obligation under the scheme is ₹ 168.04 Lakhs (31st March 2023: ₹ Nil Lakhs).

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39 DISCLOSURES AS PER MSMED ACT, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26th August, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its Customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act').

Accordingly, the disclosure in respect of the amounts payable to such Enterprises as at 31st March, 2024 has been made in the Financial Statements based on information received and available with the Group. Further in view of the Management, the impact of interest, if any,that may be payable in accordance with the provisions of the Act is not expected to be material. The Group has not received any claim for interest from any Supplier as at the Balance-Sheet date.

The details as required by MSMED Act are given below:

(₹ in Lakhs)

PARTICULAR	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any Supplier as at the end of each accounting year;		
Principal and Interest		
Trade Payables	4,051.37	840.51
Capital Payables	2,406.24	1,042.37
The amount of interest paid by the Buyer in terms of Section 18 of MSMED Act, along with the amounts of the payment made to the Supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	124.78	70.76
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	-	-

On the basis of information and records available with the Group, the above disclosures are made in respect of amount due to the Micro, Small and Medium Enterprises, which have been registered with the relevant competent Authorities. This has been relied upon by the Auditors.

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40 Leases

The Group has lease contracts for office premise. Leases of office premise is having lease terms of 3 to 9 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain premises in good state. The lease contract include extension and termination options.
The Group also has certain premises and assets with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Terms of Cancellation and Escalation
The Leases are cancellable by giving one month notice by either parties and these does not carries any escalation.

(A) Leases as lessee

(₹ in Lakhs)

(i) The movement in Lease liabilities during the Year	As at March 31, 2024	As at March 31, 2023
Opening Balance	261.84	376.22
Additions during the Year	-	-
Finance costs incurred during the Year	16.92	26.79
Payments of Lease Liabilities	(143.85)	(141.17)
Balance at the end of the Year	**134.91**	**261.84**

(ii) The carrying value of the Rights-of-use and depreciation charged during the year

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	18,444.59	3,489.77
Additions during the Year	1,328.83	15,190.75
Depreciation charged during the Year	(335.27)	(235.94)
Balance at the end of the Year	19,438.14	18,444.59

(₹ in Lakhs)

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year	Year Ended March 31, 2024	Year Ended March 31, 2023
Depreciation expense of Right-of-Use assets	335.27	235.94
Interest expense on lease liabilities	16.92	26.79
Expense relating to short-term leases (included in other expenses)	1,221.51	195.23
Total Expenses	1,573.72	457.97

(₹ in Lakhs)

(iv) Amounts recognised in Statement of Cash Flows	Year Ended March 31, 2024	Year Ended March 31, 2023
Total Cash outflow for Leases	(143.85)	(141.17)

(₹ in Lakhs)

(v) Maturity analysis of Lease Liabilities	As at March 31, 2024	As at March 31, 2023
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	131.76	143.85
One to five years	9.47	141.22
More than five years	-	-
Total undiscounted Lease Liability	**141.22**	**285.07**

(₹ in Lakhs)

Balances of Lease Liabilities	As at March 31, 2024	As at March 31, 2023
Non Current Lease Liability	9.40	134.91
Current Lease Liability	125.51	126.93
Total Lease Liability	**134.91**	**261.84**

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41. Capital Management

Capital includes only Equity attributable to the Equity Shareholders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its Capital Structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the Capital Structure, the Group may adjust the dividend payment to Shareholders, return on capital to Shareholders or issue new Shares. No changes were made in the objectives, policies or processes during the year ended 31 March 2024 and 31 March 2023.

The Group monitors capital using a ratio of 'Adjusted Net Debt' to 'Adjusted Equity'. For this purpose, adjusted net Debt is defined as Total Liabilities, comprising Interest-Bearing Loans and Borrowings, less Cash and Cash Equivalents. Adjusted Equity comprises all components of Equity.

	(₹ in Lakhs)	
Particulars	**31st March 2024**	**31st March 2023**
Total Interest bearing liabilities	96,403.73	87,876.22
Less : Cash and Cash Equivalent	318.30	1,424.00
Adjusted Net Debt	**96,085.43**	**86,452.22**
Total Equity	1,25,410.07	1,06,910.02
Adjusted Equity	**1,25,410.07**	**1,06,910.02**
Adjusted Net Debt to Adjusted Equity ratio	0.77	0.81

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42 Financial Instruments – Fair Values and Risk Management

The Significant Accounting Policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note 2 to the Financial Statements.

A. Category-wise classification of Financial Instrument

The carrying value of Financial Instruments by categories as of 31st March, 2024 and 31st March, 2023 is as follows:

(₹ in Lakhs)

31st March 2024	Carrying Amount			
	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income	Amortised Cost	Total
Financial Assets				
Other Non-Current Financial Asset (refer note 5)	79.17	-	773.85	853.01
Non current Investment (refer note 4)	-	-	2,057.66	2,057.66
Trade Receivables (refer note 9)	-	-	17,875.29	17,875.29
Cash and Cash Equivalents (refer note 10)	-	-	318.30	318.30
Bank Balances other than above (refer note 11)	-	-	361.27	361.27
Loans (refer note 12)	-	-	48.33	48.33
Other Current Financial Assets (refer note 13)	24.36	-	4,009.95	4,034.31
Total Financial Assets	**103.53**	-	**25,444.64**	**25,548.17**
Financial Liabilities				
Non-Current Borrowings (refer note 17)	-	-	54,704.13	54,704.13
Non-Current Lease Liabilities (refer note 40)	-	-	9.40	9.40
Current Borrowings (refer note 19)	-	-	41,564.69	41,564.69
Current Lease Liabilities (refer note 40)	-	-	125.51	125.51
Trade Payable (refer note 20)	-	-	16,528.24	16,528.24
Other Current-Financials Liabilities (refer note 21)	-	-	17,185.14	17,185.14
Total Financial Liabilities	-	-	**1,30,117.10**	**1,30,117.10**

(₹ in Lakhs)

31st March, 2023	Carrying Amount			
	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income	Amortised Cost	Total
Financial Assets				
Other Non-Current Financial Asset (refer note 5)	-	-	740.46	740.46
Non Current Investments (refer note 4)	-	-	2,054.84	2,054.84
Trade Receivables (refer note 9)	-	-	16,632.23	16,632.23
Cash and Cash Equivalents (refer note 10)	-	-	1,424.00	1,424.00
Bank Balances other than above (refer note 11)	-	-	86.80	86.80
Loans (refer note 12)	-	-	14.47	14.47
Other Current Financial Assets (refer note 13)	436.17	-	1,388.46	1,824.63
Total Financial Assets	**436.17**	-	**22,341.27**	**22,777.44**
Financial Liabilities				
Non-Current Borrowings (refer note 17)	-	-	54,464.04	54,464.04
Non-Current Lease Liabilities (refer note 40)	-	-	134.91	134.91
Current Borrowings (refer note 19)	-	-	33,150.34	33,150.34
Current Lease Liabilities (refer note 40)	-	-	126.93	126.93
Trade Payable (refer note 20)	-	-	11,017.30	11,017.30
Other Current-Financials Liabilities (refer note 21)	-	-	19,273.92	19,273.92
Total Financial Liabilities	-	-	**1,18,167.44**	**1,18,167.44**

B. Measurement of Fair values and Sensitivity analysis

Fair Value Hierarchy:

The fair value of the Financial Assets and Liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

(i) Level 1: quoted prices (unadjusted) in active markets for identical Assets or Liabilities.
(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the Asset or Liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
(iii) Level 3: inputs for the Asset or Liability that are not based on observable market data (unobservable inputs).

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Financial Instrument measured at Fair Value

(₹ in Lakhs)

Financial Assets / Financial Liabilities	Fair value as at		Fair value hierarchy	Significant observable inputs
	31st March 2024	31st March 2023		
Mark to market Derivative Assets on interest Rate Swap and cross Currency Swap valued at FVTPL. (refer note 13 & 5)	103.53	436.17	Level 2	Fair value as ascertained and provided by Bank

Financial Instrument measured at Amortised Cost

The carrying amount of Financial Assets and Financial Liabilities measured at amortised cost in the Financial Statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Reconciliation of level 1 Fair Values
There have been no transfers between level 1, level 2 and level 3 during the year ended March 31, 2024.

Financial Risk Management Framework

The Group's Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group manages market risk through treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends risk management objectives and policies. The activities of this operations include management of cash resources, hedging of foreign currency exposure, credit control and ensuring compliance with market risk limits and policies.

The Group's principal Financial Liabilities, other than Derivatives, comprises of Long Term and Short Term Borrowings, Trade and Other Payables, and Financial Liabilities. The main purpose of these Financial Liabilities is to finance the Company's operations. The Group's principal Financial Assets include Loans, Trade and other Receivables, Cash and Cash Equivalents, other Bank Balances and Other Financial Assets that derive directly from its Operations.

The Group has an effective risk management framework to monitor the risks controls in key business processes. In order to minimise any adverse effects on the bottom line, the Group takes various mitigation measures such as credit control, foreign exchange forward contracts to hedge foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Group has exposure to the following risks arising from Financial Instruments
- Credit Risk ;
- Liquidity Risk ; and
- Market Risk

i. Credit Risk

Credit Risk is the risk that counter party will not meet its obligation leading to a financial loss. The Group is exposed to credit risk arising from its operating activities primarily from Trade Receivables and from financing activities primarily relating to parking of surplus funds as Deposits with Banks. The Group considers probability of default upon initial recognition of Assets and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period.

The carrying amount of following Financial Assets represents the maximum credit exposure:

Financial Instruments and Cash Deposit:
Credit Risk from Balances with Banks and Financial Institutions is managed by the Group's Treasury Department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

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Trade Receivables

The Sales Department has established a Credit Policy under which each new Customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each Customer and reviewed periodically. Any sales exceeding those limits requires further approval.

Trade Receivables of the Company are typically unsecured ,except to the extent of the security deposits received from the Customers or Financial Guarantees provided by the market organizers in the business.Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of Customers to which Group grants credit terms in the normal course of business. The Group performs ongoing credit evaluations of its Customers' financial condition and monitors the creditworthiness of its Customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade Receivables is created to the extent and as and when required, based upon the expected collectability of Accounts Receivables.The Group evaluates the concentration of risk with respect to Trade Receivables as low, as its Customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group measures the expected credit loss of Trade Receivables and Loan from individual Customers based on historical trend, industry practices and the business environment in which the Entity operates.Loss rates are based on actual credit loss experience and past trends.

The maximum exposure to Credit Risk for Trade Receivables by geographic region was as follows:

(₹ in Lakhs)

Particulars	31st March 2024	31st March 2023
Domestic	17,659.22	16,590.74
Other Regions	216.07	41.48
Total	17,875.29	16,632.22

Age of Receivables

(₹ in Lakhs)

Particulars	31st March 2024	31st March 2023
Neither due nor Impaired	12,022.18	11,859.23
Past due 1–90 days	5,727.83	4,741.88
Past due 91–180 days	80.80	24.11
180 to 365 days	44.48	7.00
More than 365 days	-	-
	17,875.29	16,632.22

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of Customer Credit Risk, including underlying Customers' Credit Ratings if they are available.

Management estimates that the amount of provision of ₹ Nil (31st March 2023 : NIL) is appropriate

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Financial Instruments – Fair Values and Risk Management (continued)

ii. Liquidity Risk

Liquidity Risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to Liquidity Risk

The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and Actual Cash flows and matching the maturity profiles of the Financial Assets and Liabilities. The table below summarises the remaining contractual maturities of Financial Liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Non-Derivative Financial Liabilities

(₹ in Lakhs)

31st March 2024	Carrying amount	Contractual Cash Flows				
		Total	1 Year or Less	1-2 Years	2-5 Years	More than 5 Years
India Rupee loan	64,664.04	64,664.04	15,459.91	11,270.00	29,059.13	8,875.00
Redeemable Preference Share Capital	9,500.00	9,500.00	4,000.00	4,000.00	1,500.00	-
Working Capital Loans from Banks	22,104.78	22,104.78	22,104.78	-	-	-
Trade Payables	16,528.24	16,528.24	16,528.24	-	-	-
Other Payables	17,320.05	17,320.05	17,310.65	9.40	-	-
Total	**1,30,117.11**	**1,30,117.11**	**75,403.58**	**15,279.40**	**30,559.13**	**8,875.00**

Non-Derivative Financial Liabilities

(₹ in Lakhs)

31st March 2023	Carrying amount	Contractual cash flows				
		Total	1 Year or Less	1-2 Years	2-5 Years	More than 5 Years
India Rupee loan	59,150.23	59,150.23	15,686.19	15,459.91	26,580.38	1,423.75
Foreign currency loan	4,293.24	4,293.24	4,293.24	-	-	-
Redeemable Preference Share	15,000.00	15,000.00	4,000.00	4,000.00	7,000.00	-
Working Capital Loans from Banks	9,170.91	9,170.91	9,170.91	-		-
Trade Payables	11,017.30	11,017.30	11,017.30	-	-	-
Other Payables	19,535.76	19,530.76	19,395.85	125.51	9.40	-
Total	**1,18,167.45**	**1,18,162.45**	**63,563.49**	**19,585.42**	**33,589.78**	**1,423.75**

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular Industry

In order to avoid excessive concentrations of risk, the policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels

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Financial instruments – Fair Values and Risk Management (continued)

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. Market risk comprises three types of risk: Currency Risk, Interest Rate Risk, and Other Price Risk such as Equity Price Risk. Financial Instruments affected by market risk include Loans and Borrowings, Deposits, FVTOCI and Amortised Cost Investments and Derivative Financial Instruments.

Foreign Currency Risk

Foreign Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of actual sales and purchases and 12-month period for foreign currency loans. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Exposure to Currency Risk

The Currency profile of Financial Assets and Financial Liabilities as at 31st March, 2024 and 31st March , 2023 are as below:
The Group's exposure to Foreign Currency Risk at the end of the reporting period expressed in ₹, are as follows

(₹ in Lakhs)

31st March 2024	Total	INR Equivalent to USD	INR Equivalent to Euro	INR Equivalent to CNY	INR Equivalent to JPY	INR
Financial Assets						
Trade and Other Receivables	17,875.29	300.06	113.61	-	-	17,461.62
Other Non-Current Financial Assets	853.01	-	79.17	-	-	773.85
Other Current Financial Assets	4,034.31	157.95	24.36	-	-	3,852.00
	22,762.61	458.02	217.14	-	-	22,087.47
Financial Liabilities						
Non Current Borrowings	54,704.13	-	-	-	-	54,704.13
Current Borrowings	41,564.69	-	2,022.24			39,542.44
Trade Payables	16,528.24	6,648.44	0.28	-	2.07	9,877.45
Other Current Financial Liabilities	17,185.14	3.30	119.87	141.46	-	16,920.50
Less : Foreign Currency Hedged	-	-	-	-	-	-
Total	1,29,982.19	6,651.74	2,142.40	141.46	2.07	1,21,044.52

(₹ in Lakhs)

31st March 2023	Total	INR Equivalent to USD	INR Equivalent to Euro	INR Equivalent to CNY	INR Equivalent to JPY	INR
Financial Assets						
Trade and other Receivables	16,632.23	167.85	0.05	-	-	16,464.33
Other Current Financial Assets	1,824.63	157.94	436.17	-		1,230.51
Total	18,456.86	325.78	436.22	-	-	17,694.84
Financial Liabilities						
Current Borrowings	33,150.34	-	4,293.24	-	-	28,857.10
Trade Payables	11,017.30	3,062.67	1.79	-	-	7,952.84
Other Current Financial Liabilities	19,273.92	54.96	890.15	227.44	-	18,101.38
Less : Foreign Currency Hedged	4,293.24	-	4,293.24	-	-	-
Total	59,148.33	3,117.62	891.93	227.44	-	54,911.32

Sensitivity Analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against Foreign Currency at March 31 would have affected the measurement of financial instruments denominated in foreign currency and affected Equity and Profit or Loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in Lakhs)

31st March 2024	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	(309.69)	309.69	(201.47)	201.47
EUR	(96.26)	96.26	(62.62)	62.62
CNY	(7.07)	7.07	(4.60)	4.60
JPY	(0.10)	0.10	(0.07)	0.07

(₹ in Lakhs)

31st March 2023	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	(139.59)	139.59	(90.81)	90.81
EUR	(22.79)	22.79	(14.82)	14.82
CNY	(11.37)	11.37	(7.40)	7.40

Financial Instruments – Fair Values and Risk Management (continued)

Interest Rate Risk

Interest Rate Risk is the risk that the fair value or future Cash Flows of a Financial Instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's Long-Term Debt obligations with floating interest rates. The Group manages its Interest Rate Risk by having balanced portfolio of fixed and variable rate Loans and Borrowings.

Exposure to Interest Rate Risk

The Group's Interest Rate Risk arises from Borrowings obligations. Borrowings is exposed to fair value interest rate risk. The interest rate profile of the Group's interest-bearing Financial Instruments as reported to the management of the Group is as follows.

Variable-Rate Instruments		(₹ in Lakhs)
	As at March 31, 2024	As at March 31, 2023
Non Current - Borrowings	54,704.13	54,464.04
Current - Borrowings	41,564.70	33,150.34
Total	**96,268.83**	**87,614.38**

Cash Flow Sensitivity Analysis for Variable-Rate Instruments

A reasonably possible change of 100 basis points in Interest Rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amounts shown below. This analysis assumes that all other variables, in particular Foreign Currency Exchange Rates, remain constant.

(₹ in Lakhs)

Particulars	Profit or Loss		Equity, Net of Tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
As at March 31, 2024				
Non Current - Borrowings	(547.04)	547.04	(355.88)	355.88
Current - Borrowings	(415.65)	415.65	(270.40)	270.40
Total	**(962.69)**	**962.69**	**(626.29)**	**626.29**
As at March 31, 2023				
Non Current - Borrowings	(544.64)	544.64	(354.32)	354.32
Current - Borrowings	(331.50)	331.50	(215.66)	215.66
Total	**(876.14)**	**876.14**	**(569.98)**	**569.98**

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43. Ratios

DISCLOSURE OF RATIOS	Numerator	Denominator	For the Year ended March 31, 2024	Year ended March 31, 2023	% Change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	0.64	0.65	-1%	No major variance
Debt-Equity Ratio	Current Borrowings + Non Current Borrowings + Lease Payments	Shareholder's Equity	0.78	0.82	-5%	No major variance
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest & Lease payment + Other adjustment like loss on sale of Assets	Debt service = Interest & Lease Payments + Principal Repayments	1.44	1.71	-16%	No major variance
Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	16.86%	39.36%	-57%	There is reduction in net profit after tax in current year as compared to last year due to which there is reduction in the ratio.
Inventory Turnover Ratio	Revenue from Operation	Average Inventory	8.13	11.96	-32%	Inventory turnover ratio increased due to increase in import of Raw Material considering lead period.
Trade Receivables Turnover Ratio	Revenue from Operation	Average Trade Receivable	11.18	10.36	8%	No major variance
Trade Payables Turnover Ratio	Total Purchase	Average Trade Payables	8.47	12.36	-31%	This reduction is due to increase in trade payable of import purchase against LC.
Net Capital Turnover Ratio	Revenue from Operation	Working capital = Current assets – Current liabilities	-6.95	-9.59	28%	There has been reduction in the current year due to increase in working capital blockage which is further impacted by lower sales as compared to previous year and the ratio is negative as the current liabilities are higher than current assets
Net Profit Ratio	Net Profit	Revenue from Operation	10.15%	16.14%	-37%	There is reduction in net profit after tax in current year as compared to last year due to which there is reduction in the ratio.
Return on Capital Employed	Earnings before interest and taxes	+ Total Debt + Lease Liability + Deferred Tax Liability	16.03%	30.03%	-47%	There has been reduction in current year since the profit for the year has been reducded as compared to the previous year.
Return on Investment	Interest (Finance Income)	Average of Investment in Subsidiary, associate & Bank Deposit	0.42%	7.68%	-94%	There has been reduction in the ratio due to reduction in the total amount of FD in current year leading to lower interest income and lower investment as on date as compared to previous year.

44 Events occurred after the Balance Sheet date

The Group evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to approval of Financial Statement to determine the necessity for recognition and/or reporting of any of these events and transactions in the Financial Statements. As of 22nd April 2024 there were no material subsequent events to be recognized or reported that are not already disclosed.

45. Other Statutory Information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
(ii) The Group do not have any transactions or balance with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
(iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
(v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
(vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(vii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

46 (a) Information about Subsidiary

The Consolidated financial statements consists of the Holding Company Epigral Limited (Formerly known as Meghmani Finechem Limited), one subsidiary Company Meghmani Advanced Sciences Limited and share in Associate company ReNew Green (GJS Three) Pvt. Ltd.. The Subsidiary Company has share capital consisting solely of equity shares which are fully held directly by the Holding company. The subsidiary company was incorporated on January 27, 2021 in India and closed on September 20,2023.

46 (b) Additional Information Required by Schedule III

(₹ in Lakhs)

Name of the Entity in the Group	Net Assets (Total Assets minus Total Liabilities)		Share in Profit/(Loss)		Share in other Comprehensive Income/(Loss)		Share in Total Comprehensive Income/(Loss)	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/(Loss)	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
A Parent								
Epigral Limited (Formerly known as Meghmani Finechem Limited) 31 March 2024	100.00%	1,25,410.07	100.00%	19,578.77	100.00%	(47.78)	100.00%	19,530.99
Epigral Limited (Formerly known as Meghmani Finechem Limited) 31 March 2023	100.00%	1,06,910.02	100.00%	35,335.75	100.00%	22.76	100.00%	35,358.51
B Subsidiary								
(I) Indian								
Meghmani Advanced Sciences Limited 31 March 2024	-	-	0.03%	5.00	-	-	0.03%	5.00
Meghmani Advanced Sciences Limited 31 March 2023	-	-	-0.01%	(5.00)	-	-	-0.01%	(5.00)
C Associate								
(I) Indian								
ReNew Green (GJS Three) Pvt Ltd 31 March 2024	-	-	0.01%	2.82	-	-	0.01%	2.82
ReNew Green (GJS Three) Pvt Ltd 31 March 2023	-	-	-0.01%	(1.69)	-	-	-0.01%	(1.69)

47. The Group uses an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software, except that audit trail feature is not enabled for certain direct changes to the data for users with the certain privileged access rights to the SAP application and the underlying HANA database. Further no instance of audit trail feature being tampered which was noted in respect of the accounting software.

Presently, the log has been activated at the application and the privileged access to HANA database continues to be restricted to limited set of users who necessarily require this access for maintenance and administration of the database.

48 Previous years figures have been regrouped and reclassified wherever necessary to make them comparable with those of the current year.

As per our Report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. - 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

S R B C & CO LLP CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date: 22nd April, 2024

For and on behalf of the Board of Directors of
Epigral Limited (Formerly known as Meghmani Finechem Limited)
~~(CIN: L24100GJ2007PLC051717)~~

Sanjay Gupta
Chief Financial Officer

K.D. Mehta
Company Secretary

Maulik Patel
Chairman & Managing Director
DIN: 02006947

Kaushal Soparkar
Executive Director
DIN: 01998162

Place: Ahmedabad
Date: 22nd April, 2024

S R B C & CO LLP
Chartered Accountants

21st Floor, B Wing, Privilon
Ambli BRT Road, Behind Iskcon Temple
Off SG Highway, Ahmedabad - 380 059, India
Tel : +91 79 6608 3900

INDEPENDENT AUDITOR'S REPORT

To the Members of Meghmani Finechem Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Meghmani Finechem Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") its associate comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity 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, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("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 consolidated state of affairs of the Group, its associate as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and its associate 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 for the financial year ended March 31, 2023. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition *(as described in Note 2 of the consolidated financial statements)*	
The group majorly generates revenue from sale of Chloro-Alkali and its Derivatives products. The Group recognises revenue from sales of goods in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers, measured at fair value of the consideration received or receivable in the ordinary course of its activities. Revenue from sale of goods is recognised net of discounts, rebates and taxes. Certain terms in sales arrangements relating to timing for transfer of control to the customer and delivery specifications including incoterms, involves significant judgment in determining whether the revenue is recognised in the correct period.	Our audit procedures included the following: • Read and evaluated the Group's policy for revenue recognition and assessed its compliance with Ind AS 115 'Revenue from contracts with customers'. • Assessed the design and tested the operating effectiveness of internal controls related to revenue. • Performed on test check basis, sales transactions and inspected the underlying sales orders, invoice copies, terms of delivery, lorry receipts, bill of lading, and collection as per the terms of the contract with customers. • Performed on test check basis, transactions near year end date as well as credit notes issued after the year end date. Assessed the relevant disclosures in the Consolidated financial statements for compliance with disclosure requirements.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's 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 such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is 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 financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of their respective companies.

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.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other 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.

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 for the financial year ended March 31, 2023 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.

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Other Matter

(a) The consolidated financial statements also include the Group's share of net loss of Rs. 1.69 lakhs for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of one associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, the financial statements and other financial information are not material to the Group.

Our opinion above 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 and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit on separate financial statements and the other financial information of the subsidiary company and associate, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and the other financial information of associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

S R B C & CO LLP CHARTERED ACCOUNTANTS

(g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its subsidiary, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary and associate, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated financial statements – Refer Note 39 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term derivative contracts – Refer (a) Note 43 to the consolidated financial statements in respect of such items as it relates to the Group and its associate and (b) the Group's share of net loss in respect of its associate;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary and associate, incorporated in India during the year ended March 31, 2023.

iv. a) The respective managements of the Holding Company and its subsidiary and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary and associate to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiary and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiary and associate from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary and associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us of the subsidiary and associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

S R B C & CO LLP CHARTERED ACCOUNTANTS

v) The interim dividend declared and paid during the year by the Holding Company incorporated in India and until the date of the respective audit reports of such Holding Company, is in accordance with section 123 of the Act.

As stated in note 17 to the consolidated financial statements, the respective Board of Directors of the Holding Company incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the holding company at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiary and associate companies incorporated in India, hence reporting under this clause is not applicable.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974

UDIN: 23101974BGUFLA8675

Place of Signature: Ahmedabad
Date: April 25, 2023

S R B C & CO LLP CHARTERED ACCOUNTANTS

Annexure 1 to the Independent Auditor's report of even date on the consolidated Financial Statements of Meghmani Finechem Limited

There are no qualification or adverse remarks in the Companies (Auditors Report) Order (CARO) report of the Subsidiary Company included in the consolidated financial statements and the report of the associate company included in the consolidated financial statements has not been issued by its auditor till the date of our auditor's report. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to Holding Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974

UDIN: 23101974BGUFLA8675

Place of Signature: Ahmedabad
Date: April 25, 2023

S R B C & CO LLP CHARTERED ACCOUNTANTS

Annexure 2 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Meghmani Finechem Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Meghmani Finechem Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and its associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 with reference to consolidated financial statements.

S R B C & CO LLP
CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group and its associate, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN: 23101974BGUFLA8675
Place of Signature: Ahmedabad
Date: April 25, 2023

S R B C & CO LLP
CHARTERED ACCOUNTANTS

Meghmani Finechem Limited
Consolidated Balance Sheet as at March 31, 2023

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
I. Assets			
Non-Current Assets			
(a) Property, Plant and Equipment	3.1	1,77,885.52	1,03,940.33
(b) Capital Work in Progress	3.2	15,810.25	58,925.44
(c) Intangible Assets	3.3	2,519.43	2,842.67
(d) Financial Assets			
(i) Investments	4	2,054.84	-
(ii) Other Financial Assets	5	740.46	824.37
(e) Income Tax Assets (net)	6	639.62	255.24
(f) Other Non-Current Assets	7	1,623.48	884.15
Total Non-Current Assets		**2,01,273.60**	**1,67,672.20**
Current Assets			
(a) Inventories	8	21,182.82	15,413.89
(b) Financial Assets			
(i) Trade Receivables	9	16,632.23	25,632.40
(ii) Cash and Cash Equivalents	10	1,424.00	2,508.54
(iii) Bank Balances other than (ii) above	11	86.80	-
(iv) Loans	12	14.47	22.69
(v) Other Financial Assets	13	1,824.63	187.69
(c) Other Current Assets	14	784.98	929.21
Total Current Assets		**41,949.93**	**44,694.42**
Total Assets		**2,43,223.53**	**2,12,366.62**
II Equity and Liabilities			
Equity			
(a) Equity Share Capital	15	4,155.02	4,155.02
(b) Other Equity	16	1,02,755.00	68,441.93
Total Equity		**1,06,910.02**	**72,596.95**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	54,464.04	76,814.40
(ii) Lease Liabilities	39	134.91	261.84
(b) Provisions	18	272.11	289.31
(c) Deferred Tax Liabilities (net)	34	16,673.40	9,175.12
Total Non-Current Liabilities		**71,544.46**	**86,540.67**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	33,150.34	22,121.80
(ii) Lease Liabilities	39	126.93	114.38
(iii) Trade Payables	20	11,017.30	8,810.50
(iv) Other Financial Liabilities	21	19,273.92	18,615.89
(b) Other Current Liabilities	22	1,175.39	2,606.33
(c) Provisions	23	15.55	17.89
(d) Current Tax Liabilities (net)	24	9.62	942.21
Total Current Liabilities		**64,769.05**	**53,229.00**
Total Liabilities		**1,36,313.51**	**1,39,769.67**
Total Equity and Liabilities		**2,43,223.53**	**2,12,366.62**

Summary of Significant Accounting Policies 2
The accompanying notes are an integral part of these Consolidated Financial Statements
As per our Report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman & Managing Director
DIN: 02006947

K.D. Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN: 01998162

Place: Ahmedabad
Date: 25th April, 2023

Place: Ahmedabad
Date: 25th April, 2023

Meghmani Finechem Limited
Statement of Consolidated Profit and Loss for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Revenue			
Revenue from Operations	25	2,18,839.97	1,55,094.14
Other Income	26	798.39	411.08
Total Income (A)		**2,19,638.36**	**1,55,505.22**
Expenses			
Cost of Materials Consumed	27	1,21,175.69	75,941.09
Changes in Inventories of Finished Goods, work in progress and Stock in trade	28	(9,697.39)	167.66
Employee Benefits Expenses	29	8,660.07	7,679.46
Finance Costs	30	6,550.22	4,427.02
Depreciation and Amortization Expenses	3	10,895.33	8,590.56
Power and Fuel Expenses	31	12,289.50	7,353.07
Other Expenses	32	17,517.36	13,004.12
Total Expense (B)		**1,67,390.78**	**1,17,162.98**
Profit before Exceptional Items, share of profit from Associate and Tax (C) = (A-B)		**52,247.58**	**38,342.24**
Share of profit from Associate		(1.69)	-
Profit Before Tax (D)		**52,245.89**	**38,342.24**
Tax Expense:	34		
Current Tax		9,430.77	6,967.28
Net Deferred Tax Expense /(Benefit)		7,486.06	6,096.28
Total Tax Expense (E)		**16,916.83**	**13,063.56**
Net Profit for the Year (F) = (D-E)		**35,329.06**	**25,278.68**
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss in subsequent periods			
Remeasurement Gain / (Loss) on Defined Benefit Plans		34.98	(4.85)
Income Tax effect on above		(12.22)	1.69
Total Other Comprehensive Income / (Loss) for the Year, net of Tax (G)		**22.76**	**(3.16)**
Total Comprehensive Income for the Year (H) = (F+G)		**35,351.82**	**25,275.52**
Profit attributable to :			
Owners of the Company		35,329.06	25,278.68
Non controlling interests		-	-
Other comprehensive income attributable to:			
Owners of the Company		22.76	(3.16)
Non controlling interests		-	-
Total comprehensive income attributable to:			
Owners of the Company		35,351.82	25,275.52
Non controlling interests		-	-
Earnings per Equity Share (face value of ₹ 10 each) (in ₹)			
Basic	33	85.03	60.84
Diluted		85.03	60.84

Summary of Significant Accounting Policies 2

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our Report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. - 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

S R B C & CO LLP CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date: 25th April, 2023

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman & Managing Director
DIN: 02006947

K.D. Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN: 01998162

Place: Ahmedabad
Date: 25th April, 2023

Meghmani Finechem Limited

Consolidated Cash Flow Statement for the Year Ended March 31, 2023 **(₹ in Lakhs)**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash Flow from Operating Activities		
Profit Before Taxation	52,247.58	38,342.24
Adjustment to reconcile profit before tax to net cash flow :		
Depreciation and Amortisation Expenses	10,895.33	8,590.56
Interest Income	(84.27)	(15.93)
Interest and Finance Charges	6,550.22	4,427.02
Unrealised Foreign Exchange (Gain)/Loss	(75.47)	28.72
(Profit)/Loss on Sale of Property, Plant & Equipment	0.49	7.16
Provision No Longer Required Written back	-	(12.20)
Sundry Balances Written off	(251.79)	-
Operating Profit before Exceptional & Extraordinary Item	**69,282.09**	**51,367.56**
Extraordinary Items	-	-
Operating Profit before Working Capital changes	**69,282.09**	**51,367.56**
Adjustment for:		
(Increase) in Inventories	(5,768.93)	(10,017.92)
(Increase)/Decrease in Trade Receivables	9,041.80	(13,748.68)
(Increase) in Other Non Current Financial Assets	(52.66)	(35.64)
(Increase)/Decrease in Other Non Current Assets	4.15	(23.33)
(Increase)/Decrease in Other Current Financial Assets	(1,353.32)	24.19
(Increase)/Decrease in Other Current Assets	144.23	(342.96)
(Increase)/Decrease in Short Term Loans and Advances	8.22	(11.27)
Increase in Trade Payables	2,240.65	1,476.86
Increase in Long Term Provision	17.78	121.62
Increase in Other Current Financial Liabilities	1,233.18	3,727.69
Increase/(Decrease) in Other Current Liabilities	(1,430.94)	1,880.56
Increase/(Decrease) in Short Term Provisions	(2.34)	7.85
Working Capital Changes	**4,081.82**	**(16,941.03)**
Cash Generated from Operation	**73,363.91**	**34,426.53**
Direct Taxes Paid (Net of Refund)	(10,747.74)	(6,044.86)
Net Cash Generated from Operating Activities	**62,616.17**	**28,381.67**
B. Cash Flow from Investment Activities		
Purchase of Property, Plant & Equipment (including CWIP and Intangible Assets)	(41,645.44)	(45,629.92)
Investment in Associate	(2,054.08)	-
Other Investments	(2.45)	
(Investment in)/Redemption of Fixed Deposits	(18.13)	137.90
(Investment) of earmarked balances with bank	(86.80)	
Interest Received	84.92	29.39
Net Cash (Used in) Investing Activities	**(43,721.98)**	**(45,462.63)**
C. Cash Flow from Financing Activities		
Interest and Finance Charges Paid	(6,045.19)	(4,803.91)
Proceeds from Long-Term Borrowing	7,475.00	35,930.00
Repayment of Long-Term Borrowing	(13,909.53)	(12,004.88)
Proceed/(Repayment) from Short-Term Borrowing (Net)	1,156.58	510.84
Payment of Lease Liability	(141.17)	(110.55)
Dividend paid on Preference Shares	(1,385.48)	-
Dividend paid on Equity Shares	(1,036.95)	-
Redemption of Preference Shares	(6,091.99)	-
Net Cash (Used in)/Generated from Financing Activities	**(19,978.73)**	**19,521.50**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(1,084.54)**	**2,440.54**
Cash and Cash Equivalent at the beginning of the Year	**2,508.54**	**68.00**
Cash and Cash Equivalent at the end of the Year	**1,424.00**	**2,508.54**
Cash and Cash Equivalent comprises as under		
Cash on Hand	1.49	0.94
Balance with Schedule Banks in Current Accounts	1,422.51	2,507.50
Deposits with Schedule Banks	-	0.10
Cash & Cash Equivalent at the end of the Year (refer note 10)	**1,424.00**	**2,508.54**

Notes to the Cash Flow Statement for the year ended on 31 March 2023

1) The Cash Flow Statement has been prepared as per Indirect Method in accordance with the Indian Accounting Standard - 7 on "Statement of Cash Flow" issued by the Institute of Chartered Accountants of India.

S R B C & CO LLP CHARTERED ACCOUNTANTS

Meghmani Finechem Limited
Standalone Cash Flow Statement for the Year Ended 31 March 2023

2) Changes in liabilities arising from Financing Activities

(₹ in Lakhs)

Particulars	April 1, 2022	Cash Flow	Other	March 31, 2023
Current Borrowings (Note 19)	8,014.33	1,156.58	-	9,170.91
Non-Current Lease Liabilities (Note 39)	261.84	(141.17)	14.24	134.91
Non- Current Borrowings (Note 17)	90,921.87	(12,526.52)	48.12	78,443.47
Accrued Interest (Note 21)	1,841.65	(6,045.19)	6,132.65	1,929.11
Total Liabilities from Financing Activities	**1,01,039.69**	**(17,556.30)**	**6,195.01**	**89,678.41**

(₹ in Lakhs)

Particulars	April 1, 2021	Cash Flow	Other	March 31, 2022
Current Borrowings (Note 19)	7,503.49	510.84	-	8,014.33
Non-Current Lease Liabilities (Note 39)	306.00	(110.55)	66.38	261.84
Non- Current Borrowings (Note 17)	46,327.65	23,925.12	20,669.10	90,921.87
Accrued Interest (Note 21)	332.10	(4,803.91)	6,313.47	1,841.65
Total Liabilities from Financing Activities	**54,469.24**	**19,521.49**	**27,048.96**	**1,01,039.69**

Others includes the effects of reclassification of Non Current portion of Borrowings including Lease Liabilities to Current due to passage of time and effect of unrealised foreign currency amount on External Commercial Borrowings

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our Report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. - 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman & Managing Director
DIN: 02006947

K.D. Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN: 01998162

Place: Ahmedabad
Date: 25th April, 2023

Place: Ahmedabad
Date: 25th April, 2023

S R B C & CO LLP
CHARTERED ACCOUNTANTS

Meghmani Finechem Limited

Consolidated Statement of Changes in Equity (SOCIE) For the Year ended March 31, 2023

(A) Equity Share Capital

Particulars	(₹ in Lakhs)	
	No. of Shares	**Amount**
Equity Share of ₹ 10 each Issued, Subscribed and Fully Paid up		
Balance as at 1st April 2021	**4,15,52,665**	**4,155.27**
Changes in Equity Share Capital due to Prior Period Errors	-	-
Balance as at 1st April 2021	4,15,52,665	4,155.27
Changes in Equity Share Capital during the Year(refer note 15)	(2,507)	(0.25)
Balance as at 31st March 2022	**4,15,50,158**	**4,155.02**
Balance as at 1st April 2022	**4,15,50,158**	**4,155.02**
Changes in Equity Share Capital due to Prior Period Errors	-	-
Balance as at 1st April 2022	4,15,50,158	4,155.02
Changes in Equity Share Capital during the Year	-	-
Balance as at 31st March 2023	**4,15,50,158**	**4,155.02**

(B) Instrument entirely Equity in nature

Particulars	(₹ in Lakhs)	
	No. of Shares	**Amount**
8% Optionally Convertible Preference Share (OCRPS) of ₹ 10 Issued, Subscribed and Fully Paid up		
Balance as at 1st April 2021	**21,09,19,871**	**21,091.99**
Conversion of 8% OCRPS to RPS pursuant to scheme of Arrangement*	(21,09,19,871)	(21,091.99)
Balance as at 31st March 2022	-	-

*As per Order dated 03 May 2021 of The NCLT Ahmedabad Bench , OCRPS have been converted into equal number of RPS with same terms and condition and tenure from May 3, 2021 i.e date of the order and effective date. Accordingly, OCRPS is classified as debt instrument from the date of order.

(C) Other Equity

Particulars	(₹ in Lakhs)		
	Capital Reserve (refer note 16)	**Retained Earnings (refer note 16)**	**Total Other Equity (refer note 16)**
Balance at 1st April 2021	**(24,668.28)**	**67,834.41**	**43,166.13**
Changes in Accounting Policy / Prior Period Errors	-	-	-
Balance as at 1st April 2021	(24,668.28)	67,834.41	43,166.13
Profit for the Year	-	25,278.68	25,278.68
Other Comprehensive Income for the Year (net of Taxes)	-	(3.16)	(3.16)
Total Comprehensive Income for the Year	-	**25,275.52**	**25,275.52**
Adjustment on cancellation of equity shares pursuant to Scheme of Arrangement	0.28	-	0.28
Balance at 31st March 2022	**(24,668.00)**	**93,109.93**	**68,441.93**
Balance as at 1st April 2022	**(24,668.00)**	**93,109.93**	**68,441.93**
Changes in Accounting Policy / Prior Period Errors	-	-	-
Balance as at 1st April 2022	(24,668.00)	93,109.93	68,441.93
Profit for the Year	-	35,329.06	35,329.06
Other Comprehensive Income for the Year (net of Taxes)	-	22.76	22.76
Total Comprehensive Income for the Year	-	**35,351.82**	**35,351.82**
Dividend Paid During the Year	-	(1,038.75)	(1,038.75)
Balance as at 31st March 2023	**(24,668.00)**	**1,27,423.00**	**1,02,755.00**

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our Report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. - 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Place: Ahmedabad
Date: 25th April, 2023

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

Maulik Patel
Chairman & Managing Director
DIN: 02006947

Sanjay Jain
Chief Financial Officer

Kaushal Soparkar
Managing Director
DIN: 01998162

K.D. Mehta
Company Secretary

Place: Ahmedabad
Date: 25th April, 2023

MEGHMANI FINECHEM LIMITED

Notes to the Consolidated Financial Statement for the year ended March 31, 2023

1. CORPORATE INFORMATION

The Consolidated Financial Statements comprises Financial Statements of Meghmani Finechem Limited (the Company) and its Subsidiary Meghmani Advanced Sciences Limited (Collectively, the Group) and its Associate i.e ReNew Green (GJS Three) Private Limited for year ended on March 31, 2023. Meghmani Finechem Limited (the Company) is a Public Company limited by shares domiciled in India incorporated under the provisions of Companies Act, 1956. Its share are listed on Bombay Stock Exchange and National Stock Exchange in India. The registered office at Meghmani House, B/h Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad – 380 015, India. The Group is primarily engaged in manufacturing and selling of Chlor Alkali & its Derivatives. The Group is also engaged in trading of Agrochemical Products.

The Consolidated Financial Statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 25th April 2023.

2. SIGNIFICANT ACCOUNTIG POLICIES

2.1 Basis for Preparation of Accounts

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter.

The Consolidated Financial Statements have been prepared on accrual basis and under historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain Financial Assets and Liabilities measured at fair value (refer accounting policy regarding financial instruments) i.e. Derivative Financial Instruments

In addition, the Consolidated Financial Statements are presented in INR which is also the Group's functional currency and all values are rounded to the nearest Lakh (INR 00,000), except when otherwise indicated.

2.2 Basis of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Company, its Subsidiary and its associate as at 31st March 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of Subsidiary :
Consolidation of a Subsidiary begins when the Group obtains control over the Subsidiary and ceases when the Group losses control of the Subsidiary. Assets, Liabilities, Income and Expenses of a Subsidiary acquired or disposed off during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the Subsidiary. The proportion of ownership interest in each Subsidiary of the parent is as follows:

Name of the Subsidiary	Country of Domicile	Proportion of Ownership Interest
Meghmani Advanced Sciences Limited	India	100%

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those

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adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies. The Financial Statements of the Group are drawn up to same reporting date as that of the parent Company, i.e., year ended on 31st March 2023.

Consolidation Procedure

(a) Combine line items of Assets, Liabilities, Equity, Income, Expenses and Cash Flows of the parent with those of its subsidiary. For this purpose, income and expenses of the Subsidiary are based on the amounts of the Assets and Liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of Equity of each Subsidiary. Business combinations policy explains how to account for any related Goodwill.

(c) Eliminate in full intragroup Assets and Liabilities, Equity, Income, Expenses and Cash Flows relating to transactions between entities of the Group (profits or losses resulting from Intragroup transactions that are recognised in Assets, such as Inventory and Fixed Assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of Subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group Assets and Liabilities, Equity, Income, Expenses and Cash Flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group looses control over a Subsidiary, it derecognises the assets and liabilities of the Subsidiary, and any related non-controlling interests and other components of Equity. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the Statement of Profit and Loss.

Equity Accounted Investees :

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries. The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment. When the Group's share of losses of an equity accounted investee exceed the Group's interest in that associate or joint venture (which includes any long-term interest that, in substance, form part of Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive

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obligation or made payments on behalf of the associate or joint venture. Unrealised gains resulting from the transaction between the Group and joint ventures are eliminated to the extent of the interest in the joint venture, and deferred tax is made on the same.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the Statement of Profit and Loss.

Upon loss of significant influence over the Associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.3 Significant Accounting Estimates, Assumptions and Judgements

The preparation of the Group's Consolidated 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.

Estimates and Assumptions

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 Consolidated 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 are reflected in the assumptions when they occur.

Taxes:

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Defined Benefit Plans (Gratuity Benefits)

A liability in respect of Defined Benefit Plans is recognised in the Balance Sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent Actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 32 for details of the key assumptions used in determining the accounting for these plans.

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Useful Economic Lives of Property, Plant and Equipment

Property, Plant and Equipment as disclosed in note 3 are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values.

Intangible Assets

Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and future economic benefits are probable. The costs which can be capitalised are directly attributable to development of the asset. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer note 2.3 (f) for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in note 3.

Impairment of Non- Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

2.4 Summary of Significant Accounting Policies

a. BUSINESS COMBINATION INVOLVING ENTITIES UNDER COMMON CONTROL

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory.

Business Combination involving entities or businesses under common control shall be accounted for using the pooling of interest method based on the predecessor values retrospectively for all periods presented.

The pooling of interest method is considered to involve the following:
(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonious accounting policies and tax adjustments if any.

(iii) The components of other equity of the acquired companies are added to the same components within other equity except that any share capital and investments in the books of the acquiring entity is cancelled and the differences, if any, is adjusted in the opening retained earnings.

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(iv) The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

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b. CURRENT VS. NON-CURRENT CLASSIFICATION:

The Group presents assets and liabilities in the Consolidated Statement of Assets and Liabilities based on Current/ Non-Current classification.
An asset is treated as current when it is:

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

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of Trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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

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

c. REVENUE RECOGNITION

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

1) Sale of Goods

Revenue from Sale of Goods is recognised at the point in time when control of the goods is transferred to the Customer, generally on dispatch/ delivery of the goods or terms as agreed with the Customer. The normal credit term is 30 to 90 days from the date of dispatch. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the Customer (if any).

(i) Variable Consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the Customer. The variable consideration

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is estimated at the time of completion of performance obligation and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with cash discount in accordance with the Group policy. The cash discount component gives rise to variable consideration.

Volume Rebates

The Group provides retrospective volume rebates to certain Customers once the quantity of product purchases during the period exceeds a threshold specified in the contract.

(ii) Contract Assets

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

(iii) Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in (Financial Instruments – initial recognition and subsequent measurement.)

(iv) Contract Liabilities

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

2) Interest Income

For all financial instruments measured at amortized cost, interest income is recorded using the Effective Interest Rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amountof the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment,extension, call and similar options) but does not consider the expected credit losses. Interest income is included in Other Income in the Statement of Profit or Loss.

3) Export Incentives

Export incentives under various schemes notified by Government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and is included in Revenue in the Statement of Profit and Loss due to its operating nature.

4) Dividend

Dividend income is recognised when the right to receive the same is established, which is generally when shareholders approve the dividend.

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5) Insurance Claims

Claims receivable on account of insurance are accounted for to the extent the Group is virtually certain of their ultimate collection.

d. FOREIGN CURRENCIES

The Group's Consolidated Financial Statements are presented in INR, which is also the Group's functional currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

e. FAIR VALUE MEASUREMEMT

The Group measures certain financial instruments at fair value at each Balance Sheet date.

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

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participants that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The management comprises of the Managing Director, Chief Executive Officer (CEO) and Chief Finance Officer (CFO).

External valuers are involved for valuation of significant assets. Involvement of external valuers is decided upon annually by the Board of Directors after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

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

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. Refer note 41.

- Disclosures for valuation methods, significant estimates and assumptions.
- Quantitative disclosures of fair value measurement hierarchy.
- Investment in Equity Shares.
- Financial Instruments (including those carried at amortised cost).

f. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment (PPE) and Capital Work in Progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in Statement of Profit and Loss as incurred.

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Capital Work-in-Progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the Balance Sheet date.

Items of stores and spares that meet the definition of Property, Plant and Equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as Inventories.

An item of Property, Plant and Equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for plant & machinery where management believe and based on independent technical evaluation.

Leasehold Land is amortized over the lease period on Straight line basis. Estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Asset	Estimated Useful life
Leasehold Land	99 Years
Building	30 Years
Carpeted Roads – RCC	10 Years
Plant & Machinery	12-25 Years
Electrical Installation	10 Years
Captive Power Plant and Equipments	20-40 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers	3 Years
Other Equipments	5 Years

g. INTANGIBLE ASSETS

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible Assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Cost include acquisition and other incidental cost related to acquiring the intangible asset. Research costs are expensed as incurred. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the

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amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible Assets

Assets	Amortization Method	Amortization Period
Usage Rights	On Straight-line basis	10 years
Technical Know How	On Straight-line basis	10 years

h. IMPAIRMENT OF NON- FINANCIAL ASSETS

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

i. FINANCIAL INSTRUMENT

A Financial Instrument is any contract that gives rise to a financial asset of one Entity and a financial liability or Equity instrument of another Entity.

(A) Financial Asset

Initial Recognition and Measurement

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At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Debt Instruments at Amortised Cost

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt Instrument at Fair Value through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the Equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt Instrument at Fair Value through Profit & 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 FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has designated certain debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Investments

Investment in Associates are out of scope of Ind AS 109 and it is accounted as per Ind AS 28.

All other equity Investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTOCI. For all other Equity instruments, the Group may make an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value. The

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Group makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an Equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within Equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

De-recognition

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

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

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Group has transferred substantially all the risks and rewards of the asset, or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., Loans, Debt Securities, Deposits, Trade Receivables and Bank Balance

b) Trade Receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'Contractual Revenue Receivables' in these Consolidated Financial Statements)

The Group follows 'simplified approach' for recognition of impairment loss allowance on:
- Trade receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an Entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Entity is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

(B) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, Loans and Borrowings, Payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of Loans and Borrowings and Payables, net of directly attributable transaction costs.

The Group's financial liabilities include Trade and Other Payables, Loans and Borrowings.

Subsequent measurement of Financial Liabilities

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the Statement Profit and Loss.

Loan and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the

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liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Trade and Other Payables

These amounts represent liability for good and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and Other Payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derivatives and Hedging Activities

The Group uses derivative financial instruments, such as forward currency contracts and currency swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Off-setting Financial Instrument

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

j. INVENTORIES

Stores and Spares, Packing Materials and Raw Materials are valued at lower of cost or net realisable value and for this purpose, cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

Semi-Finished Products, Finished Products and By-Products are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

Traded Goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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k. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l. RETIREMENT AND OTHER EMPLOYEE BENEFITS

Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the Statement of Profit and Loss in the year when employee rendered related services.

The Group has a Defined Benefit Gratuity Plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Group. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Group has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year.

Re-measurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

m. ACCOUNTING FOR TAXES ON INCOME

Tax Expense comprises of Current Income Tax and Deferred Tax

Current Income Taxes

Current Income Tax Assets and Liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Deferred Taxes

Deferred Tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- In respect of taxable temporary differences associated with investments in Subsidiaries, Associates and interests in Joint Ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

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

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

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

Deferred Tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other Comprehensive Income or in Equity). Deferred Tax items are recognised in correlation to the underlying transaction either in OCI or directly in Equity.

Deferred Tax Assets and Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax relates to the same taxable Entity and the same taxable Authority.

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Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) is in the nature of unused tax credit which can be carried forward and utilised when the Group will pay normal income tax during the specified period. Deferred Tax Assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period.

n. PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a Finance Cost.

o. CONTINGENT LIABILITIES

Provisions are not recognised for future operating losses.

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non—occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a Contingent Liability but discloses its existence in the Consolidated Financial Statements.

A Contingent Assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, Contingent Assets are disclosed in the Consolidated Financial Statements.

Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

p. LEASES

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

Where the Group is the lessee

The Group recognises a Right-Of-Use Asset and a Lease Liability at the lease commencement date. The Right-Of-Use Asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

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Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The Right-Of-Use Assets and Lease Liabilities include these options when it is reasonably certain that the option will be exercised.

The Right-Of-Use Assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the Right-Of-Use Assets or the end of the lease term. In addition, the Right-Of-Use Assets is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the Lease Liability.

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

The Lease Liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the Lease Liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the Right-Of-Use Asset or is recorded in profit or loss if the carrying amount of the Right-Of-Use asset has been reduced to zero.

Lease payments have been classified as financing activities in Statement of Cash Flow.

The Group has elected not to recognise Right-Of-Use Assets and Lease Liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value

leases. The Group recognises the lease payments associated with these leases as an expense in statement of Profit and Loss over the lease term. The related cash flows are classified as operating activities.

q. EARNING PER SHARE

Basic Earnings Per Share

Basic Earnings Per Share are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the period.

Diluted Earnings per Share

For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

r. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalent in the Consolidated Financial Statements comprise Cash at Banks and on Hand and Short-Term Deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents consist of Cash and Short-Term Deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management. .

s. Government Grants and Subsidies:

Government Grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

Government grants, that are receivable towards capital investments under State Investment Promotion Scheme, are recognised in the Statement of Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is being recognised in the Statement of Profit and Loss

When the group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

t. SEGMENT REPORTING

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general Corporate income and expense items which are not allocated to any business segment.

Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

u. DIVIDEND TO EQUITY AND REDEEMABLE PREFERENCE SHAREHOLDERS OF THE GROUP

The Group recognises a liability for dividends to Equity Holders of the Group when the dividend is authorised and the dividend is no longer at the discretion of the Group. As per the Corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in Equity.

The Group recognises liability for dividends to Redeemable Preference share Holders on accrual basis. Dividend is paid based on authorisation by the Board of Directors. Dividend to Redeemable Preference Shareholders is cumulative and recognised in Finance Cost as Interest Expense.

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v. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022:

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

(iv) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

(v) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

(vi) Ind AS 41 Agriculture – Taxation in fair value measurements

The Group assessed the above amendments for the accounting period beginning on or after 1st April 2022 and these do not have material impact on the financial statements of the Group.

The accounting policies adopted in the preparation of the financial statements are consistent with applicable Accounting Standards (Ind AS) for the year ended March 31, 2023.

w. Standards notified but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, as and when they become effective. The Ministry of Corporate affairs (MCA) has notified certain amendments to Ind AS, through Companies (Indian Accounting Standards) Amendment Rules, 2023 on 31st March, 2023. The amendments have been made in the following standards:

Ind AS 1: Presentation of Financial Statements is amended to replace the term "significant accounting policies" with "material accounting policy information" and providing guidance relating to immaterial transactions, disclosure of entity specific transactions and more.

Ind AS 8: Accounting Policies, Changes in Accounting Estimates and Errors to include the definition of accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty."

Ind AS 12: Income Taxes relating to initial recognition exemption of deferred tax related to assets and liabilities arising from a single transaction.

Other Amendments in Ind AS 102 – Share based Payments, Ind AS 103 – Business Combinations, Ind AS 109 – Financial Instruments, Ind AS 115 – Revenue from Contracts with Customers which are mainly editorial in nature in order to provide better clarification of the respective Ind AS's.

These amendments shall come into force with effect from April 01, 2023. The Group is assessing the potential effect of the amendments on its financial statements. The Group will adopt these amendments, if applicable, from applicability date.

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MEGHMANI FINCHEM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED March 31,2023

3 **Property, Plant and Equipment, Capital Work in Progress and Other Intangible Assets as at March 31,2023**

(₹ in Lakhs)

	Description	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
		As at 1st April, 2022	Additions	Deduction / Adjustments	As at 31st March, 2023	As at 1st April, 2022	For the Year	On Deduction / Adjustment	As at 31st March, 2023	As at 31st March, 2023	As at 31st March,
3.1	**TANGIBLE ASSET**										
	Freehold Land	-	1,527.28	-	1,527.28	-	-	-	-	1,527.28	-
	Right of Use Asset - Lease Hold Land	3,221.83	15,190.75	-	18,412.58	56.77	126.17	-	182.94	18,229.64	3,165.06
	Building	15,577.16	5,800.83	-	21,377.99	3,549.84	826.58	-	4,376.42	17,001.57	12,027.30
	Right of Use Asset - Building	583.03	-	-	583.03	258.32	109.76	-	368.08	214.95	324.71
	Plant & Machineries	95,227.50	49,629.51	-	1,44,857.01	30,688.40	8,093.55	-	38,781.95	1,06,075.06	64,539.10
	Captive Power Plant & Equipments	28,575.88	12,128.59	-	40,704.47	5,198.44	1,273.38	-	6,471.82	34,232.65	23,377.44
	Furnitures & Fixtures	443.96	31.89	-	475.85	143.07	43.16	-	186.23	289.62	300.89
	Office Equipment	131.93	160.69	-	292.62	41.63	39.35	-	80.98	211.64	90.32
	Vehicles	194.43	25.69	-	220.12	108.83	44.53	-	153.36	66.76	85.60
	Computers	74.60	22.54	1.73	95.41	44.69	15.61	1.24	59.06	36.35	29.91
	TOTAL (A)	**1,44,030.32**	**84,517.77**	**1.73**	**2,28,546.36**	**40,089.99**	**10,572.09**	**1.24**	**50,660.84**	**1,77,885.52**	**1,03,940.33**
3.3	**INTANGIBLE ASSET**										
	Usage Rights	2,621.23	-	-	2,621.23	453.65	247.00	-	700.65	1,920.58	2,167.58
	Technical Know-How	802.50	-	-	802.50	127.41	76.24	-	203.65	598.85	675.09
	TOTAL (B)	**3,423.73**	**-**	**-**	**3,423.73**	**581.06**	**323.24**	**-**	**904.30**	**2,519.43**	**2,842.67**
	TOTAL (A+B)	**1,47,454.05**	**84,517.77**	**1.73**	**2,31,970.09**	**40,671.05**	**10,895.33**	**1.24**	**51,565.13**	**1,80,404.95**	**1,06,783.00**

Notes:

During the Current Year exchange gain of ₹ Nil (31 March 2022: exchange gain of Nil) arising on reporting of long term foreign currency monetary item related to Property, Plant and Equipment has been added/deducted to cost of Property, Plant and Equipment and the unamortised balance carried as part of tangible asset as at the year end aggregate to ₹ 345.87 Lakhs (31st March 2022: ₹ 375.41 Lakhs), in view of option given in para D13AA of IND-AS 101 on first time adoption of IND-AS.

3.2 **Capital Work-in-Progress**

(₹ in Lakhs)

Particulars	Amount
Cost	
As at 31st March 2022	58,925.44
Addition during the Year	24,508.17
Capitalisation	(67,623.36)
As at 31st March 2023	**15,810.25**

Ageing Schedule of Capital Work in Progress as at March 31,2023

(₹ in Lakhs)

Particulars	Amount of CWIP for a period of				Total
	Less than 1 Year	1-2 Year	2- 3 Year	More than 3 Year	
Project in Progress	15,810.25	-	-	-	15,810.25
As at 31st March 2023	**15,810.25**	-	-	-	15,810.25

Capital Work in Progress Rs 15,810.25 Lakhs as at 31st March 2023 comprises expenditure for Expansion Project of Chloro Polyvinyl Chloride, Chlorotoluene and Research & Development center which are in the course of construction.

The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31st March 2023 is ₹ 911.75 Lakhs (31st March 2022: ₹ 1,645.65 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 7.05% to 7.70%, which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

Refer note 39 for Right of Use asset details.

As on 31st March, 2023 there are no Projects whose completion are overdue or exceed its cost as compare to plan, also there is no suspended Projects as on 31st March,2023.

For Property Plant & Equipment and Intangible Assets existing as on 1 April 2015 i.e. the date of transition to Ind AS, the Group has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation so netted off as on 1 April 2015.

MEGHMANI FINCHEM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED March 31,2023

3 **Property, Plant and Equipment, Capital Work in Progress and Other Intangible Assets as at March 31,2022**

(₹ in Lakhs)

	Description	Gross Block				Depreciation/Amortisation				Net Block	
		As at 1st April, 2021	Additions	Deduction / Adjustments	As at 31st March, 2022	As at 1st April, 2021	For the Year	On Deduction / Adjustment	As at 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
3.1	TANGIBLE ASSET										
	Right of Use Asset - Lease Hold Land	1,136.93	2,084.90	-	3,221.83	26.13	30.64	-	56.77	3,165.06	1,110.80
	Building	15,485.30	92.00	0.14	15,577.16	2,898.84	651.15	0.15	3,549.84	12,027.30	12,586.46
	Right of Use Asset - Building	500.61	82.42	-	583.03	164.58	93.74	-	258.32	324.71	336.01
	Plant & Machineries	92,483.71	2,817.06	73.27	95,227.50	24,468.24	6,220.16	-	30,688.40	64,539.10	68,015.48
	Captive Power Plant & Equipments	28,516.59	59.29	-	28,575.88	4,070.87	1,127.57	-	5,198.44	23,377.44	24,445.72
	Furnitures & Fixtures	454.92	24.12	35.08	443.96	133.61	41.34	31.88	143.07	300.89	321.31
	Office Equipment	110.03	39.92	18.02	131.93	36.41	20.02	14.80	41.63	90.32	73.62
	Vehicles	200.82	4.90	11.29	194.43	49.48	69.90	10.55	108.83	85.60	151.35
	Computers	56.30	18.30	-	74.60	31.89	12.80	-	44.69	29.91	24.41
	TOTAL (A)	**1,38,945.21**	**5,222.91**	**137.80**	**1,44,030.32**	**31,880.05**	**8,267.32**	**57.38**	**40,089.99**	**1,03,940.33**	**1,07,065.16**
3.3	INTANGIBLE ASSET										
	Usage Rights	2,621.23	-	-	2,621.23	206.65	247.00	-	453.65	2,167.58	2,414.58
	Technical Know-How	802.50	-	-	802.50	51.17	76.24	-	127.41	675.09	751.32
	TOTAL (B)	**3,423.73**	-	-	**3,423.73**	**257.82**	**323.24**	-	**581.06**	**2,842.67**	**3,165.90**
	TOTAL (A+B)	**1,42,368.94**	**5,222.91**	**137.80**	**1,47,454.05**	**32,137.87**	**8,590.56**	**57.38**	**40,671.05**	**1,06,783.00**	**1,10,231.06**

Notes:

During the Current Year exchange gain of ₹. Nil (31 March 2021: exchange gain of ₹ Nil) arising on reporting of long term foreign currency monetary item related to Property, Plant and Equipment has been added/deducted to cost of Property, Plant and Equipment and the unamortised balance carried as part of tangible asset as at the year end aggregate to ₹ 375.41 Lakhs (31st March 2021: ₹ 404.35 Lakhs), in view of option given in para D13AA of IND-AS 101 on first time adoption of IND-AS.

3.2 **Capital Work-in-Progress**

(₹ in Lakhs)

Particulars	Amount
Cost	
As at 31st March 2021	12,583.73
Addition during the year	49,237.84
Capitalisation	(2,896.14)
As at 31st March 2022	**58,925.44**

Ageing Schedule of Capital Work in Progress as at March 31,2022

(₹ in Lakhs)

Particulars	Amount of CWIP for a period of				Total
	Less than 1 Year	1-2 Year	2- 3 Year	More than 3 Year	
Project in Progress	47,239.57	10,739.57	922.68	23.62	58,925.44
As at 31st March 2022	**47,239.57**	**10,739.57**	**922.68**	**23.62**	**58,925.44**

Project completion schedule for overdue Project

Particulars	Less than 1 Year	1-2 Year	2- 3 Year	More than 3 Year	Total
Caustic III & 36 MW B	21,207.61				21,207.61
As at 31st March 2022	**21,207.61**	-	-	-	**21,207.61**

Capital Work in Progress as at 31st March 2022 comprises expenditure for Expansion Project of Epichlorhydrin , Chloro Polyvinyl Chloride and Caustic Soda (including Captive Power Plant) which are in the course of construction.

The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31st March 2022 is ₹ 1645.65 Lakhs (31st March 2021: ₹ 823.38 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 6.75% to 8.75%, which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

Refer note 39 for Right of Use asset details.

For Property Plant & Equipment and Intangible asset existing as on 1 April 2015 i.e. the date of transition to Ind AS, the Group has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation so netted off as on 1 April 2015.

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Meghmani Finechem Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED March 31, 2023

4 Financial Assets : Investments

PARTICULAR	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Investment in Equity Shares of Associate at Cost (Unquoted)		
26% Share in Renew Green (GJS Three) Pvt Limited 1,30,71,419 (31 March 2022 : NIL) Equity Shares of ₹ 10 each (refer note	2,052.39	-
Investment - Others (Unquoted)		
24,500 Equity Shares (31 March 2022 : Nil) Shares Of - Meghmani Foundation	2.45	-
Aggregate book value of Unquoted Investment	**2,054.84**	-

The Holding Company has entered into Share Subscription and Shareholders' Agreement (SSSA)" with ReNew Green (GJS three) Private Limited ("RGPL") whereby the Holding Company has invested Rs. 2,054.08 Lakhs for 26% equity share capital of RGPL. RGPL is in the business of developing and operating 18.34 MW wind-solar hybrid power plant in Gujarat. Based on "Energy Supply Agreement(ESA) with RGPL the company will have exclusive right to purchase the energy produced by RGPL for a period of 25 years.

RGPL is currently in the process of setting up the wind-solar hybrid power plant and is expected to commence its operations in near future.

Pursuant to above, RGPL is considered as an Associate and has been consolidated accordingly.

5 Other Financial Assets (Non-Current)

PARTICULAR	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Security Deposits	696.65	645.48
Bank deposits with original maturity of more than 12 months (including interest accrued) (refer note below)	43.81	26.34
Mark to Market Derivative Assets	-	152.55
Total	**740.46**	**824.37**

Margin Money Deposits amounting ₹. 43.81 Lakh (31 March 2022: ₹ 26.34 Lakh) are given as Security Deposit against Bank Guarantee with bank. These deposits are made for varying periods of between 1 year to 10 years and earn interest ranging between 5.40% to 7.25%.

6 Income Tax Assets (Net)

PARTICULAR	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Advance payment of Income Tax (Net of Provision)	639.62	255.24
Total	**639.62**	**255.24**

7 Other Non-Current Assets

PARTICULAR	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good		
Capital Advances	1,543.10	799.62
Balance with Government Authorities (Amount paid under Protest)	80.38	84.53
Total	**1,623.48**	**884.15**

8 Inventories (valued at lower of cost or net realisable value)

PARTICULAR	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Raw Materials (including in Transit ₹ 618.35 Lakhs (31st March 2022: ₹ NIL))	6,362.93	11,379.71
Work-in-Progress	48.07	
Finished Goods	9,645.57	755.54
Finished Goods In transit	759.29	-
Consumable Stores and Spares	4,237.20	3,184.11
Others (Packing Materials)	129.76	94.53
Total	**21,182.82**	**15,413.89**

During the year the group recorded inventory write-down to Net Realisable value of Rs. 3,023.66 lakhs (March 31, 2022: Nil).

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Meghmani Finechem Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED March 31, 2023

9 Trade Receivables

(₹ in Lakhs)

PARTICULAR	As at March 31, 2023	As at March 31, 2022
Trade Receivables - Related Parties (refer note 36)	4,484.51	7,122.08
Trade Receivables - Others	12,147.72	18,510.32
Total Trade Receivables	**16,632.23**	**25,632.40**
Break-up for security details:		
Secured, Considered Good	628.67	626.95
Unsecured, Considered Good	16,003.56	25,005.45
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
Total	**16,632.23**	**25,632.40**
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, Considered Good	-	-
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
Total	**16,632.23**	**25,632.40**

Trade Receivable are secured to the extent of deposit received from the Customers.

Trade Receivables are non interest bearing and generally have credit period of 30-90 days.

For amount due and terms and conditions relating to related party, please refer note no 36.

No trade or other receivable are due from directors or other officers of the group either severally or jointly with any other person.

For information about Credit Risk and Market Risk related to Trade Receivables, please refer note no 41.

Trade Receivables Ageing Schedule

(₹ in Lakhs)

As at 31 March 2023	Current but Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables - Considered good	11,859.23	4,766.00	4.76	2.24	-	-	**16,632.23**
Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
Total	**11,859.23**	**4,766.00**	**4.76**	**2.24**	**-**	**-**	**16,632.23**

(₹ in Lakhs)

As at 31 March 2022	Current but Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables - Considered good	19,104.87	6,491.16	5.05	28.78	-	2.54	**25,632.40**
Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
Total	**19,104.87**	**6,491.16**	**5.05**	**28.78**	**-**	**2.54**	**25,632.40**

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Meghmani Finechem Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED March 31, 2023

10 Cash and Cash Equivalents

PARTICULAR	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Balance with Banks		
- In Current Accounts	1,422.51	2,507.50
- Deposits with original maturity of less than three months (refer note below)	-	0.10
Cash on Hand	1.49	0.94
Total	**1,424.00**	**2,508.54**

Deposits are made for varying periods of between 60 days to 90 days and earn interest rate around 5.10%

11 Bank Balances other than Cash and Cash Equivalents

PARTICULAR	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Balance with Banks earmarked for CSR expenses	85.00	-
Balance with Banks earmarked for Unpaid Dividend	1.80	-
Total	**86.80**	-

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2023 and 31st March, 2022

12 Loans

PARTICULAR	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good (current)		
Loans to Employees (refer note below)	14.47	22.69
Total	**14.47**	**22.69**

Loans to Employees are interest free and generally given for tenure of 6 to 12 months

Since all the above loans given by the Group are unsecured and considered good, the bifurcation of loan in other categories as required by Schedule III of Companies Act 2013 via: a) Secured, b) Loans which have significant increase in credit risk and c) Credit Impaired is not applicable.

13 Other Financial Assets (Current)

PARTICULAR	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good		
Export Benefits Receivables	11.80	35.14
Balances with Government Authorities (refer note below)	89.73	-
Government Grant/Incentive Receivable	1,053.97	-
Security Deposits	75.00	-
Mark to Market Derivative Assets	436.17	152.55
Other Receivables	157.96	-
Total	**1,824.63**	**187.69**

Balance with Government Authorities pertains to Refund Receivable from Goods and Service Tax Authorities.

14 Other Current Assets

PARTICULAR	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good		
Prepaid Expenses	185.29	100.14
Export Benefits Receivables	5.12	98.85
Balances with Government Authorities (refer note below)	43.01	169.46
Advance to Employees	6.10	4.36
Advances to Suppliers	545.46	556.40
Total	**784.98**	**929.21**

Balance with Government Authorities include VAT / Cenvat / Goods and Service Tax credit Receivable, net of Liabilities.

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Meghmani Finechem Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED March 31, 2023

15 Share Capital

PARTICULAR	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
Authorised Share Capital		
Equity Shares of ₹ 10 each 12,05,00,000 Equity Shares (31st March 2022: 12,05,00,000) each Share of ₹ 10/-	**12,050.00**	**12,050.00**
Preference Shares of ₹ 100 each 20,00,000 Preference Shares (31st March 2022: 20,00,000) each Share of ₹ 100 /-	**2,000.00**	**2,000.00**
Preference Shares of ₹ 10 each 432,628,796 Preference Shares (31st March 2022: 432,628,796) each Share of ₹ 10 /-	**43,262.88**	**43,262.88**
Total Authorised Capital	**57,312.88**	**57,312.88**

PARTICULAR	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
ISSUED, SUBSCRIBED and FULLY PAID UP		
Equity Share Capital		
4,15,50,158 Equity Shares (31st March 2022: 4,15,50,158) each of ₹ 10 /- Fully Paid Up	4,155.02	4,155.02
Total	**4,155.02**	**4,155.02**

Reconciliation Shares outstanding at the beginning and at the end of the Year (₹ in Lakhs)

Equity Share Capital	No. of Shares	Amount
As at 1st April 2021	**4,15,52,665**	**4,155.27**
Less: Shares Cancelled pursuant to Scheme of Arrangement (refer note (iii) below)	(2,507)	(0.25)
As at 31st March 2022	**4,15,50,158**	**4,155.02**
Change During the Year	-	-
As at 31st March 2023	**4,15,50,158**	**4,155.02**

Instrument entirely Equity in Nature (Optionally Convertible Redeemable Preference Share Capital)	No. of Shares	Amount
As at 1st April 2021	**21,09,19,871**	**21,091.99**
Change During the Year (refer note (ii) below)	(21,09,19,871)	(21,091.99)
As at 31st March 2022	-	-
Change During the Year	-	-
As at 31st March 2023	-	-

(i) Equity Share:
The Holding Company has one class of Equity Shares with par value of ₹ 10 per share. Each equity shareholder is entitled to one vote per share. All Equity Shareholders have equal dividend rights. In the event of liquidation of the Holding Company, the holders of Equity Shares will be entitled to receive the remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

(ii) Conversion of Optionally Convertible Redeemable Preference Shares (OCRPS) to Compulsory Redeemable Preference Shares (RPS): As per the Order, OCRPS issued by the Holding Company is transferred to Meghmani Organochem Limited as per the Scheme. Further, the OCRPS will be converted into equal number of RPS with same terms and conditions and tenure from the effective date i.e. May 3, 2021 i.e. the date of the Order. Accordingly, OCRPS is classified as equity instrument under total equity for the year ended March 31, 2021 and the same will be classified and accounted for as debt instrument from the effective date.

(iii) Shares cancelled pursuant to Scheme of Arrangement:
Pursuant to the Scheme, Shareholders of Meghmani Organics Limited(MOL) were allotted 94 Equity Shares of Rs10 each of the Company for every 1,000 Equity Shares of Re. 1 of MOL. Accordingly, 2,507 Equity Shares of the Company were cancelled on account of rounding off adjustment basis share swap ratio.

Details of Shareholding (more than 5% Equity Shares)

PARTICULAR	As at March 31, 2023	As at March 31, 2022
(a) Natwarlal Patel	41,76,851	41,76,851
% of Share held	10.05%	10.05%
(b) Ashish Soparkar	46,19,857	46,14,657
% of Share held	11.12%	11.11%
(c) Jayanti Patel	35,76,707	35,76,707
% of Share held	8.61%	8.61%
(d) Ramesh Patel	29,19,569	29,14,769
% of Share held	7.03%	7.01%
(e) Maulik Patel	21,54,367	20,94,591
% of Share held	5.18%	5.04%

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

S R B C & CO. CHARTERED ACCOUNTANTS

Meghmani Finechem Limited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED March 31, 2023

Promoters' Shareholding

Promoter Name (31 March 2023)	No of Share at the beginning of the year	Change during the year	No of Share at the end of the year	% of Total share	% Change during the year
Ashish Soparkar	46,14,657	5,200	46,19,857	11.12%	0.11%
Natwarlal Patel	41,76,851	-	41,76,851	10.05%	0.00%
Jayanti Patel	35,76,707	-	35,76,707	8.61%	0.00%
Ramesh Patel	29,14,769	4,800	29,19,569	7.03%	0.16%
Maulik Patel	20,94,591	59,776	21,54,367	5.18%	2.85%
Anand Patel	18,16,644	-	18,16,644	4.37%	0.00%
Kaushal Soparkar	17,21,379	1,550	17,22,929	4.15%	0.09%

Promoter Name (31 March 2022)	No of Share at the beginning of the year	Change during the year*	No of Share at the end of the year	% of Total share	% Change during the year
Ashish Soparkar	21,98,563	24,16,094	46,14,657	11.11%	109.89%
Natwarlal Patel	22,27,305	19,49,546	41,76,851	10.05%	87.53%
Jayanti Patel	18,82,414	16,94,293	35,76,707	8.61%	90.01%
Ramesh Patel	13,82,414	15,32,355	29,14,769	7.01%	110.85%
Anand Patel	10,69,983	7,46,661	18,16,644	4.37%	69.78%
Maulik Patel	18,97,011	1,97,580	20,94,591	5.04%	10.42%
Kaushal Soparkar	15,80,747	1,40,632	17,21,379	4.14%	8.90%

*Change during the year includes shares issued to shareholders of Meghmani Organics Limited(MOL) as per the share swap ratio approved by NCLT in its Order, the Holding Company has allotted Equity Shares in the ratio of 94 Equity Shares of Rs 10 each for every 1,000 Equity Shares of Re. 1 each held by the shareholders of MOL.

Dividend Distribution made and proposed

PARTICULAR	As at March 31, 2023	As at March 31, 2022
Dividend on Equity shares declared and paid:		
Interim dividend for 31 March 2023 : ₹ 2.50 per share (31 March 2022 : NIL)	1,038.75	-
Proposed dividend on Equity shares:		
Proposed dividend for 31 March 2023 : ₹ 2.50 per share (31 March 2022 : NIL)	1,038.75	-

Proposed Dividends on Equity Shares are subject to approval at the Annual General Meeting and are not recognised as a Liability as at 31 March.

16 Other Equity

PARTICULAR	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Capital Reserve		
Balance as at the beginning of the Year	(24,668.00)	(24,668.28)
Adjustment on cancellation of equity shares pursuant to Scheme of Arrangement	-	0.28
Balance as at the end of the Year	**(24,668.00)**	**(24,668.00)**
Retained Earnings		
Balance as at the beginning of the Year	93,109.93	67,834.41
Add: Profit for the Year	35,329.06	25,278.68
Add: Other Comprehensive Income for the Year	22.76	(3.16)
Less: Dividend Paid	(1,038.75)	-
Balance as at the end of the Year	**1,27,423.00**	**93,109.93**
Total	**1,02,755.00**	**68,441.93**

Capital Reserve
The balance in Capital Reserve represents difference between consideration paid and net asset acquired under common control business combination transactions and cancellation of shares pursuant to scheme of arrangement

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED March 31, 2023

17 Borrowings

PARTICULAR	As at March 31, 2023	As at March 31, 2022
	(₹ in Lakhs)	
Term Loan Facilities from Banks: Indian Rupee loan (Secured) (refer note below)	43,464.04	51,679.85
From Financial Institutions Foreign currency loan (Secured) (refer note below)	-	4,042.56
From Corporate Bodies Redeemable Preference Share Capital	11,000.00	21,091.99
Total Non-Current Borrowing	**54,464.04**	**76,814.40**
[refer note 19 for Current Maturities of Term Loan from Banks and Financial Institutions ₹ 23,979.43 Lakh (31st March 2022 : ₹ 14,107.47 Lakh)]		
The above amounts includes: Secured borrowing Unsecured borrowing	**54,464.04** -	**76,814.40** -

refer note - 41 For Interest Rate Risk and Liquidity Risk.

Details of Security and Repayment Terms :

(i) The Holding Company has taken External Commercial Borrowing of Euro 180.00 lakhs equivalent to ₹ 14,400.00 lakhs from Standard Chartered Bank to finance its capital expenditure plans. Outstanding balance for this borrowing is Euro 48.00 lakhs equivalent to ₹ 4,293.24 lakhs (31st Mach 2022: ₹.8,085.00 lakhs). The borrowing is secured by first pari passu mortgage charge on all immovable properties, first pari passu hypothecation charge over all the moveable assets. The borrowing carries interest @ Euribor + 1.6% p.a. payable on quarterly rests. The Holding Company has entered into Interest Rate Swap ('IRS') agreement with the bank for a fixed interest @ 1.85% p.a. and hedging of the foreign exchange rate whereby the Holding Company will pay additional interest @ 4.95% p.a. The effective interest rate after considering basic interest rate and interest for hedging is 6.80%. The borrowing is repayable in 15 quarterly instalments of Euro 12 Lakhs each, starting from July 3, 2020.

ii) The Holding Company has availed following Rupee Term Loan facilities:

1) Term loan amounting ₹ 11,000 Lakhs from HDFC Bank Limited for capital expenditure toward setting up of new Chloromethane Plant. Outstanding balance for this facility is ₹ 1,650 lakhs (31st March 2022: ₹ 3,850 lakhs). This borrowing carries interest @ 1 year MCLR (Benchmark rate) plus Nil spread payable on monthly rest. The interest rate for the current yearranges between 7.20% to 7.85%. (31st March 2022: 7.20%). The Term Loan is repayable in 20 quarterly instalments of ₹ 550.00 Lakhs each and repayment started from 9th March 2019.

2) Term loan amounting ₹ 15,000 Lakhs from HDFC Bank Limited for capital expenditure toward setting up of new Caustic Soda Lye Plant with new 36 MW Captive Power Plant. Outstanding balance for this facility is ₹ 6,667 Lakhs (31st March 2022: ₹ 10,000 Lakhs). This borrowing carries interest @ 1 year MCLR (Benchmark rate) plus NIL spread (to be set every year) payable on monthly rest. The effective interest rate ranges between 7.20% to 8.85%. (31st March 2022: 7.25%) The term loan is repayable in 18 quarterly instalments of ₹ 833.33 Lakhs each starting from 1st November, 2020.

3) Term loan amounting ₹ 12,500 lakhs from Federal Bank Limited for capital expenditure toward setting up of new Hydrogen Peroxide Plant. Outstanding balance for this facility is ₹ 5,263 Lakhs (31st March 2022: ₹.7,895 Lakhs). The borrowing carries interest @ 12 month T-bill rate (benchmark as published by RBI - to be reset every year) plus spread (fixed @ 0.94%) payable on monthly rest. The effective interest rate remained at 7.90% (31st March 2022: 6.64%). The Term Loan is repayable in 19 quarterly instalments of ₹ 657.89 lakhs each starting from 29th September, 2020.

4)Term loan amounting ₹ 19,000 lakhs from State Bank of India for capital expenditure toward setting up of new Epichlorhydrin Plant. Outstanding balance for this facility is ₹ 17,095 Lakhs as at the Balance Sheet date (31st March 2022: ₹ 19,000 Lakhs) . The borrowing carries interest at 6 month MCLR (Benchmark rate) plus spread of 0.10% (to be reset every half year) payable on monthly rest. The effective interest rate ranges between 7.05% to 8.15% (31st March 2022 : 7.05%). The Term Loan is repayable in 20 quarterly instalments of ₹ 950.00 lakhs each starting from 31st December. 2022.

5) Term loan amounting ₹ 28,475 lakhs from HDFC Bank Limited for capital expenditure toward setting up of new Chloro Polyvinyl Chloride Plant and expansion of Caustic capacity with 36 MW Captive Power Plant. Outstanding balance for the facility is ₹ 28,475 Lakhs as at the Balance Sheet date (31st March 2022: ₹ 21,000 Lakhs), the holding company has drawn down ₹ 7,475 lakhs during the year. The borrowing carries interest at 6 month MCLR (Benchmark rate) plus nil spread payable on monthly rest. The effective interest rate ranges between 7.05% to 8.45% (31st March 2022 : 7.05%). The Term Loan is repayable in 20 quarterly instalments of ₹ 1,423.75 lakhs each starting from September 2023.

6) The Term Loan facilities are secured by first pari passu mortgage charge of all immovable properties of the Holding Company and first pari passu hypothecation charge over all the movable assets of the Holding Company.

iii) The Holding Company has executed an Indenture of Mortgage with Lenders of these term loans (Secured Parties) by creating mortgages on Immovable Properties of the holding Company by creating a charge by way of registered mortgage. According to the indenture, all the Secured Parties will share pari passu charge with first ranking and priority over the Immovable Properties of the Holding Company, both present and future.

iv) Bank loans availed by the Holding Company are subject to certain covenants relating to Interest Service Coverage Ratio, Current Ratio, Debt Service coverage Ratio, Total Outside Liabilities to Total Net Worth, Fixed Assets Coverage Ratio, Ratio of Total Term Liabilities to Net Worth and Return on Property, Plant and Equipments. The Holding Company has complied with the covenants as per the terms of the loan agreements.

v) 15,00,00,000 Redeemable Preference Shares (31 March 2022 : 21,09,19,871) of Rs 10 each is cumulative and carry coupon/dividend rate of 8.00% p.a. with redeemable tenure of 20 Years from the date of allotment. The Holding Company has the right to exercise the option of early redemption, considering which Holding Company has redeemed ₹ 6,091.99 lakhs during the year. Redemption is done at face value.

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18 Long Term Provisions

PARTICULAR	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
Gratuity (refer note 35)	157.94	197.78
Compensated Absences	114.17	91.53
Total	**272.11**	**289.31**

19 Borrowings (Current)

PARTICULAR	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Secured Loans		
Rupee Loans repayable on Demand		
Cash Credit / Overdraft / WCDL Facility from Banks (refer note below)	9,170.91	8,014.33
Current Maturities of Long-Term Debt (refer note 17)	23,979.43	14,107.47
Total	**33,150.34**	**22,121.80**

Note:

The Holding Company has availed Working Capital Facility of ₹ 40,000 Lakhs (31st March 2022: ₹ 25,000 Lakhs) as sanctioned limit from consortium comprising of ICICI Bank Limited ₹ 9,000 Lakhs, Standard Chartered Bank ₹ 8,000 Lakhs and HDFC Bank Ltd. ₹ 8,000 Lakhs, State Bank of India ₹10,000 Lakhs and Kotak Mahindra Bank ₹5,000 Lakhs.
Rate of interest stipulated by ICICI Bank Limited is 6 Month MCLR +Nil spread on the principal amount remains outstanding each day. Interest rate for the year ranges between 4.90% - 8.35% (31st March 2022: 4.90% - 7.25%).
Rate of interest stipulated by Standard Chartered Bank is monthly MCLR . Interest rate for the year ranges between 5.10% - 7.10% (31st March 2022: 5.00% - 6.75%).
Rate of interest stipulated by HDFC Bank Limited is as per prevailing 6 Month MCLR + Nil margin. Interest rate for this ranges between @ 5.00% -8.00% (31st March 2022: 4.90% - 7.20%).
The Holding Company has availed Working Capital Facility of ₹ 5,000 Lakhs (31st March 2022: ₹ NIL) from Kotak Mahindra Bank. The rate of interest stipulated by Kotak Mahindra Bank is 6 month MCLR +NIL Spread. Interest rate for the year ranges from 5.00% to 7.70% (31st March 2022: Nil).
The Holding Company has availed Working Capital Facility of ₹10,000 Lakhs (31st March 2022: ₹ NIL) from State Bank of Inida . The rate of interest stipulated by State Bank of India is 6 month MCLR +NIL Spread Interest rate for the year ranges from 6.40% to 7.85%(31st March 2022: Nil).
Bank loans availed by the Holding Company are subject to certain covenants relating to Interest Service Coverage Ratio, Current Ratio, Debt Service Coverage Ratio, Total Outside Liabilities to Total Net Worth, Fixed Assets Coverage Ratio, Ratio of Total Term Liabilities to Net Worth and Return on Property, Plant and Equipments. The Holding Company has complied with the covenants as per the terms of the loan agreements.

20 Trade Payables

PARTICULAR	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Trade Payables	11,017.30	8,810.50
Total	**11,017.30**	**8,810.50**

Trade Payables are non-interest bearing and are normally settled on 90-360 days terms.

For amounts due to related parties and terms and conditions with Related Parties, refer note 36.

For Group's Credit Risk management processes refer note 41.

Trade Payables Ageing Schedule

(₹ in Lakhs)

As at 31 March 2023	Unbilled Dues	Current but Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 year	2-3 year	More than 3 year	
Total outstanding dues of Micro and Small Enterprise	-	605.15	230.97	4.39	-	-	840.51
Total outstanding dues of creditors other than Micro and Small Enterprise	141.13	7,269.14	2,748.06	14.30	0.92	3.24	10,176.79
Disputed outstanding dues of Micro and Small Enterprise	-	-	-	-	-	-	-
Disputed outstanding dues of creditors other than Micro and Small Enterprise	-	-	-	-	-	-	-
Total	**141.13**	**7,874.29**	**2,979.03**	**18.69**	**0.92**	**3.24**	**11,017.30**

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CHARTERED ACCOUNTANTS

(₹ in Lakhs)

As at 31 March 2022	Unbilled Dues	Current but Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 year	2-3 year	More than 3 year	
Total outstanding dues of Micro and Small Enterprise	-	512.82	402.43	-	-	-	**915.25**
Total outstanding dues of creditors other than Micro and Small Enterprise	54.66	4,877.84	2,857.21	53.81	51.55	0.17	**7,895.25**
Disputed outstanding dues of Micro and Small Enterprise	-	-	-	-	-	-	-
Disputed outstanding dues of creditors other than Micro and Small Enterprise	-	-	-	-	-	-	-
Total	**54.66**	**5,390.66**	**3,259.63**	**53.81**	**51.55**	**0.17**	**8,810.50**

21 Other Current Financial Liabilities

PARTICULAR	(₹ in Lakhs)	
	As at March 31, 2023	**As at March 31, 2022**
Financial Liabilities carried at Amortised Cost		
Interest Accrued but not due on Borrowing	1,929.11	1,841.65
Capital Creditors	6,085.25	6,497.86
Security Deposits Payable	1,217.00	1,049.00
Employee Benefits Payable	2,446.60	2,951.74
Unclaimed Dividend (refer note below)	1.80	-
Book Overdraft	93.46	-
Expenses Payable	7,500.70	6,275.64
Total	**19,273.92**	**18,615.89**

It does not include any amount due and outstanding to be credited to the Investor Education and Protection Fund, it represents only unclaimed dividend.

22 Other Current Liabilities

PARTICULAR	(₹ in Lakhs)	
	As at March 31, 2023	**As at March 31, 2022**
Advances from Customers	155.89	80.88
Statutory Dues Payables	1,019.50	2,525.45
Total	**1,175.39**	**2,606.33**

23 Short Term Provisions

PARTICULAR	(₹ in Lakhs)	
	As at March 31, 2023	**As at March 31, 2022**
Provision for Employee Benefits		
Compensated Absences	15.55	17.89
Total	**15.55**	**17.89**

24 Current Tax Liabilities (Net)

PARTICULAR	(₹ in Lakhs)	
	As at March 31, 2023	**As at March 31, 2022**
Current Tax Payable (net)	9.62	942.21
Total	**9.62**	**942.21**

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25 Revenue from Operations

(₹ in Lakhs)

PARTICULAR	Year ended March 31, 2023	Year ended March 31, 2022
Sales of Products		
Sale of products	2,16,579.06	1,54,712.61
Sale of By-product	365.10	260.71
Sales of Products	**2,16,944.16**	**1,54,973.32**
Other Operating Revenue		
Export Benefits and Other Incentives	1,637.43	1.77
Scrap Sales	258.38	119.05
Total Other Operating Revenue	**1,895.81**	**120.82**
Total	**2,18,839.97**	**1,55,094.14**

25.1 Disaggregated Revenue Information

Set out below is the disaggregation of the group's revenue from Contracts with Customers:

(₹ in Lakhs)

PARTICULAR	Year ended March 31, 2023	Year ended March 31, 2022
Type of Goods or Service		
Chlor Alkali & its Derivatives	2,16,944.16	1,54,973.32
Sales of Stock in Trade		-
Total Revenue from contracts with Customers	**2,16,944.16**	**1,54,973.32**
Geographical location of Customer		
India	2,08,275.41	1,54,861.21
Outside India	8,668.75	112.11
Total Revenue from contracts with Customers	**2,16,944.16**	**1,54,973.32**
Timing of Revenue Recognition		
Goods transferred at a point in time	2,16,944.16	1,54,973.32
Total Revenue from Contracts with Customers	**2,16,944.16**	**1,54,973.32**

25.2 Contract balances

The Group has recognised the following Revenue-related Contract Asset and Liabilities

(₹ in Lakhs)

PARTICULAR	As at March 31, 2023	As at March 31, 2022
Trade Receivables	16,632.23	25,632.40
Advance from Customers	155.89	80.88

Trade Receivables are non interest bearing and generally have credit period of 30-90 days.
Trade Receivable are secured to the extent of deposits received from the Customers.

Contract Liabilities includes Short Term Advance received from Customers towards Sale of Products.

25.3 Reconciling the amount of Revenue recognised in the Statement of Profit and Loss with the Contracted price

(₹ in Lakhs)

PARTICULAR	Year ended March 31, 2023	Year ended March 31, 2022
Revenue as per contracted price	2,30,930.33	1,61,322.77
Adjustments		
Sale Returns	(342.55)	(75.11)
Trade Discount and Quantity Rebate	(12,023.77)	(4,929.90)
Cash Discount	(586.12)	(439.93)
Sales Commission	(1,033.74)	(904.51)
Revenue from contract with Customers	**2,16,944.16**	**1,54,973.32**

Net of amount capitalised during the trial run amounting to ₹ 3,333.21 lakhs (March 31, 2022: Nil)

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25.4 Performance Obligation

The performance obligation is satisfied upon dispatch of Goods from the group's premises / delivery of Goods to the Customer in accordance with the terms of contract with Customer and payment is generally due within 30 to 90 days from date of dispatch/delivery of Goods.

25.5 Information about Major Customers

No single Customer represents 10% or more of the group's total Revenue during the year ended 31st March 2023 and 31st March 2022.

26 Other Income

PARTICULAR	(₹ in Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income on		
- Bank Deposit	81.80	12.28
- Other	2.47	3.65
Net gain on Foreign Currency Transactions and Translations (net)	315.87	111.86
Miscellaneous Income	54.51	98.94
Insurance Claims Received	91.96	172.11
Provision No Longer Required Written back	-	12.24
Sundry Balance Written Back	251.78	-
Total	**798.39**	**411.08**

27 Cost of Materials Consumed

PARTICULAR	(₹ in Lakhs)	
	Year ended March 31,	Year ended March 31,
Chlor Alkali & its Derivatives	1,21,175.69	75,941.09
Total	**1,21,175.69**	**75,941.09**

Note: The above amount comprises of Raw Material consumption generated from the accounting system and related adjustment thereto. Purchases therein amounts to Rs. 116,158.90 lakhs (Rs. 85,338.40 lakhs March 31, 2022) and inventory of raw material is as per note 9.

28 Change In Inventories Of Finished Goods, Work in Progress and Stock in Trade

PARTICULAR	(₹ in Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the Year		
(i) Finished Goods	755.54	914.31
(ii) Work in Progress	-	-
(iii) Stock in Trade	-	8.89
Total (A)	**755.54**	**923.20**
Inventories at the end of the Year		
(i) Finished Goods	10,404.86	755.54
(ii) Work in Progress	48.07	-
(iii) Stock in Trade	-	-
Total (B)	**10,452.93**	**755.54**
Changes in Inventories (A-B)	**(9,697.39)**	**167.66**

29 Employee Benefit Expenses

PARTICULAR	(₹ in Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and Wages	6,107.68	4,567.53
Director Remuneration	1,775.00	2,480.00
Contribution to Provident and Other Funds (refer note 35)	311.91	256.81
Staff Welfare Expenses	465.49	375.12
Total	**8,660.07**	**7,679.46**

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

30 Finance Costs

PARTICULAR	Year ended March 31, 2023	Year ended March 31, 2022
	(₹ in Lakhs)	
Interest Expense on :		
- Term Loan	4,107.21	2,473.01
- Cash Credit and Working Capital Demand Loan	610.76	469.06
-Lease Liability (refer note 39)	26.79	31.48
- Others	234.28	216.99
Dividend on Non Convertible Redeemable Preference Shares	1,638.47	1,539.43
Loss/(Gain) on Derivative Instruments	(131.07)	65.60
Exchange Loss/(Gain) on restatement of External Commercial Borrowing (ECB)	15.34	(422.88)
Other Borrowing Costs (includes Bank Charges, etc.)	48.44	54.33
Total	**6,550.22**	**4,427.02**

31 Power and Fuel Expenses

PARTICULAR	Year ended March 31, 2023	Year ended March 31, 2022
	(₹ in Lakhs)	
Power and Fuel	9,101.23	4,112.59
Electricity Duty on Power Generation	2,373.48	2,302.59
Renewal Purchase Obligation	814.79	937.89
Total	**12,289.50**	**7,353.07**

32 Other Expenses

PARTICULAR	Year ended March 31, 2023	Year ended March 31, 2022
	(₹ in Lakhs)	
Consumption of Stores and Spares	2,681.96	1,873.45
Consumption of Packing Materials	2,593.12	2,151.10
Repairs and Maintenance:		
- Buildings	73.43	114.48
- Plant and Machinery	1,278.60	940.87
Rent (refer note 39)	195.23	3.50
Rates and Taxes	167.76	128.85
Insurance	600.99	447.05
Contract Labour Charges	1,422.22	1,200.53
Selling and Promotion Expenses	2,936.42	1,701.90
Loss on Sale of Property, Plant and Equipment	0.49	7.16
Water Charges	3,081.36	2,669.54
Expenditure towards Corporate Social Responsibility (refer not below)	458.00	360.00
Payments to the Auditors (refer note below)	25.96	24.10
Miscellaneous Expenses	2,001.82	1,381.59
Total	**17,517.36**	**13,004.12**

Miscellaneous expenses includes political contribution of Rs 250.00 Lakhs (31st March 2022 : Nil)

(i) Corporate Social Responsibility Expenditure

PARTICULAR	Year ended March 31, 2023	Year ended March 31, 2022
	(₹ in Lakhs)	
Amount required to be spent during the Year	458.00	360.00
Amount approved by the Board to be spend during the Year	458.00	360.00
Amount Spent during the year in Cash	75.00	275.00
i. Construction / Acquisition of an Assets	-	-
ii. On purpose other than (i) above	75.00	275.00
Details related to spent/unspent obligation		
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	75.00	275.00
iii) Unspent amount for ongoing project	383.00	85.00

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Details of ongoing projects :

PARTICULAR	Year ended March 31, 2023	Year ended March 31, 2022
	(₹ in Lakhs)	
In case of Section 135(6) (Ongoing Project)		
Opening Balances		
With company	-	-
In Separate CSR unspent account	85.00	-
Amount required to be spent during the year	458.00	360.00
Amount spent during the year		
From Company's bank account	75.00	275.00
From Separate CSR unspent account	-	-
Closing balances		
With company	-	-
In Separate CSR unspent account (refer note below)	468.00	85.00

Includes amount transferred to separate CSR bank account as per Section 135 of the Companies Act.

Nature of CSR Activities

(i) Eradicating hunger, poverty and mal nutrition, promoting health care including preventive health and sanitation.

(ii) Promoting education including special education and employment enhancing vocation skills in educational institutes.

(ii) Payment to Auditors (excluding Tax)

PARTICULAR	Year ended March 31, 2023	Year ended March 31, 2022
	(₹ in Lakhs)	
(a) Statutory Audit Fees	25.00	23.00
(b) Reimbursement of Expenses	0.96	1.10
	25.96	**24.10**

33 DISCLOSURE OF EARNING PER SHARE

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the year.

The following reflects the Income and Share used in the Basic and Diluted EPS computation:

PARTICULAR	Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to Shareholders (Figure in ₹ Lakhs)	35,329.06	25,278.68
Total number of Equity Shares at the end of the Year (Nos)	4,15,50,158	4,15,50,158
Weighted Average number of Equity Shares outstanding (Nos)		
- For basic EPS calculation	4,15,50,158	4,15,50,158
- For diluted EPS calculation	4,15,50,158	4,15,50,158
Nominal value per Equity Share (₹)	10.00	10.00
Basic Earnings Per Share (₹)	85.03	60.84
Diluted Earnings Per Share (₹)	85.03	60.84

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

34 Tax expense

(a) Amounts recognised in Profit and Loss

Particulars	Year ended March 31, 2023 (₹ in Lakhs)	Year ended March 31, 2022 (₹ in Lakhs)
Current Income Tax	9,430.77	6,967.28
Deferred Tax Expenses	7,486.06	6,096.28
Tax Expense for the Year	**16,916.83**	**13,063.56**

(b) Amounts recognised in Other Comprehensive Income

(₹ in Lakhs)

Particulars	31st March 2023			31st March 2022		
	Before Tax	Tax (expense)/ benefit	Net of Tax	Before Tax	Tax (expense) /benefit	Net of Tax
Items that will not be reclassified to Profit or Loss						
Remeasurements of the Defined Benefit Plans	34.98	(12.22)	22.76	(4.85)	1.69	(3.16)
Total	**34.98**	**(12.22)**	**22.76**	**(4.85)**	**1.69**	**(3.16)**

(c) Reconciliation of Effective Tax Rate

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit Before Tax	**52,245.89**	**38,342.24**
Tax using the Group's domestic tax rate	18,256.80	13,398.31
(Current Year 34.944% and 31st March 2022 34.944%)		
Tax effect on Non Deductible Tax Expenses/Income not snbject to tax/other adjustments		
Dividend on Preference Share	572.55	537.94
Corporate Social Responsibility Expense	80.02	28.13
Other	67.91	5.22
Income exempt u/s 80 IA	(2,060.45)	(754.95)
True up tax adjustments	-	(151.10)
Tax Expense as per Consolidated Statement of Profit and Loss	**16,916.83**	**13,063.56**
Effective Tax Rate	**32.38%**	**34.07%**

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MEGHMANI FINECHEM LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED March 31, 2023

(₹ in Lakhs)

(d) Movement in Deferred Tax balances for the year ended 31st March 2023

Particulars	Net balance 1st April 2022	Recognised in Profit and Loss	Recognised in OCI	Other	31st March 2023		
					Net	Deferred Tax Asset	Deferred Tax Liability
Property, Plant and Equipment	(14,372.65)	(8,183.60)	-	-	(22,556.24)	-	(22,556.24)
Gain on derivative - Mark to market	-	-	-	-	-	-	-
Employee Benefits	113.38	4.28	(12.22)	-	105.43	105.43	-
Lease Liabilities	18.94	(1.61)	-	-	17.33	17.33	-
Carried Forward Loss	-	-	-	-	-	-	-
Tax Credit (MAT)	4,890.66	689.96	-	-	5,580.62	5,580.62	-
Others	174.56	4.91	-	-	179.47	179.47	-
Tax Assets/ (Liabilities)	**(9,175.12)**	**(7,486.06)**	**(12.22)**	**-**	**(16,673.40)**	**5,882.85**	**(22,556.24)**
Set off Tax							**5,882.85**
Net Tax Assets / (Liabilities)							**(16,673.40)**

(₹ in Lakhs)

(e) Movement in Deferred Tax balances for the year ended 31st March 2022

Particulars	Net balance 1st April 2021	Recognised in Profit and Loss	Recognised in OCI	Other	31st March 2022		
					Net	Deferred Tax Asset	Deferred Tax Liability
Property, Plant and Equipment	(12,709.61)	(1,663.04)	-	-	(14,372.65)	-	(14,372.65)
Gain on derivative - Mark to market	159.80	(159.80)	-	-	-	-	-
Employee Benefits	60.41	51.27	1.69	-	113.38	113.38	-
Lease Liabilities	6.43	12.51	-	-	18.94	18.94	-
Carried Forward Loss	2,798.58	(2,798.58)	-	-	-	-	
Tax Credit (MAT)	6,388.61	(1,837.27)	-	339.33	4,890.66	4,890.66	-
Others	215.25	(40.69)	-	-	174.56	174.56	-
Tax Assets/ (Liabilities)	**(3,080.53)**	**(6,435.60)**	**1.69**	**339.33**	**(9,175.11)**	**5,197.54**	**(14,372.65)**
Set off tax							**5,197.54**
Net Tax Assets/ (Liabilities)							**(9,175.12)**

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35 GRATUITY AND OTHER EMPLOYMENT BENEFIT PLANS

(a) **Retirement Benefits**

The Gratuity Plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans:

Table 1: Reconciliation of Defined Benefit Obligation (DBO)

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Opening balance of Defined Benefit Obligation	**553.94**	**441.71**
Service Cost		
a. Current Service Cost	113.27	95.58
Interest Cost	34.34	25.62
Benefits Paid	(18.53)	(14.11)
Re-measurements		
a. Actuarial Loss/(Gain) from changes in financial assumptions	(39.59)	(15.53)
b. Actuarial Loss/(Gain) from experience over the past period	4.70	20.67
c. Actuarial (Loss)/Gain from change in demographic assumptions		
Closing balance of the Defined Benefit Obligation	**648.14**	**553.94**

Table 2: Reconciliation of Fair Value of Plan Assets

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Opening balance of Fair Value of Plan Assets	**356.16**	**337.90**
Contributions by Employer	128.79	12.48
Benefits Paid	(18.53)	(14.11)
Interest Income on Plan Assets	23.69	19.60
Re-measurements		
a. Actuarial (Loss)/Gain from changes in financial assumptions		
b. Return on plan assets excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	0.09	0.29
Closing balance of Fair Value of Plan Assets	**490.20**	**356.16**
Actual Return on Plan Assets	*21.78*	*19.89*
Expected Employer Contributions for the coming period	*100.00*	*100.00*

Table 3: Expenses Recognised in the Profit aud Loss Account

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Service Cost		
a. Current Service Cost	113.27	95.58
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	-	-
Net Interest on net Defined Benefit Liability/ (Asset)	12.66	6.02
Employer Expenses	**125.93**	**101.60**

Table 4: Net Liability/ (Asset) recognised in the Balance Sheet

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Present Value of DBO	648.14	553.94
Fair Value of Plan Assets	490.20	356.16
Liability/ (Asset) recognised in the Balance Sheet	**157.94**	**197.78**
Funded Status [Surplus/(Deficit)]	**(157.94)**	**(197.78)**
Of Which, Short term Liability	-	-
Experience Adjustment on Plan Liabilities: (Gain)/Loss	**4.70**	**20.67**
Experience Adjustment on Plan Assets: Gain/(Loss)	**0.09**	**0.29**

Table 5: Percentage Break-down of Total Plan Assets

Particulars	31st March 2023	31st March 2022
Investment Funds with Insurance Company	100%	100%
Of which, Traditional/ Non-Unit Linked	*100%*	*100%*
Total	**100%**	**100%**

Note: None of the assets carry a quoted market price in an active market or represent the group's own transferable financial instruments or are property occupied by the group.

Table 6: Actuarial Assumptions

Particulars	31st March 2023	31st March 2022
Salary Growth Rate	10% p.a.	10% p.a.
Discount Rate	7.1%p.a	6.2% p.a.
Withdrawal Rate	12% p.a.	12% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2012-14 Ult.
Expected Return on Plan Assets	6.2%p.a	5.8% p.a.
Expected weighted average remaining working life	5 years	5 years

Table 7: Movement in Other Comprehensive Income

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Opening Balance (Loss)/Gain	**(149.06)**	**(144.21)**
Re-measurements on DBO		
a. Actuarial (Loss)/Gain from changes in financial assumptions	39.59	15.53
b. Actuarial (Loss)/Gain from experience over the past period	(4.70)	(20.67)
c. Actuarial (Loss)/Gain from change in demographic assumptions	-	-
Re-measurements on Plan Assets		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	-
b. Return on Plan assets, excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	0.09	0.29
Other Comprehensive Income	**34.98**	**(4.85)**
Closing Balance (Loss)/Gain	**(114.08)**	**(149.06)**

Table 8: Sensitivity Analysis

Financial Year ended 31st March 2023	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by ₹ 42.61 Lakh	DBO decreases by ₹ 38.70 Lakh
Discount Rate	DBO decreases by ₹ 39.35 Lakh	DBO increases by ₹ 44.25 Lakh
Withdrawal Rate	DBO decreases by ₹ 8.24 Lakh	DBO increases by ₹ 8.96 Lakh
Mortality (increase in expected lifetime by 1 year)	DBO increases by ₹ 0.12 Lakh	
Mortality (increase in expected lifetime by 3 years)	DBO increases by ₹ 0.34 Lakh	

Financial Year ended 31st March 2022	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by ₹ 38.53 Lakh	DBO decreases by ₹ 34.76 Lakh
Discount Rate	DBO decreases by ₹ 35.62 Lakh	DBO increases by ₹ 40.39 Lakh
Withdrawal Rate	DBO decreases by ₹ 9.02 Lakh	DBO increases by ₹ 9.92 Lakh
Mortality (increase in expected lifetime by 1 year)	DBO increases by ₹ 0.14 Lakh	
Mortality (increase in expected lifetime by 3 years)	DBO increases by ₹ 0.41 Lakh	

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses.

Table 9: Movement in Surplus/ (Deficit)

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Surplus/ (Deficit) at start of Year	**(197.78)**	**(103.81)**
Current Service Cost	(113.27)	(95.58)
Past Service Cost	1.96	-
Net Interest on net DBO	(12.66)	(6.02)
Actuarial gain/ (loss)	34.98	(4.85)
Contributions	128.79	12.48
Surplus/ (Deficit) at end of Year	**(157.97)**	**(197.78)**

(b) **Defined Contribution Plans**

The Group makes Provident Fund contributions to Defined Contribution Plans for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of payroll costs to fund the benefits. The Group has recognised Provident Fund contribution of ₹. 185.77 Lakhs (31st March 2022: ₹ 155.21 Lakhs) and contribution to labour welfare of ₹ 0.21 lakhs (31st March 2022: ₹ 0.19 lakhs) as expense in Note 30 under the head 'Contributions to Provident and Other Funds'.

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36 RELATED PARTIES DISCLOSURES :-

➡ Associates	:	ReNew Green (GJS Three) Pvt Limited
➡ Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence :	:	Meghmani Organics Limited (MOL) (formerly Meghmani Organochem Limited) Meghmani Dyes & Intermediates LLP (MDIL) Meghmani Industries Limited (MIL) Meghmani Pigments (MP) Trent Chemical Industries (Trent Chemicals) Arjan Owners LLP (Arjan) (Formerly Panchratna Corporation) Meghmani Novotech Pvt Ltd (Meghmani Novotech) Meghmani LLP (formerly Meghmani Unichem LLP) (MLLP) Atvantic Finechem Private Limited (Atvantic) Kilburn Chemicals Limited (Kilburn) Meghmani Foundation
➡ Key Managerial Personnel	:	Mr. Maulik Patel (Chairman and Managing Director) Mr. Kaushal Soparkar (Managing Director) Mr. Ankit Patel (Executive Director) Mr. Karana Patel, Executive Director Mr. Darshan Patel (Executive Director) Mr. Kamlesh Mehta (Company Secretary) Mr. Sanjay Jain (Chief Financial Officer)
➡ Relatives of Key Managerial Personnel	:	Mr. Jayanti Patel Mr. Ashish Soparkar Mr. Natwarlal Patel Mr. Ramesh Patel Mr. Anand Patel
➡ Non Executive Directors	:	Mr. Manubhai Patel Mr. Balkrishna Thakkar (Ceased to be Director from 23rd Sep 2021) Ms. Nirali Parikh Mr. Kanubhai Patel (Appointed on 20th May 2021) Mr. Sanjay Asher (Appointed on 20th May 2021) Mr. Raju Swami (Appointed on 20th May 2021)

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MEGHMANI FINECHEM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED March 31, 2023

Transaction with Related Parties (Continued):

(₹ in Lakhs)

Particulars	Associate		Enterprises in which Key Managerial Personnel (KMP)and its Relatives have significant influence		Key Managerial Personnel and its Relatives(KMP)		Total	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Sale of Goods to MOL	-	-	18,881.44	16,730.24	-	-	18,881.44	16,730.24
Sale of Goods to MDIL	-	-	1,059.73	1,256.87	-	-	1,059.73	1,256.87
Sale of Goods to MIL	-	-	1,689.28	1,616.66	-	-	1,689.28	1,616.66
Sale of Goods to MP	-	-	246.61	210.69	-	-	246.61	210.69
Sale of Goods to MLLP	-	-	6,392.20	7,761.17	-	-	6,392.20	7,761.17
Sale of Goods to Trent Chemicals	-	-	952.61	1,670.99	-	-	952.61	1,670.99
Sale of Goods to Atvantic	-	-	2.43	-		-	2.43	-
Sale of Goods to Kilburn			26.57	-			26.57	-
Sale of Goods to Meghmani Novotech	-	-	140.00	36.66	-	-	140.00	36.66
Availing of Services (Rent) Arjan	-	-	143.55	127.29	-	-	143.55	127.29
Purchase of MEIS Licence from MOL	-	-	-	232.25	-	-	-	232.25
Sitting fees	-	-	-	-	26.75	22.00	26.75	22.00
Maulik Patel- Remuneration	-	-	-	-	439.07	615.33	439.07	615.33
Kaushal Soparkar- Remuneration	-	-	-	-	439.07	615.33	439.07	615.33
Ankit Patel- Remuneration	-	-	-	-	439.07	615.33	439.07	615.33
Karana Patel- Remuneration	-	-	-	-	279.57	385.33	279.57	385.33
Darshan Patel- Remuneration	-	-	-	-	199.82	270.33	199.82	270.33
Sanjay Jain - Remuneration	-	-	-	-	53.69	47.22	53.69	47.22
Kamlesh Mehta - Remuneration	-	-	-	-	25.62	-	25.62	-
Investment in Equity shares of Renew Green (GJS three) Pvt Ltd	2,054.08	-	-	-	-	-	2,054.08	-
Investment in Meghmani Foundation	-	-	2.45	-	-	-	2.45	-
Contribution for CSR to Meghmani foundation			75.00				75.00	-
Redemption of Preference Shares to MOL			6,091.99		-	-	6,091.99	-
Dividend Paid			-	-	600.14	-	600.14	-
Dividend Paid on RPS to MOL	-	-	1,638.47	1,539.43	-	-	1,638.47	1,539.43

Outstanding Balance with Related Parties:

(₹ in Lakhs)

Particulars	Associate		Enterprises in which Key Managerial Personnel (KMP) and its Relatives have significant influence		Key Managerial Personnel and its Relatives(KMP)		Total	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Receivable from MOL*	-	-	1,818.09	3,864.46	-	-	1,818.09	3,864.46
Receivables from MDI*	-	-	152.14	310.73	-	-	152.14	310.73
Receivables from MIL*	-	-	304.73	440.87	-	-	304.73	440.87
Receivables from MP*	-	-	44.29	24.39	-	-	44.29	24.39
Receivables from MLLP*	-	-	1,290.04	1,784.19	-	-	1,290.04	1,784.19
Receivables from Trent Chemical*	-	-	188.80	458.41	-	-	188.80	458.41
Receivables from Meghmani Novotech*	-	-	36.66	31.38	-	-	36.66	31.38
Payable to Kilburn	-	-	0.26	-	-	-	0.26	-
Receivables from Atvantic*	-	-	2.43	-	-	-	2.43	-
Payable to Arjan	-	-	-	-	-	-	-	-
Remuneration Payable to Maulik Patel	-	-	-	-	399.87	275.04	399.87	275.04
Remuneration Payable to Kaushal Soparkar	-	-	-	-	399.87	275.04	399.87	275.04
Remuneration Payable to Ankit Patel	-	-	-	-	399.87	275.15	399.87	275.15
Remuneration Payable to Karana Patel	-	-	-	-	241.89	166.98	241.89	166.98
Remuneration Payable to Darshan Patel	-	-	-	-	162.14	111.98	162.14	111.98
Remuneration Payable to Sanjay Jain	-	-	-	-	3.30	2.31	3.30	2.31
Remuneration Payable to Kamlesh Mehta	-	-	-	-	2.71	-	2.71	-
Dividend Payable on RPS to MOL	-	-	1,474.63	1,385.48	-	-	1,474.63	1,385.48

*Receivables from related parties are net of payable.

(i) Transaction entered into with Related Parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

(ii) The Group's transactions with Related Parties are at arm's length. Management believes that the Company's domestic transactions with related parties post 31st March 2023 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the Financial Statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the period end.

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37 Segment Reporting

The Group's Chief Operating Decision Maker (CODM) examines the Group's performance from business and geographic perspective. In accordance with Ind AS-108 - Operating Segments, evaluation by the CODM and based on the nature of activities performed by the group, which primarily relate to manufacturing of Chloro Alkali & its Derivatives, the group does not operate in more than one business segment.

Analysis By Geographical Segment

Segment Revenue is analysed based on the location of Customers regardless of where the goods are produced. The following provides an analysis of the Sales by Geographical Markets.

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue :		
Within India	2,08,275.41	1,54,861.21
Outside India	8,668.75	112.11
Total Revenue from Contracts with Customers	**2,16,944.16**	**1,54,973.32**

The following is analysis of the carrying amount of Non Current Assets, which do not include Deferred Tax Assets, Tax Assets, Investment in Subsidiary and Financial Assets analysed by the geographical area in which the assets are located:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of Segment Assets		
Within India	1,97,838.68	1,66,592.59
Outside India	-	-

38 Contingent Liabilities & Commitments

A. Claim against the group not acknowledged as Debts (excluding Interest and Penalty)

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Disputed Income Tax Liability*	1,662.83	892.09
Disputed Service Tax Liability**	53.69	53.69
Disputed Custom Duty Liability***	621.83	621.83
(In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various Forums / Authorities. The group has assessed that it is only possible but not probable, the outflow of economic resources will be required)		
In respect of Letter of Credit	2,036.53	6,345.89

*Income tax demand comprise demand from the Indian Income Tax authorities for payment of additional tax of ₹ 1,662.83 Lakhs (31 March 2022: ₹892.09 lakhs), upon completion of their tax review for the assessment year 2016-17, 2017-18 and 2018-19.The tax demands are mainly on account of adjustment pertaining to 80 IA benefits claimed for captive power plant against sale of steam and power. The matter is pending before CIT (A) and Income Tax Appellate Tribunal (ITAT).

**Service tax demand comprise demand from Service tax Authorities for payment of additional tax of Rs. 53.69 lakhs (31 March 2022: ₹ 53.69 lakhs), upon completion of their tax review for the financial year 2012-13 and 2014-15. The tax demands are on account of service tax on sales commission and classification of coal. The matter is pending before Commissioner of Excise Service Tax Appellate Tribunal (CESTAT).

***Customs tax demand comprise demand from Custom Authorities for payment of additional tax of ₹ 621.83 lakhs (31 March 2022: ₹ 621.83 lakhs), upon completion of their tax review for the financial year 2012-13. The tax demands are on account of classification of coal. The matter is pending before Commissioner of Excise Service Tax Appellate Tribunal (CESTAT).

The Holding company is contesting the demands and the management, including its tax advisors, believe that its position will likely be in favour of Company in the appellate process and no tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

B. Capital Commitment

The Estimated amount of Contract to be executed on Capital Account of ₹ 24,965.66 Lakhs (31st March 2022 ₹. 4,795.40 Lakhs) and not provided for (Net of Advances).

C. Other Commitment

The Group has imported capital good for the various expansion projects under the EPCG Scheme at nil rate of custom duty by undertaking obligation to export. Future outstanding export obligation under the scheme is ₹ NIL (31st March 2022: ₹ 8,164.49 lakhs).

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39 Leases

The Group has lease contracts for office premise. Leases of office premise is having lease terms of 3 to 9 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain premises in good state. The lease contract include extension and termination options. The group also has certain premises and assets with lease terms of 12 months or less. The Group applies the 'short-term lease'recognition exemptions for these leases.

Terms of Cancellation and Escalation

The Leases are cancellable by giving one month notice by either parties and these does not carries any escalation.

(A) Leases as lessee

(₹ in Lakhs)

(i) The movement in Lease liabilities during the Year	As at March 31, 2023	As at March 31, 2022
Opening Balance	376.22	375.55
Additions during the Year	-	79.74
Finance costs incurred during the Year	26.79	31.48
Payments of Lease Liabilities	(141.17)	(110.55)
Balance at the end of the Year	**261.84**	**376.22**

(ii) The carrying value of the Rights-of-use and depreciation charged during the year

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	3,489.77	1,446.83
Additions during the Year	15,190.75	2,167.32
Depreciation charged during the Year	(235.94)	(124.38)
Balance at the end of the Year	**18,444.59**	**3,489.77**

(₹ in Lakhs)

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation expense of Right-of-Use assets	235.94	124.38
Interest expense on lease liabilities	26.79	31.48
Expense relating to short-term leases (included in other expenses)	195.23	3.50
Total Expenses	**457.97**	**159.36**

(₹ in Lakhs)

(iv) Amounts recognised in Statement of Cash Flows	Year Ended March 31, 2023	Year Ended March 31, 2022
Total Cash outflow for Leases	(141.17)	(110.55)

(₹ in Lakhs)

(v) Maturity analysis of Lease Liabilities	As at March 31, 2023	As at March 31, 2022
Maturity Analysis of contractual nndiscounted cash flows		
Less than one year	143.85	141.17
One to five years	141.22	285.07
More than five years	-	-
Total undiscounted Lease Liability	**285.07**	**426.24**

(₹ in Lakhs)

Balances of Lease Liabilities	As at March 31, 2023	As at March 31, 2022
Non Current Lease Liability	134.91	261.84
Current Lease Liability	126.93	114.38
Total Lease Liability	**261.84**	**376.22**

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40. Capital Management

Capital includes only Equity attributable to the Equity Shareholders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its Capital Structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the Capital Structure, the Group may adjust the dividend payment to Shareholders, return on capital to Shareholders or issue new Shares. No changes were made in the objectives, policies or processes during the year ended 31 March 2023 and 31 March 2022.

The Group monitors capital using a ratio of 'Adjusted Net Debt' to 'Adjusted Equity'. For this purpose, adjusted net Debt is defined as Total Liabilities, comprising Interest-Bearing Loans and Borrowings, less Cash and Cash Equivalents. Adjusted Equity comprises all components of Equity.

	(₹ in Lakhs)	
Particulars	**31st March 2023**	**31st March 2022**
Total Interest bearing liabilities	87,876.22	99,312.42
Less : Cash and Cash Equivalent	1,424.00	2,508.54
Adjusted Net Debt	**86,452.22**	**96,803.88**
Total Equity	1,06,910.02	72,596.95
Adjusted Equity	**1,06,910.02**	**72,596.95**
Adjusted Net Debt to Adjusted Equity ratio	0.81	1.33

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41 Financial Instruments – Fair Values and Risk Management

The Significant Accounting Policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note 2 to the Financial Statements.

A. Category-wise classification of Financial Instrument
The carrying value of Financial Instruments by categories as of 31st March, 2023 and 31st March, 2022 is as follows:

(₹ in Lakhs)

31st March 2023	Carrying Amount			
	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income	Amortised Cost	Total
Financial Assets				
Other Non-Current Financial Asset (refer note 5)	-	-	740.46	740.46
Non current Investment (refer note 4)	-	-	2,054.84	2,054.84
Trade Receivables (refer note 9)	-	-	16,632.23	16,632.23
Cash and Cash Equivalents (refer note 10)	-	-	1,424.00	1,424.00
Bank Balances other than above (refer note 11)	-	-	86.80	86.80
Loans (refer note 12)	-	-	14.47	14.47
Other Current Financial Assets (refer note 13)	436.17	-	1,388.46	1,824.63
Total Financial Assets	**436.17**	-	**22,341.27**	**22,777.44**
Financial Liabilities				
Non-Current Borrowings (refer note 17)	-	-	54,464.04	54,464.04
Non-Current Lease Liabilities (refer note 39)	-	-	134.91	134.91
Current Borrowings (refer note 19)	-	-	33,150.34	33,150.34
Current Lease Liabilities (refer note 39)	-	-	126.93	126.93
Trade Payable (refer note 20)	-	-	11,017.30	11,017.30
Other Current-Financials Liabilities (refer note 21)	-	-	19,273.92	19,273.92
Total Financial Liabilities	-	-	**1,18,167.44**	**1,18,167.44**

(₹ in Lakhs)

31st March, 2022	Carrying Amount			
	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income	Amortised Cost	Total
Financial Assets				
Other Non-Current Financial Asset (refer note 5)	152.55	-	671.82	824.37
Trade Receivables (refer note 9)	-	-	25,632.40	25,632.40
Cash and Cash Equivalents (refer note 10)	-	-	2,508.54	2,508.54
Loans (refer note 12)	-	-	22.69	22.69
Other Current Financial Assets (refer note 13)	152.55	-	35.14	187.69
Total Financial Assets	**305.10**	-	**28,870.60**	**29,175.69**
Financial Liabilities				
Non-Current Borrowings (refer note 17)	-	-	76,814.40	76,814.40
Non-Current Lease Liabilities (refer note 39)	-	-	261.84	261.84
Current Borrowings (refer note 19)	-	-	22,121.80	22,121.80
Current Lease Liabilities (refer note 39)	-	-	114.38	114.38
Trade Payable (refer note 20)	-	-	8,810.50	8,810.50
Other Current-Financials Liabilities (refer note 21)	-	-	18,615.89	18,615.89
Total Financial Liabilities	-	-	**1,26,738.81**	**1,26,738.81**

B. Measurement of Fair values and Sensitivity analysis

Fair Value Hierarchy:
The fair value of the Financial Assets and Liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

(i) Level 1: quoted prices (unadjusted) in active markets for identical Assets or Liabilities.
(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the Asset or Liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
(iii) Level 3: inputs for the Asset or Liability that are not based on observable market data (unobservable inputs).

Financial Instrument measured at Fair Value

(₹ in Lakhs)

Financial Assets / Financial Liabilities	Fair value as at		Fair value hierarchy	Significant observable inputs
	31st March 2023	31st March 2022		
Mark to market Derivative Assets on interest Rate Swap and cross Currency Swap valued at FVTPL. (refer note 13)	436.17	305.10	Level 2	Fair value as ascertained and provided by Bank

Financial Instrument measured at Amortised Cost

The carrying amount of Financial Assets and Financial Liabilities measured at amortised cost in the Financial Statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Reconciliation of level 1 Fair Values
There have been no transfers between level 1, level 2 and level 3 during the year ended March 31, 2023.

Financial Risk Management Framework

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The Group's Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group manages market risk through treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends risk management objectives and policies. The activities of this operations include management of cash resources, hedging of foreign currency exposure, credit control and ensuring compliance with market risk limits and policies.

The Group's principal Financial Liabilities, other than Derivatives, comprises of Long Term and Short Term Borrowings, Trade and Other Payables, and Financial Liabilities. The main purpose of these Financial Liabilities is to finance the Group's operations. The Group's principal Financial Assets include Loans, Trade and other Receivables, Cash and Cash Equivalents, other Bank Balances and Other Financial Assets that derive directly from its Operations.

The Group has an effective risk management framework to monitor the risks controls in key business processes. In order to minimise any adverse effects on the bottom line, the Group takes various mitigation measures such as credit control, foreign exchange forward contracts to hedge foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Group has exposure to the following risks arising from Financial Instruments
- Credit Risk ;
- Liquidity Risk ; and
- Market Risk

i. Credit Risk

Credit Risk is the risk that counter party will not meet its obligation leading to a financial loss. The Group is exposed to credit risk arising from its operating activities primarily from Trade Receivables and from financing activities primarily relating to parking of surplus funds as Deposits with Banks. The Group considers probability of default upon initial recognition of Assets and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period.

The carrying amount of following Financial Assets represents the maximum credit exposure:

Financial Instruments and Cash Deposit:

Credit Risk from Balances with Banks and Financial Institutions is managed by the Group's Treasury Department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Trade Receivables

The Sales Department has established a Credit Policy under which each new Customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each Customer and reviewed periodically. Any sales exceeding those limits requires further approval.

Trade Receivables of the Group are typically unsecured ,except to the extent of the security deposits received from the Customers or Financial Guarantees provided by the market organizers in the business.Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of Customers to which Group grants credit terms in the normal course of business. The Group performs ongoing credit evaluations of its Customers' financial condition and monitors the creditworthiness of its Customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade Receivables is created to the extent and as and when required, based upon the expected collectability of Accounts Receivables.The Group evaluates the concentration of risk with respect to Trade Receivables as low, as its Customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group measures the expected credit loss of Trade Receivables and Loan from individual Customers based on historical trend, industry practices and the business environment in which the Entity operates.Loss rates are based on actual credit loss experience and past trends.

The maximum exposure to Credit Risk for Trade Receivables by geographic region was as follows:

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Domestic	16,590.74	25,632.40
Other Regions	41.48	-
Total	**16,632.23**	**25,632.40**

Age of Receivables

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Neither due nor Impaired	11,859.23	19,104.87
Past due 1–90 days	4,741.89	6,485.73
Past due 91–180 days	24.11	5.43
More than 180 days	7.00	36.37
Total	16,632.23	25,632.40

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of Customer Credit Risk, including underlying Customers' Credit Ratings if they are available.

Management estimates that the amount of provision of ₹ Nil (31st March 2022 : NIL) is appropriate

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Financial Instruments – Fair Values and Risk Management (continued)

ii. Liquidity Risk

Liquidity Risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to Liquidity Risk

The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and Actual Cash flows and matching the maturity profiles of the Financial Assets and Liabilities. The table below summarises the remaining contractual maturities of Financial Liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Non-Derivative Financial Liabilities

(₹ in Lakhs)

31st March 2023	Carrying amount	Contractual Cash Flows				
		Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
India Rupee loan	59,150.23	59,150.23	15,686.19	15,459.91	26,580.38	1,423.75
Foreign currency loan	4,293.24	4,293.24	4,293.24	-	-	-
Redeemable Preference Share Capital	15,000.00	15,000.00	4,000.00	4,000.00	7,000.00	-
Working Capital Loans from Banks	9,170.91	9,170.91	9,170.91	-	-	-
Trade Payables	11,017.30	11,017.30	11,017.30	-	-	-
Other Payables	19,535.76	19,535.76	19,400.85	125.51	9.40	-
Total	**1,18,167.45**	**1,18,167.45**	**63,568.49**	**19,585.42**	**33,589.78**	**1,423.75**

Non-Derivative Financial Liabilities

(₹ in Lakhs)

31st March 2022	Carrying amount	Contractual cash flows				
		Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
India Rupee loan	61,744.77	61,744.77	10,064.91	11,414.90	40,264.96	
Foreign currency loan	8,085.12	8,085.12	4,042.56	4,042.56	-	-
Redeemable Preference Share	21,091.99	21,091.99	-	-	-	21,091.99
Working Capital Loans from Banks	8,014.33	8,014.33	8,014.33	-		-
Trade Payables	8,810.50	8,810.50	8,810.50	-	-	-
Other Payables	18,992.11	18,992.11	18,730.27	126.88	134.96	-
Total	**1,26,738.83**	**1,26,738.83**	**49,662.57**	**15,584.34**	**40,399.92**	**21,091.99**

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular Industry

In order to avoid excessive concentrations of risk, the policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels

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Financial instruments – Fair Values and Risk Management (continued)

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. Market risk comprises three types of risk: Currency Risk, Interest Rate Risk, and Other Price Risk such as Equity Price Risk. Financial Instruments affected by market risk include Loans and Borrowings, Deposits, FVTOCI and Amortised Cost Investments and Derivative Financial Instruments.

Foreign Currency Risk

Foreign Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of actual sales and purchases and 12-month period for foreign currency loans. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Exposure to Currency Risk

The Currency profile of Financial Assets and Financial Liabilities as at 31st March, 2023 and 31st March , 2022 are as below:

The Group's exposure to Foreign Currency Risk at the end of the reporting period expressed in ₹, are as follows

(₹ in Lakhs)

31st March 2023	Total	INR Equivalent to USD	INR Equivalent to Euro	INR Equivalent to CNY	INR
Financial Assets					
Trade and Other Receivables	16,632.23	167.85	0.05	-	16,464.33
Other Current Financial Assets	1,824.63	157.94	436.17	-	1,230.52
	18,456.86	**325.79**	**436.23**	-	**17,694.85**
Financial Liabilities					
Current Borrowings	33,150.34	-	4,293.24		28,857.10
Trade Payables	11,017.30	3,062.67	1.79	-	7,952.84
Other Current Financial Liabilities	19,273.92	54.96	890.15	227.44	18,101.38
Less : Foreign Currency Hedged	4,293.24	-	4,293.24	-	-
Total	**59,148.33**	**3,117.62**	**891.93**	**227.44**	**54,911.32**

(₹ in Lakhs)

31st March 2022	Total	INR Equivalent to USD	INR Equivalent to Euro	INR Equivalent to CNY	INR
Financial Assets					
Trade and other Receivables	25,632.40	475.93		-	25,156.47
Other Non-Current Financial Assets	824.37	-	152.55	-	671.82
Other Current Financial Assets	187.69	-	152.55	-	35.14
Total	**26,644.46**	**475.93**	**305.10**	-	**25,863.43**
Financial Liabilities					
Non Current Borrowings	76,814.40	-	4,042.56	-	72,771.84
Current Borrowings	22,121.80	-	4,042.56	-	18,079.24
Trade Payables	8,810.50	811.02	-	-	7,999.48
Other Current Financial Liabilities	18,615.89	128.52	84.76	328.66	18,073.95
Less : Foreign Currency Hedged	8,085.12	-	8,085.12	-	-
Total	**1,18,277.49**	**939.54**	**84.76**	**328.66**	**1,16,924.51**

Sensitivity Analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against Foreign Currency at March 31 would have affected the measurement of financial instruments denominated in foreign currency and affected Equity and Profit or Loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in Lakhs)

31st March 2023	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	(139.59)	139.59	(90.81)	90.81
EUR	(22.79)	22.79	(14.82)	14.82
CNY	(11.37)	11.37	(7.40)	7.40

(₹ in Lakhs)

31st March 2022	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	(23.18)	23.18	(15.08)	15.08
EUR	11.02	(11.02)	7.17	(7.17)
CNY	(16.43)	16.43	(10.69)	10.69

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Financial Instruments – Fair Values and Risk Management (continued)

Interest Rate Risk

Interest Rate Risk is the risk that the fair value or future Cash Flows of a Financial Instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's Long-Term Debt obligations with floating interest rates. The Group manages its Interest Rate Risk by having balanced portfolio of fixed and variable rate Loans and Borrowings.

Exposure to Interest Rate Risk

The Group's Interest Rate Risk arises from Borrowings obligations. Borrowings is exposed to fair value interest rate risk. The interest rate profile of the Group's interest-bearing Financial Instruments as reported to the management of the Group is as follows.

Variable-Rate Instruments		**(₹ in Lakhs)**
	As at March 31, 2023	**As at March 31, 2022**
Non Current - Borrowings	54,464.04	76,814.40
Current - Borrowings	33,150.34	22,121.80
Total	**87,614.38**	**98,936.20**

Cash Flow Sensitivity Analysis for Variable-Rate Instruments

A reasonably possible change of 100 basis points in Interest Rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amounts shown below. This analysis assumes that all other variables, in particular Foreign Currency Exchange Rates, remain constant.

(₹ in Lakhs)

Particulars	**Profit or Loss**		**Equity, Net of Tax**	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
As at March 31, 2023				
Non Current - Borrowings	(544.64)	544.64	(354.32)	354.32
Current - Borrowings	(331.50)	331.50	(215.66)	215.66
Total	**(876.14)**	**876.14**	**(569.98)**	**569.98**
As at March 31, 2022				
Non Current - Borrowings	(768.14)	768.14	(499.72)	499.72
Current - Borrowings	(221.22)	221.22	(143.92)	143.92
Total	**(989.36)**	**989.36**	**(643.64)**	**643.64**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED March 31, 2023

42. Ratios

DISCLOSURE OF RATIOS	Numerator	Denominator	Year ended March 31, 2023	Year ended March 31, 2022	% Change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	0.65	0.84	-23%	No major variance
Debt-Equity Ratio	Current Borrowings + Non Current Borrowings + Lease Payemnts	Shareholder's Equity	0.82	1.37	-40%	There is an improvement in debt equity ratio on account of decrease in borrowings due to repayment of long term debts during the year and higher profitability
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest & Lease payment + Other adjustment like loss on sale of Assets	Debt service = Interest & Lease Payments + Principal Repayments	1.32	1.40	-5%	No major variance
Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	39.36%	35.85%	10%	No major variance
Inventory Turnover Ratio	Revenue from Operation	Average Inventory	11.96	14.91	-20%	No major variance
Trade Receivables Turnover Ratio	Revenue from Operation	Average Trade Receivable	10.36	8.27	25%	There is improvement in the ratio on account of reduction in receivables due to better collection over sales.
Trade Payables Turnover Ratio	Total Purchase	Average Trade Payables	12.36	11.19	10%	No major variance
Net Capital Turnover Ratio	Revenue from Operation	Working capital = Current assets – Current liabilities	-9.59	-18.17	47%	There is improvement in the ratio on account of increase in revenue from operations, however the same is negative on account of current ratio below 1.
Net Profit Ratio	Net Profit	Revenue from Operation	16.14%	16.30%	-1%	No major variance
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Lease Liability + Deferred Tax Liability	30.03%	28.11%	7%	No major variance
Return on Investment	Interest (Finance Income)	Average of Investment in Subsidiary, associate & Bank Deposit	7.71%	7.26%	6%	No major variance

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43. Investment in Equity Shares of Associate

Particulars	As at March 31, 2023	As at March 31, 2022
Associates (Note 4)		
Equity investment in associate at cost	2,054.08	-
Share in Profit/Reserves of Associate (after Acquisition)	-1.69	-
Net	**2,052.39**	-

The above numbers are not audited and has been derived based on management accounts.

44 Composite Scheme of Arrangement

The NCLT Ahmedabad Bench vide its order dated 03 May 2021 (the "Order"), approved the Composite Scheme of Arrangement ("the Scheme") to merge Meghmani Organics Limited (MOL) with the Holding Company along with its Trading Division and Equity Investment in the Holding Company. Pursuant to the Scheme, the Holding Company filed Information Memorandum with National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) and further filed the same with SEBI for the approval. The Holding Company has received final approval on August 16, 2021, pursuant to which the Holding Company was listed with NSE and BSE on August 18,2021.

Further, as per the Order, Optionally Convertible Redeemable Preference Shares (OCRPS) issued by the Holding Company to Meghmani Organics Limited is converted into equal number of Redeemable Preference Shares (RPS) with same terms and conditions and tenure. Accordingly, the RPS has been reclassified from Instruments entirely Equity in nature to Non Current Borrowings.

45 Events occurred after the Balance Sheet date

The Group evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to approval of Financial Statement to determine the necessity for recognition and/or reporting of any of these events and transactions in the Financial Statements. As of 25th April 2023 there were no material subsequent events to be recognized or reported that are not already disclosed.

46 (a) Information about Subsidiary

The Consolidated financial statements consists of the Holding Company Meghmani Finechem Limited, one subsidiary Company Meghmani Advanced Sciences Limited and share in Associate company ReNew Green (GJS Three) Pvt. Ltd.. The Subsidiary Company has share capital consisting solely of equity shares which are fully held directly by the Holding company. The subsidiary company was incorporated on January 27, 2021 in India and is yet to commence its business operations.

46 (b) Additional Information Required by Schedule III

(₹ in Lakhs)

Name of the Entity in the Group	Net Assets (Total Assets minus Total Liabilities)		Share in Profit/(Loss)		Share in other Comprehensive Income/(Loss)		Share in Total Comprehensive Income/(Loss)	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/(Loss)	Amount	As % of Other Comprehensive Income	Amount	Total Comprehensive Income	Amount
A Parent								
Meghmani Finechem Limited 31 March 2023	100.00%	1,06,910.02	100.02%	35,335.75	100.00%	22.76	100.02%	35,358.51
Meghmani Finechem Limited 31 March 2022	100.00%	72,596.95	100.00%	25,278.68	100.00%	(3.16)	100.00%	25,275.52
B Subsidiary								
(I) Indian								
Meghmani Advanced Sciences Limited 31 March 2023	-	-	-0.01%	(5.00)	-	-	-0.01%	(5.00)
Meghmani Advanced Sciences Limited 31 March 2022	-	-	-	-	-	-	-	-
C Associate								
(I) Indian								
ReNew Green (GJS Three) Pvt Ltd 31 March 2023	-	-	-0.01%	(1.69)	-	-	-0.01%	(1.69)
ReNew Green (GJS Three) Pvt Ltd 31 March 2022	-	-	-	-	-	-	-	-

47 Other Statutory Information :

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
(ii) The Group do not have any transactions or balance with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
(iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
(v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

48 Previous years figures have been regrouped, restated and reclassified wherever necessary to make them comparable with those of the current year.

As per our Report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. - 324982E / E300003

S R B C & CO LLP CHARTERED ACCOUNTANTS

per Sukrut Mehta
Partner
Membership No. 101974

Place: Ahmedabad
Date: 25th April, 2023

Sanjay Jain
Chief Financial Officer

K.D. Mehta
Company Secretary

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

Maulik Patel
Chairman & Managing Director
DIN: 02006947

Kaushal Soparkar
Managing Director
DIN: 01998162

Place: Ahmedabad
Date: 25th April, 2023

S R B C & CO LLP
Chartered Accountants

21st Floor, B Wing, Privilon
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Tel : +91 79 6608 3900

INDEPENDENT AUDITOR'S REPORT

To the Members of Meghmani Finechem Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Meghmani Finechem Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity 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, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("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 consolidated state of affairs of the Group, as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 for the financial year ended March 31, 2022. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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Key audit matters	How our audit addressed the key audit matter
Revenue recognition *(as described in Note 2 of the consolidated financial statements)*	
The group majorly generates revenue from sale of Choro Alkali and its Derivatives products. The Group recognises revenue from sales of goods in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers, measured at fair value of the consideration received or receivable in the ordinary course of its activities. Revenue from sale of goods is recognised net of discounts, rebates and taxes. Certain terms in sales arrangements relating to timing for transfer of control to the customer and delivery specifications including incoterms, involves significant judgment in determining whether the revenue is recognised in the correct period.	Our audit procedures included the following: • Read and evaluated the Group's policy for revenue recognition and assessed its compliance with Ind AS 115 'Revenue from contracts with customers'. • Assessed the design and tested the operating effectiveness of internal controls related to revenue. • Performed on test check basis, sales transactions and inspected the underlying sales orders, invoice copies, terms of delivery, lorry receipts, bill of lading, and collection as per the terms of the contract with customers. • Performed on test check basis, transactions near year end date as well as credit notes issued after the year end date. • Assessed the relevant disclosures in the Consolidated financial statements for compliance with disclosure requirements.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's 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 such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is 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 financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies

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included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entity 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 for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of one subsidiary, whose financial statements and other financial information reflect total assets of Rs 5 lakhs as at March 31, 2022, and total revenues of Rs Nil and net cash inflows of Rs 5 lakhs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit of separate financial statements and the other financial information of the subsidiary company, as noted in the 'Other Matter' paragraph, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of separate financial statements and the other financial information of subsidiary, we report, to the extent applicable, that:

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

(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 consolidation of the financial statements have been kept so far as it appears from our examination of those books;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and of its subsidiary company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 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 with reference to consolidated financial statements of the Holding Company and its subsidiary company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company and its subsidiary company, to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 35 to the consolidated financial statements;

ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term derivative contracts – Refer Note 38 to the standalone financial statements

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary, incorporated in India during the year ended March 31, 2022.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

iv. a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary to or in any other persons or entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or its subsidiary from any person or entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. No dividend has been declared or paid during the year by the Holding company and subsidiary company, incorporated in India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974

S R B C & CO LLP
* CHARTERED ACCOUNTANTS *

UDIN: 22101974AHSSIM6241

Place of Signature: Ahmedabad
Date: April 25, 2022

Annexure 1 to the Independent Auditor's report of even date on the consolidated Financial Statements of Meghmani Finechem Limited

The report of the wholly owned subsidiary company Meghmani Advanced Sciences Limited (CIN: U24129GJ2021PLC119805) included in the consolidated financial statements has not been issued by its auditor till the date of our auditor's report.

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Annexure 2 to the Independent Auditor's report of even date on the consolidated Financial Statements of Meghmani Finechem Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Meghmani Finechem Limited as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting Meghmani Finechem Limited (hereinafter referred to as the "Holding Company") as of that date.

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 Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 over financial reporting with reference to these consolidated financial statements.

S R B C & CO LLP
* CHARTERED ACCOUNTANTS *

Meaning of Internal Financial Controls over Financial Reporting with reference to these consolidated financial statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these consolidated financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, maintained in all material respects, an adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN : 22101974AHSSIM6241
Place of Signature: Ahmedabad
Date: April 25, 2022

S R B C & CO LLP
CHARTERED ACCOUNTANTS

Meghmani Finechem Limited
Consolidated Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
I. Assets			
Non-Current Assets			
(a) Property, Plant and Equipment	3.1	1,03,940.33	1,07,065.16
(b) Capital Work in Progress	3.2	58,925.44	12,583.73
(c) Intangible Assets	3.3	2,842.67	3,165.90
(d) Financial Assets			
(i) Other Financial Assets	4	824.37	1,035.80
(e) Income Tax Assets (net)	5	255.24	245.07
(f) Other Non-Current Assets	6	884.15	2,645.36
Total Non-Current Assets		**1,67,672.20**	**1,26,741.02**
Current Assets			
(a) Inventories	7	15,413.89	5,395.97
(b) Financial Assets			
(i) Trade Receivables	8	25,632.40	11,883.73
(ii) Cash and Cash Equivalents	9	2,508.54	68.00
(iii) Loans	10	22.69	11.42
(iv) Other Financial Assets	11	187.69	183.80
(c) Other Current Assets	12	929.21	586.26
Total Current Assets		**44,694.42**	**18,129.18**
Total Assets		**2,12,366.62**	**1,44,870.20**
II Equity and Liabilities			
Equity			
(a) Equity Share Capital	13	4,155.02	4,155.27
(b) Instruments entirely Equity in nature	13	-	21,091.99
(c) Other Equity	14	68,441.93	43,166.13
Total Equity		**72,596.95**	**68,413.39**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	76,814.40	34,046.74
(ii) Lease Liabilities	36	261.84	306.00
(b) Provisions	16	289.31	162.85
(c) Deferred Tax Liabilities (net)	31	9,175.12	3,080.53
Total Non-Current Liabilities		**86,540.67**	**37,596.12**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	22,121.80	19,784.40
(ii) Lease Liabilities	36	114.38	69.55
(iii) Trade Payables	18	8,810.50	7,304.93
(iv) Other Financial Liabilities	19	18,615.89	10,956.38
(b) Other Current Liabilities	20	2,606.33	725.77
(c) Provisions	21	17.89	10.04
(d) Current Tax Liabilities (net)	22	942.21	9.62
Total Current Liabilities		**53,229.00**	**38,860.69**
Total Liabilities		**1,39,769.67**	**76,456.81**
Total Equity and Liabilities		**2,12,366.62**	**1,44,870.20**

Summary of Significant Accounting Policies 2

The accompanying Notes are an integral part of these Consolidated Financial Statements

As per our Report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman and Managing Director
DIN: 02006947

K.D. Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN: 01998162

Place: Ahmedabad
Date: 25.04.2022

Place: Ahmedabad
Date: 25.04.2022

Meghmani Finechem Limited
Statement of Consolidated Profit and Loss for the Year ended March 31, 2022

(₹ in Lakhs)

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Revenue			
Revenue from Operations	23	1,55,094.14	82,860.03
Other Income	24	411.08	218.90
Total Income (A)		1,55,505.22	83,078.93
Expenses			
Cost of Materials Consumed	25	75,941.09	38,609.98
Purchase of Traded Goods		-	42.11
Changes in Inventories of Finished Goods and Stock in Trade	26	167.66	(120.48)
Employee Benefits Expense	27	7,679.46	5,360.94
Finance Costs	28	4,427.02	2,911.37
Depreciation and Amortization Expenses	3	8,590.56	7,354.48
Other Expenses	29	20,357.19	12,834.77
Total Expense (B)		1,17,162.98	66,993.17
Profit Before Tax (C) = (A-B)		38,342.24	16,085.76
Tax Expense:	31		
Current Tax		6,967.28	2,816.76
Net Deferred Tax Expense /(Benefit)		4,259.01	3,185.10
Utilisation of MAT Credit		1,837.27	-
Total Tax Expense (D)		13,063.56	6,001.86
Profit for the Year (E) = (C-D)		25,278.68	10,083.90
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss in subsequent periods			
Remeasurement Gain / (Loss) on Defined Benefit Plans	32	(4.85)	(27.00)
Income Tax effect on above	31	1.69	9.43
Total Other Comprehensive Income/(Loss) for the Year, net of Tax (F)		(3.16)	(17.57)
Total Comprehensive Income for the Year (G) = (E+F)		25,275.52	10,066.33
Profit attributable to:			
Owners of the Company		25,278.68	10,083.90
Non-controlling interests		-	-
Other Comprehensive Income attributable to:			
Owners of the Company		(3.16)	(17.57)
Non-controlling interests		-	-
Total Comprehensive Income attributable to:			
Owners of the Company		25,275.52	10,066.33
Non-controlling interests		-	-
Earnings per Equity Share (face value of Rs 10 each) (in Rs.)			
Basic	30	60.84	24.27
Diluted		60.84	17.26

Summary of Significant Accounting Policies 2
The accompanying Notes are an integral part of these Consolidated Financial Statements
As per our Report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. - 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

S.R.B.C & CO LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman and Managing Director
DIN: 02006947

K.D. Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN: 01998162

Place: Ahmedabad
Date: 25.04.2022

Place: Ahmedabad
Date: 25.04.2022

Meghmani Finechem Limited

Consolidated Cash Flow Statement for the Year Ended March 31, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash Flow from Operating Activities		
Profit Before Taxation	38,342.24	16,085.76
Adjustment for :		
Depreciation and Amortisation Expenses	8,590.56	7,354.48
Interest Income	(15.93)	(14.81)
Interest and Finance Charges	4,427.02	2,911.37
Unrealised Foreign Exchange Loss/(Gain)	28.72	(14.44)
(Profit)/Loss on Sale/Discard of Property, Plant & Equipment	7.16	(0.28)
Sundry Balances Written off	-	44.92
Provision No Longer Required Written back	(12.20)	-
Sundry Balances Written back	-	(18.77)
Operating Profit before Working Capital changes	**51,367.56**	**26,348.23**
Adjustment for:		
(Increase) in Inventories	(10,017.92)	(555.65)
(Increase) in Trade Receivables	(13,748.68)	(4,240.07)
(Increase) in Other Non Current Financial Assets	(35.64)	(411.76)
(Increase) in Other Non Current Assets	(23.33)	-
Decrease in Other Current Financial Assets	24.19	55.47
(Increase) in Other Current Assets	(342.96)	(6.45)
(Increase)/Decrease in Short Term Loans and Advances	(11.27)	6.08
Increase in Trade Payables	1,476.86	2,596.76
Increase/(Decrease) in Long Term Provision	121.62	(19.45)
Increase in Other Current Financial Liabilities	3,727.69	1,627.50
Increase in Other Current Liabilities	1,880.56	381.38
Increase in Short Term Provisions	7.85	1.50
Working Capital Changes	**(16,941.03)**	**(564.69)**
Cash Generated from Operation	**34,426.53**	**25,783.54**
Direct Taxes Paid (Net of Refund)	(6,044.86)	(2,861.97)
Net Cash Generated from Operating Activities	**28,381.67**	**22,921.57**
B. Cash Flow from Investment Activities		
Purchase of Property, Plant & Equipment	(45,629.92)	(19,679.89)
Proceed from Sale of Property, Plant & Equipment	-	4.55
Investment in Subsidiary	-	-
(Investment in)/Redemption of Fixed Deposits	137.90	(6.04)
Interest Received	29.39	8.09
Net Cash (Used in) Investing Activities	**(45,462.63)**	**(19,673.29)**
C. Cash Flow from Financing Activities		
Interest and Finance Charges Paid	(4,803.91)	(3,972.33)
Proceeds from Long-Term Borrowing	35,930.00	4,070.00
Repayment of Long-Term Borrowing	(12,004.88)	(8,720.35)
Proceed from Short-Term Borrowing (Net)	510.84	5,531.50
Payment of Lease Liability	(110.55)	(98.80)
Net Cash (Used in)/Generated from Financing Activities	**19,521.50**	**(3,189.98)**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**2,440.54**	**58.30**
Cash and Cash Equivalent at the beginning of the Year	**68.00**	**9.70**
Cash and Cash Equivalent at the end of the Year	**2,508.54**	**68.00**
Cash and Cash Equivalent comprises as under		
Cash on Hand	0.94	1.33
Balance with Banks in Current Accounts	2,507.50	25.66
Deposits with Banks	0.10	0.10
Cheques on Hand	-	40.91
Cash & Cash Equivalent at the end of the Year (refer note 9)	**2,508.54**	**68.00**

Notes to the Cash Flow Statement for the year ended on 31 March 2022

1) The Cash Flow Statement has been prepared as per Indirect Method in accordance with the Indian Accounting Standard - 7 on "Statement of Cash Flow " issued by the Institute of Chartered Accountants of India.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Meghmani Finechem Limited
Consolidated Cash Flow Statement for the Year Ended 31 March 2022

2) Changes in liabilities arising from Financing Activities

Particulars	April 1, 2021	Cash Flow	Other	March 31, 2022
Current Borrowings (Note 17)	7,503.49	510.84	-	8,014.33
Non-Current Lease Liabilities (Note 36)	306.00	(110.55)	66.38	261.84
Non- Current Borrowings (Including current maturity of Long term debt) (Note 15 and 17)	46,327.65	23,925.12	20,669.11	90,921.87
Accrued Interest (Note 19)	332.10	(4,803.91)	6,313.47	1,841.65
Total Liabilities from Financing Activities	**54,469.24**	**19,521.50**	**27,048.96**	**1,01,039.69**

Particulars	April 1, 2020	Cash Flow	Other	March 31, 2021
Current Borrowings (Note 17)	1,971.99	5,531.50	-	7,503.49
Non-Current Lease Liabilities (Note 36)	375.55	(98.80)	29.25	306.00
Non- Current Borrowings (Including current maturity of Long term debt) (Note 15 and 17)	50,648.60	(4,650.35)	329.40	46,327.65
Accrued Interest (Note 19)	405.50	(3,972.33)	3,898.93	332.10
Total Liabilities from Financing Activities	**53,401.64**	**(3,189.98)**	**4,257.58**	**54,469.24**

Others includes the effects of reclassification of Non Current portion of Borrowings including Lease Liabilities to Current due to passage of time, reclassification of RPS to Debt from Equity instument and effect of unrealised foreign currency amount on External Commercial Borrowings.
The accompanying Notes are an integral part of these Consolidated Financial Statements

As per our Report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. - 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Place: Ahmedabad
Date: 25.04.2022

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman and Managing Director
DIN: 02006947

K.D. Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN: 01998162

Place: Ahmedabad
Date: 25.04.2022

Meghmani Finechem Limited

Consolidated Statement of Changes in Equity (SOCIE) For the Year ended March 31, 2022

(A) Equity Share Capital

Particulars	(₹ in Lakhs)	
	No. of Shares	Amount
Equity Share of ₹ 10 each Issued, Subscribed and Fully Paid up		
Balance as at 1st April 2020	4,15,52,665	4,155.27
Changes in Equity Share Capital due to Prior Period Errors	-	-
Balance as at 1st April 2020	4,15,52,665	4,155.27
Balance as at 31st March 2021	**4,15,52,665**	**4,155.27**
Balance as at 1st April 2021	**4,15,52,665**	**4,155.27**
Changes in Equity Share Capital due to Prior Period Errors	-	-
Balance as at 1st April 2021	4,15,52,665	4,155.27
Changes in Equity Share Capital during the Year (refer note 13)	(2,507)	(0.25)
Balance as at 31st March 2022	**4,15,50,158**	**4,155.02**

(B) Instrument entirely Equity in nature

Particulars	(₹ in Lakhs)	
	No. of Shares	Amount
8% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs.10/- Issued , Subscribed and Fully Paid up		
Balance as at 1st April 2020	21,09,19,871	21,091.99
Balance as at 31st March 2021	**21,09,19,871**	**21,091.99**
Balance as at 1st April 2021	**21,09,19,871**	**21,091.99**
Conversion of 8% OCRPS to RPS pursuant to scheme of arrangement during the current year*	(21,09,19,871)	(21,091.99)
Balance as at 31st March 2022	-	-

*As per the Order dated 03 May 2021 of The NCLT Ahmedabad Bench , OCRPS have been converted into equal number of RPS with same terms and conditions and tenure from May 3, 2021 i.e. the date of the Order and effective date. Accordingly, OCRPS is classified as debt instrument from the date of order.

(C) Other Equity (₹ in Lakhs)

Particulars	Reserves & Surplus		
	Capital Reserve	Retained Earnings	Total Other Equity
Balauce at 1st April 2020	**(24,668.28)**	**57,768.08**	**33,099.80**
Changes in Accounting Policy / Prior Period Errors	-	-	-
Balance as at 1st April 2020	(24,668.28)	57,768.08	33,099.80
Profit for the Year	-	10,083.90	10,083.90
Other Comprehensive Income for the Year (net of Taxes)	-	(17.57)	(17.57)
Total Comprehensive Income for the Year	-	**10,066.33**	**10,066.33**
Balance at 31st March 2021	(24,668.28)	67,834.41	43,166.13
Balance as at 1st April 2021	**(24,668.28)**	**67,834.41**	**43,166.13**
Changes in Accounting Policy / Prior Period Errors	-	-	-
Balance as at 1st April 2021	(24,668.28)	67,834.41	43,166.13
Profit for the Year	-	25,278.68	25,278.68
Other Comprehensive Income for the Year (net of Taxes)	-	(3.16)	(3.16)
Total Comprehensive Income for the Year	-	25,275.52	25,275.52
Adjustment on cancellation of equity shares pursuant to Scheme of Arrangement	0.28	-	0.28
Balance as at 31st March 2022	(24,668.00)	93,109.93	68,441.93

The accompanying Notes are an integral part of these Consolidated Financial Statements

As per our Report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. - 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Place: Ahmedabad
Date: 25.04.2022

Sanjay Jain
Chief Financial Officer

K.D. Mehta
Company Secretary

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

Maulik Patel
Chairman and Managing Director
DIN: 02006947

Kaushal Soparkar
Managing Director
DIN: 01998162

Place: Ahmedabad
Date: 25.04.2022

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

1. CORPORATE INFORMATION

The Consolidated Financial Statements comprises Financial Statements of Meghmani Finechem Limited (the Company) and its Subsidiary Meghmani Advanced Sciences Limited (Collectively, the Group) for year ended on March 31, 2022. Meghmani Finechem Limited (the Company) is a Public Company limited by shares domiciled in India incorporated under the provisions of Companies Act, 1956. Its share are listed on Bombay Stock Exchange and National Stock Exchange in India. The registered office at Meghmani House, B/h Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad – 380 015, India. The Group is primarily engaged in manufacturing and selling of Chlor Alkali & its Derivatives. The Group is also engaged in trading of Agrochemical Products.

The Consolidated Financial Statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 25th April 2022.

2. SIGNIFICANT ACCOUNTIG POLICIES

2.1 Basis for Preparation of Accounts

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter.

The Consolidated Financial Statements have been prepared on accrual basis and under historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain Financial Assets and Liabilities measured at fair value (refer accounting policy regarding financial instruments) i.e. Derivative Financial Instruments

In addition, the Consolidated Financial Statements are presented in INR which is also the Group's functional currency and all values are rounded to the nearest Lakh (INR 00,000), except when otherwise indicated.

2.2 Basis of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Company and its Subsidiary as at 31st March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of a Subsidiary begins when the Group obtains control over the Subsidiary and ceases when the Group losses control of the Subsidiary. Assets, Liabilities, Income and Expenses of a Subsidiary acquired or disposed off during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the Subsidiary. The proportion of ownership interest in each Subsidiary of the parent is as follows:

Name of the Subsidiary	Country of Domicile	Proportion of Ownership Interest
Meghmani Advanced Sciences Limited	India	100%

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those

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adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies. The Financial Statements of the Group are drawn up to same reporting date as that of the parent Company, i.e., year ended on 31st March 2022.

Consolidation Procedure

(a) Combine line items of Assets, Liabilities, Equity, Income, Expenses and Cash Flows of the parent with those of its subsidiary. For this purpose, income and expenses of the Subsidiary are based on the amounts of the Assets and Liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of Equity of each Subsidiary. Business combinations policy explains how to account for any related Goodwill.

(c) Eliminate in full intragroup Assets and Liabilities, Equity, Income, Expenses and Cash Flows relating to transactions between entities of the Group (profits or losses resulting from Intragroup transactions that are recognised in Assets, such as Inventory and Fixed Assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of Subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group Assets and Liabilities, Equity, Income, Expenses and Cash Flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group looses control over a Subsidiary, it derecognises the assets and liabilities of the Subsidiary, and any related non-controlling interests and other components of Equity. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the Statement of Profit and Loss.

2.3 Significant Accounting Estimates, Assumptions and Judgements

The preparation of the Group's Consolidated 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.

Estimates and Assumptions

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 Consolidated 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 are reflected in the assumptions when they occur.

Taxes:

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Defined Benefit Plans (Gratuity Benefits)

A liability in respect of Defined Benefit Plans is recognised in the Balance Sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent Actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 32 for details of the key assumptions used in determining the accounting for these plans.

Useful Economic Lives of Property, Plant and Equipment

Property, Plant and Equipment as disclosed in note 3 are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values.

Intangible Assets

Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and future economic benefits are probable. The costs which can be capitalised are directly attributable to development of the asset. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer note 2.3 (g) for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in note 3.

Impairment of Non- Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

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2.4 Summary of Significant Accounting Policies

a. BUSINESS COMBINATION INVOLVING ENTITIES UNDER COMMON CONTROL

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory.

Business Combination involving entities or businesses under common control shall be accounted for using the pooling of interest method based on the predecessor values retrospectively for all periods presented.

The pooling of interest method is considered to involve the following:
(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonious accounting policies and tax adjustments if any.

(iii) The components of other equity of the acquired companies are added to the same components within other equity except that any share capital and investments in the books of the acquiring entity is cancelled and the differences, if any, is adjusted in the opening retained earnings.

(iv) The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

b. CURRENT VS. NON-CURRENT CLASSIFICATION:

The Group presents assets and liabilities in the Consolidated Statement of Assets and Liabilities based on Current/ Non-Current classification.
An asset is treated as current when it is:

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

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of Trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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

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

c. REVENUE RECOGNITION

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

1) Sale of Goods

Revenue from Sale of Goods is recognised at the point in time when control of the goods is transferred to the Customer, generally on dispatch/ delivery of the goods or terms as agreed with the Customer. The normal credit term is 30 to 90 days from the date of dispatch. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the Customer (if any).

(i) Variable Consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the Customer. The variable consideration is estimated at the time of completion of performance obligation and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with cash discount in accordance with the Group policy. The cash discount component gives rise to variable consideration.

Volume Rebates

The Group provides retrospective volume rebates to certain Customers once the quantity of product purchases during the period exceeds a threshold specified in the contract.

(ii) Contract Assets

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

(iii) Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in (Financial Instruments – initial recognition and subsequent measurement.)

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(iv) Contract Liabilities

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

2) Interest Income

For all financial instruments measured at amortized cost, interest income is recorded using the Effective Interest Rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amountof the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment,extension, call and similar options) but does not consider the expected credit losses. Interest income is included in Other Income in the Statement of Profit or Loss.

3) Export Incentives

Export incentives under various schemes notified by Government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and is included in Revenue in the Statement of Profit and Loss due to its operating nature.

4) Dividend

Dividend income is recognised when the right to receive the same is established, which is generally when shareholders approve the dividend.

5) Insurance Claims

Claims receivable on account of insurance are accounted for to the extent the Group is virtually certain of their ultimate collection.

d. FOREIGN CURRENCIES

The Group's Consolidated Financial Statements are presented in INR, which is also the Group's functional currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit or Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in

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foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit or Loss are also recognised in OCI or Statement of Profit or Loss, respectively).

e. FAIR VALUE MEASUREMEMT

The Group measures certain financial instruments at fair value at each Balance Sheet date.

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

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participants that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The management comprises of the Managing Director, Chief Executive Officer (CEO) and Chief Finance Officer (CFO).

External valuers are involved for valuation of significant assets. Involvement of external valuers is decided upon annually by the Board of Directors after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

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

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. Refer note 38.

- Disclosures for valuation methods, significant estimates and assumptions.
- Quantitative disclosures of fair value measurement hierarchy.
- Investment in Equity Shares.
- Financial Instruments (including those carried at amortised cost).

f. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment (PPE) and Capital Work in Progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in Statement of Profit and Loss as incurred.

Capital Work-in-Progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the Balance Sheet date.

Items of stores and spares that meet the definition of Property, Plant and Equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as Inventories.

An item of Property, Plant and Equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

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

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

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Asset	Estimated Useful life
Leasehold Land	99 Years
Building	30 Years
Carpeted Roads – RCC	10 Years
Plant & Machinery	12-20 Years
Electrical Installation	10 Years
Captive Power Plant and Equipments	20-40 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers	3 Years
Other Equipments	5 Years

g. INTANGIBLE ASSETS

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible Assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Cost include acquisition and other incidental cost related to acquiring the intangible asset. Research costs are expensed as incurred. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible Assets

Assets	Amortization Method	Amortization Period
Usage Rights	On Straight-line basis	10 years
Technical Know How	On Straight-line basis	10 years

h. IMPAIRMENT OF NON- FINANCIAL ASSETS

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

i. FINANCIAL INSTRUMENT

A Financial Instrument is any contract that gives rise to a financial asset of one Entity and a financial liability or Equity instrument of another Entity.

(A) Financial Asset

Initial Recognition and Measurement

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Debt Instruments at Amortised Cost

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt Instrument at Fair Value through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the Equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt Instrument at Fair Value through Profit & 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 FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has designated certain debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Investments

All Equity Investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTOCI. For all other Equity instruments, the Group may make an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value. The Group makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an Equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within Equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

De-recognition

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

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

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Group has transferred substantially all the risks and rewards of the asset, or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the

Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., Loans, Debt Securities, Deposits, Trade Receivables and Bank Balance

b) Trade Receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'Contractual Revenue Receivables' in these Consolidated Financial Statements)

The Group follows 'simplified approach' for recognition of impairment loss allowance on:
- Trade receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an Group is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Group is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

(B) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, Loans and Borrowings, Payables, as appropriate.

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All financial liabilities are recognised initially at fair value and, in the case of Loans and Borrowings and Payables, net of directly attributable transaction costs.

The Group's financial liabilities include Trade and Other Payables, Loans and Borrowings.

Subsequent measurement of Financial Liabilities

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the Statement Profit and Loss.

Loan and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Trade and Other Payables

These amounts represent liability for good and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and Other Payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derivatives and Hedging Activities

The Group uses derivative financial instruments, such as forward currency contracts and currency swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

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Off-setting Financial Instrument

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

j. INVENTORIES

Stores and Spares, Packing Materials and Raw Materials are valued at lower of cost or net realisable value and for this purpose, cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

Semi-Finished Products, Finished Products and By-Products are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

Traded Goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

k. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l. RETIREMENT AND OTHER EMPLOYEE BENEFITS

Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the Statement of Profit and Loss in the year when employee rendered related services.

The Group has a Defined Benefit Gratuity Plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Group. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Group has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The aforesaid leave encashment is funded with an insurance company in the form of a qualifying insurance policy.

Re-measurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the

Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

m. ACCOUNTING FOR TAXES ON INCOME

Tax Expense comprises of Current Income Tax and Deferred Tax

Current Income Taxes

Current Income Tax Assets and Liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Deferred Taxes

Deferred Tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- In respect of taxable temporary differences associated with investments in Subsidiaries, Associates and interests in Joint Ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

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

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

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

Deferred Tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other Comprehensive Income or in Equity). Deferred Tax items are recognised in correlation to the underlying transaction either in OCI or directly in Equity.

Deferred Tax Assets and Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax relates to the same taxable Entity and the same taxable Authority.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) is in the nature of unused tax credit which can be carried forward and utilised when the Group will pay normal income tax during the specified period. Deferred Tax Assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period.

n. PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a Finance Cost.

o. CONTINGENT LIABILITIES

Provisions are not recognised for future operating losses.

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non—occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a Contingent Liability but discloses its existence in the Consolidated Financial Statements.

A Contingent Assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, Contingent Assets are disclosed in the Consolidated Financial Statements.

Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

p. LEASES

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

Where the Group is the lessee

The Group recognises a Right-Of-Use Asset and a Lease Liability at the lease commencement date. The Right-Of-Use Asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The Right-Of-Use Assets and Lease Liabilities include these options when it is reasonably certain that the option will be exercised.

The Right-Of-Use Assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the Right-Of-Use Assets or the end of the lease term. In addition, the Right-Of-Use Assets is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the Lease Liability.

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

The Lease Liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the Lease Liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the Right-Of-Use Asset or is recorded in profit or loss if the carrying amount of the Right-Of-Use asset has been reduced to zero.

Lease payments have been classified as financing activities in Statement of Cash Flow.

The Group has elected not to recognise Right-Of-Use Assets and Lease Liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value

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leases. The Group recognises the lease payments associated with these leases as an expense in statement of Profit and Loss over the lease term. The related cash flows are classified as operating activities.

q. EARNING PER SHARE

Basic Earnings Per Share

Basic Earnings Per Share are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the period.

Diluted Earnings per Share

For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

r. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalent in the Consolidated Financial Statements comprise Cash at Banks and on Hand and Short-Term Deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents consist of Cash and Short-Term Deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management. .

s. SEGMENT REPORTING

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general Corporate income and expense items which are not allocated to any business segment.

Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

t. Dividend to Equity and Redeemable Preference Shareholders of the Group

The Group recognises a liability for dividends to Equity Holders of the Group when the dividend is authorised and the dividend is no longer at the discretion of the Group. As per the Corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in Equity.

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The Group recognises liability for dividends to Redeemable Preference share Holders of the Holding Company on accrual basis. Dividend is paid based on authorisation by the Board of Directors. Dividend to Redeemable Preference Shareholders is cumulative and recognised in Finance Cost as Interest Expense.

u. New Standards, Interpretations and Amendments adopted by the Group

The accounting policies adopted in the preparation of the Consolidated Financial Statements are consistent with those followed in the preparation of the Group's annual Consolidated Financial Statements for the year ended March 31, 2021, except for the adoption of new standards effective or amendments to the existing Indian Accounting Standards (Ind AS) as of April 01, 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Group applies, for the first time, following new interpretations and amendments w.e.f., April 01, 2021 and do not have material impact on the Consolidated Financial Statements of the Group.

a) Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116;

b) Amendment conceptual framework for financial reporting under Ind AS issued by ICAI;

c) Amendments to Ind AS 103 Business Combinations

d) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.

e) Amendments to Ind AS 105, Ind AS 16 and Ind AS 28

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED March 31,2022

3 Property, Plant and Equipment, Capital Work in Progress and Intangible Assets as at March 31,2022

(₹ in Lakhs)

	Description	Gross Block				Depreciation/Amortisation				Net Block	
		1st April, 2021	Additions	Deduction / Adjustments	31st March, 2022	1st April, 2021	For the Year	On Deduction / Adjustment	31st March, 2022	31st March, 2022	31st March, 2021
3.1	TANGIBLE ASSET										
	Right of Use Asset - Lease Hold Land	1,136.93	2,084.90	-	3,221.83	26.13	30.64	-	56.77	3,165.06	1,110.80
	Building	15,485.30	92.00	0.14	15,577.16	2,898.84	651.15	0.15	3,549.84	12,027.30	12,586.46
	Right of Use Asset - Building	500.61	82.42	-	583.03	164.58	93.74	-	258.32	324.71	336.01
	Plant & Machineries	92,483.71	2,817.06	73.27	95,227.50	24,468.24	6,220.16	-	30,688.40	64,539.10	68,015.48
	Captive Power Plant & Equipments	28,516.59	59.29	-	28,575.88	4,070.87	1,127.57	-	5,198.44	23,377.44	24,445.72
	Furnitures & Fixtures	454.92	24.12	35.08	443.96	133.61	41.34	31.88	143.07	300.89	321.31
	Office Equipment	110.03	39.92	18.02	131.93	36.41	20.02	14.80	41.63	90.32	73.62
	Vehicles	200.82	4.90	11.29	194.43	49.48	69.90	10.55	108.83	85.60	151.35
	Computers	56.30	18.30	-	74.60	31.89	12.80	-	44.69	29.91	24.41
	TOTAL (A)	1,38,945.21	5,222.91	137.80	1,44,030.32	31,880.05	8,267.32	57.38	40,089.99	1,03,940.33	1,07,065.16
3.3	INTANGIBLE ASSET										
	Usage Rights	2,621.23	-	-	2,621.23	206.65	247.00	-	453.65	2,167.58	2,414.58
	Technical Know-How	802.50	-	-	802.50	51.17	76.24	-	127.41	675.09	751.32
	TOTAL (B)	3,423.73	-	-	3,423.73	257.82	323.24	-	581.06	2,842.67	3,165.90
	TOTAL (A+B)	1,42,368.94	5,222.91	137.80	1,47,454.05	32,137.87	8,590.56	57.38	40,671.05	1,06,783.00	1,10,231.06

Notes:

During the Current Year exchange gain of ₹. Nil (31 March 2021: exchange gain of Nil) arising on reporting of long term foreign currency monetary item related to Property, Plant and Equipment has been added/deducted to cost of Property, Plant and Equipment and the unamortised balance carried as part of tangible asset as at the year end aggregate to ₹. 375.41 Lakhs (31st March 2021: ₹. 404.35 Lakhs), in view of option given in para D13AA of IND-AS 101 on first time adoption of IND-AS.

3.2 Capital Work-in-Progress

(₹ in Lakhs)

Particulars	Amount
Cost	
As at 31st March 2021	12,583.73
Addition during the year	49,237.84
Capitalisation	2,896.13
As at 31st March 2022	58,925.44

Ageing Schedule of Capital Work in Progress as at March 31, 2022

(₹ in Lakhs)

Particulars	Less than 1 Year	1-2 Years	2- 3 Years	More than 3 Years	Total
Project in Progress	47,239.57	10,739.57	922.68	23.62	58,925.44
As at 31st March 2022	47,239.57	10,739.57	922.68	23.62	58,925.44

Extract of above Capital Work in Progress which is overdue for completion

Particulars	Less than 1 Year	1-2 Years	2- 3 Years	More than 3 Years	Total
Caustic III & 36 MW B	21,207.61				21,207.61
As at 31st March 2022	21,207.61	-	-	-	21,207.61

Capital Work in Progress as at 31st March 2022 comprises expenditure for Expansion Project of Epichlorhydrin , Chloro Polyvinyl Chloride and Caustic Soda (including Captive Power Plant) which are in the course of construction.

The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31st March 2022 is ₹ 1,645.65 Lakhs (31st March 2021: ₹ 823.38 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation is 7.05% (31st March 2021: 6.75% to 8.75%), which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

For Property Plant & Equipment existing as on 1 April 2015 i.e. the date of transition to Ind AS, the Group has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation so netted off as on 1 April 2015.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED March 31,2022

3 Property, Plant and Equipment, Capital Work in Progress and Intangible Assets as at March 31,2021

(₹ in Lakhs)

Description	Gross Block				Depreciation/Amortisation				Net Block	
	1st April, 2020	Additions	Deduction / Adjustments	31st March, 2021	1st April, 2020	For the Year	Deduction / Adjustment	31st March, 2021	31st March, 2021	31st March, 2020
3.1 TANGIBLE ASSET										
Right of Use Asset - Lease Hold Land	1,136.93	-	-	1,136.93	13.07	13.06	-	26.13	1,110.80	1,123.86
Building	12,064.44	3,420.86	-	15,485.30	2,314.28	584.56	-	2,898.84	12,586.46	9,750.16
Right of Use Asset - Building	500.61	-	-	500.61	82.29	82.29	-	164.58	336.01	418.32
Plant & Machineries	42,274.04	50,209.67	-	92,483.71	19,133.81	5,334.43	-	24,468.24	68,015.48	23,140.23
Captive Power Plant & Equipments	12,254.28	16,262.31	-	28,516.59	3,045.27	1,025.60	-	4,070.87	24,445.72	9,209.01
Furnitures & Fixtures	281.41	173.51	-	454.92	105.34	28.27	-	133.61	321.31	176.07
Office Equipment	75.72	34.31	-	110.03	20.28	16.13	-	36.41	73.62	55.44
Vehicles	178.29	56.85	34.32	200.82	55.73	23.83	30.08	49.48	151.35	122.56
Computers	43.83	12.47	-	56.30	22.17	9.72	-	31.89	24.41	21.66
TOTAL (A)	68,809.55	70,169.98	34.32	1,38,945.21	24,792.24	7,117.89	30.08	31,880.05	1,07,065.16	44,017.31
3.3 INTANGIBLE ASSET										
Usage Rights	21.23	2,600.00	-	2,621.23	21.23	185.42	-	206.65	2,414.58	-
Technical Know-How	-	802.50	-	802.50	-	51.17	-	51.17	751.32	-
TOTAL (B)	21.23	3,402.50	-	3,423.73	21.23	236.59	-	257.82	3,165.90	-
TOTAL (A+B)	68,830.78	73,572.48	34.32	1,42,368.94	24,813.47	7,354.48	30.08	32,137.87	1,10,231.06	44,017.31

Notes:

During the Current Year exchange gain of ₹. Nil (31 March 2020: exchange gain of Nil) arising on reporting of long term foreign currency monetary item related to Property, Plant and Equipment has been added/deducted to cost of Property, Plant and Equipment and the unamortised balance carried as part of tangible asset as at the year end aggregate to ₹. 404.35 Lakhs (31st March 2020: ₹. 434.49 Lakhs), in view of option given in para D13AA of IND-AS 101 on first time adoption of IND-AS.

3.2 Capital Work-in-Progress

(₹ in Lakhs)

Particulars	Amount
Cost	
As at 31st March 2020	69,115.68
Addition during the year	6,976.09
Capitalisation	(63,508.04)
As at 31st March 2021	12,583.73

Ageing Schedule of Capital Work in Progress as at March 31, 2021

(₹ in Lakhs)

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in Progress	11,464.43	1,094.46	17.36	7.48	12,583.73
As at 31st March 2021	11,464.43	1,094.46	17.36	7.48	12,583.73

Capital Work in Progress as at 31st March 2021 comprises expenditure for Expansion Projects of Epichlorhydrin , Chloro Polyvinyl Chloride and Caustic Soda (including Captive Power Plant) which are in the course of construction.

The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31 March 2021 was ₹ 823.38 Lakhs (31st March 2020: ₹ 2,657.81 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 6.75% to 8.75%, which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

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4 Other Financial Assets (Non-Current)

PARTICULARS	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Security Deposits	645.48	611.87
Bank deposits with original maturity of more than 12 months (including interest accrued) (refer note below)	26.34	176.80
Mark to Market Derivative Assets	152.55	247.13
Total	824.37	1,035.80

Margin Money Deposits amounting ₹. 26.34 Lakhs (31 March 2021: ₹ 176.80 Lakhs) are given as Security Deposit against Bank Guarantee with bank. These deposits are made for varying periods of between 1 year to 10 years and earn interest ranging between 6.52% to 7.25%.

5 Income Tax Assets (Net)

PARTICULARS	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Advance payment of Income Tax (Net of Provision)	255.24	245.07
Total	255.24	245.07

6 Other Non-Current Assets

PARTICULARS	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Good		
Capital Advances	799.62	2,584.16
Balance with Government Authorities (Amount paid under Protest)	84.53	61.20
Total	884.15	2,645.36

7 Inventories (valued at lower of cost or net realisable value)

PARTICULARS	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Raw Materials (including in transit NIL (31st March 2021: ₹ 126.03 Lakhs))	11,379.71	1,982.40
Finished Goods	755.54	907.80
Finished Goods In transit	-	6.51
Stock-in-Trade	-	8.89
Consumable Stores and Spares	3,184.11	2,413.75
Others (Packing Materials)	94.53	76.62
Total	15,413.89	5,395.97

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8 Trade Receivables

PARTICULARS	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Trade Receivables		
Secured, Considered Good	626.95	560.56
Unsecured, Considered Good	25,005.45	11,323.17
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	18.38
Total	**25,632.40**	**11,902.11**
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, Considered Good	-	-
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables - Credit Impaired	-	(18.38)
Total	**25,632.40**	**11,883.73**

Trade Receivable are secured to the extent of deposit received from the Customers.
Trade Receivables are non interest bearing and generally have credit period of 30-90 days.
For amount dne and terms and conditions relating to related party, please refer note no 33
No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.
For information about Credit Risk and Market Risk related to Trade Receivables, please refer note no 38.

Trade Receivables Ageing Schedule as at March 31,2022 (₹ in Lakhs)

Particulars	Current but Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables - Considered good	19,104.87	6,491.16	5.05	28.78	-	2.54	25,632.40
Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
Total	19,104.87	6,491.16	5.05	28.78	-	2.54	25,632.40

Trade Receivables Ageing Schedule as at March 31,2021 (₹ in Lakhs)

Particulars	Current but Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables - Considered good	9,343.51	2,363.32	152.37	2.01	-	1.13	11,862.34
Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit impaired	-	18.38	-	-	-	-	18.38
Disputed Trade Receivables - Considered good	-	-	-	-	-	21.39	21.39
Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
Total	9,343.51	2,381.70	152.37	2.01	-	22.52	11,902.11

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Meghmani Finechem Limited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED March 31, 2022

9 Cash and Cash Equivalents

PARTICULARS	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Balance with Banks		
- In Current Accounts	2,507.50	25.66
- Deposits with original maturity of less than three months (refer note below)	0.10	0.10
- Cash on Hand	0.94	1.33
- Cheques on Hand	-	40.91
Total	**2,508.54**	**68.00**

Deposits are made for varying periods ranging between 60 days to 90 days and earn interest rate of approximately 5.10%

10 Loans

PARTICULARS	**(₹ in Lakhs)**	
	As at March 31, 2022	**As at March 31, 2021**
Unsecured, Considered Good		
Loans to Employees (refer note below)	22.69	11.42
Total	**22.69**	**11.42**

Loans to Employees are interest free and generally given for tenure of 6 to 12 months

Since all the above loans given by the Company are unsecured and considered good, the bifurcation of loan in other categories as required by Schedule III of Companies Act 2013 via: a) Secured, b) Loans which have significant increase in credit risk and c) Credit Impaired is not applicable.

11 Other Financial Assets (Current)

PARTICULARS	**(₹ in Lakhs)**	
	As at March 31, 2022	**As at March 31, 2021**
Unsecured, Considered Good		
Export Benefits Receivables	35.14	0.21
Balances with Government Anthorities (refer note below)	-	33.12
Security Deposits	-	26.00
Interest Accrued on Deposits with original maturity of less than three months	-	0.90
Mark to Market Derivative Assets	152.55	123.57
Total	**187.69**	**183.80**

Balance with Government Authorities pertains to Refund Receivable from Goods and Service Tax Authorities.

12 Other Current Assets

PARTICULARS	**(₹ in Lakhs)**	
	As at March 31, 2022	**As at March 31, 2021**
Unsecured, Considered Good		
Prepaid Expenses	100.14	127.00
Export Benefits Receivables	98.85	64.47
Balances with Government Authorities (refer note below)	169.46	120.09
Advance to Employees	4.36	0.97
Advances to Suppliers	556.40	273.73
Total	**929.21**	**586.26**

Balance with Government Authorities include VAT / Cenvat / Goods and Service Tax credit Receivable.

13 Share Capital

PARTICULARS	**(₹ in Lakhs)**	
	As at March 31, 2022	**As at March 31, 2021**
Authorised Share Capital		
Equity Shares of ₹ 10 each		
12,05,00,000 Equity Shares (31st March 2021: 12,05,00,000) each Share of ₹ 10/-	12,050.00	12,050.00
12,05,00,000 Equity Shares (31st March 2021: 12,05,00,000) each Share of ₹ 10/-	**12,050.00**	**12,050.00**
Preference Shares of ₹ 100 each		
20,00,000 Preference Shares (31st March 2021: 20,00,000) each Share of ₹ 100 /-	**2,000.00**	**2,000.00**
Preference Shares of ₹ 10 each		
43,26,28,796 Preference Shares (31st March 2021: 43,26,28,796) each Share of ₹ 10 /-	**43,262.88**	**43,262.88**
Total Authorised Capital	**57,312.88**	**57,312.88**

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Meghmani Finechem Limited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED March 31, 2022

PARTICULARS	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
ISSUED, SUBSCRIBED & PAID UP		
Equity Share Capital		
4,15,50,158 Equity Shares (31st March 2021: 4,15,52,665) each of ₹ 10 /- Fully Paid Up	4,155.02	4,155.27
Total	4,155.02	4,155.27
Instrument entirely Equity in Nature (Preference Share Capital)		
NIL Optionally Convertible Redeemable Preference Share (OCRPS) (31st March 2021: 21,09,19,871) each of ₹ 10 /- Fully Paid Up	-	21,091.99
Total	-	**21,091.99**

Reconciliation of Shares outstanding at the beginning and at the end of the year

Equity Share Capital	No. of Shares	Amount
As at 1st April 2020	4,15,52,665	4,155.27
Change During the Year	-	-
As at 31st March 2021	4,15,52,665	4,155.27
Less: Shares Cancelled pursuant to the Scheme of Arrangement (refer note below)	(2,507)	(0.25)
As at 31st March 2022	4,15,50,158	4,155.02

Instrument entirely Equity in Nature (Optionally Convertible Redeemable Preference Share Capital)	No. of Shares	Amount
As at 1st April 2020	21,09,19,871	21,091.99
Change During the Year	-	-
As at 31st March 2021	21,09,19,871	21,091.99
Change During the Year	(21,09,19,871)	(21,091.99)
As at 31st March 2022	-	-

Equity Share:
The Holding Company has one class of Equity Shares par value of ₹ 10 per share. Each equity shareholder is entitled to one vote per share. All Equity Shareholders have equal dividend rights. In the event of liquidation of the Holding Company, the holders of Equity Shares will be entitled to receive the remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

Optionally Convertible Redeemable Preference Share ('OCRPS')
Each Optionally Convertible Redeemable Preference Share has par value of ₹ 10 per share and is convertible at the option of the Holding Company. In case, redemption does not happen within 20 years, it will be compulsorily converted into 10 Equity Shares for every 125 OCRPS. The Preference Shares carry a dividend of 8% per annum, payable subject to approval of Board of Directors of the Holding Company. The dividend rights are non-cumulative.

Considering all the rights of conversion / redemption and dividend declaration are in the hands of Holding Company, same is classified as Equity in nature and disclosed as 'Instrument entirely Equity in nature' as at March 31,2021. The Preference Shares rank ahead of the Equity Shares in the event of a liquidation.

Conversion of Optionally Convertible Redeemable Preference Shares (OCRPS) to Compulsory Redeemable Preference Shares (RPS): As per the Order, OCRPS issued by the Holding Company is transferred to Meghmani Organics Limited (Formerly known as Meghmani Organochem Limited) as per the Scheme. Further, the OCRPS have been converted into equal number of RPS with same terms and conditions and tenure from May 3, 2021 i.e. the date of the Order and effective date. Accordingly, OCRPS is classified as debt instrument from the date of order.

Shares Cancelled pursuant to the Scheme of Arrangement : Pursuant to the Scheme, shareholders of MOL were allotted 94 Equity Shares of Rs. 10 each of the Holding Company for every 1,000 Equity Shares of Re. 1 of MOL. Accordingly, 2,507 equity shares of the Company were cancelled on account of rounding off adjustment basis share swap ratio.

Details of Shareholding (more than 5% Equity Shares)

PARTICULAR	As at March 31, 2022	As at March 31, 2021
Number of Shares held by		
(a) Natwarlal Patel	41,76,851	22,27,305
% of Share held	10.05%	5.41%
(b) Ashish Soparkar	46,14,657	21,98,563
% of Share held	11.11%	5.34%
(c) Jayantibhai Patel	35,76,707	18,82,414
% of Share held	8.61%	4.57%
(d) Rameshbhai Patel	29,14,769	13,82,414
% of Share held	7.01%	3.36%
(e) Maulikbhai Patel	20,94,591	18,97,011
% of Share held	5.04%	4.61%
Optionally Convertible Redeemable Preference Share (OCRPS)		
(a) Meghmani Organics Limited ('MOL')	-	21,09,19,871
% of Share held	-	100%

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

No dividend has been proposed / declared on Equity Shares.

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Promoters' Shareholding

Promoter (31 March 2022)	No of Share at the beginning of the year	Change during the year#	No of Share at the end of the year	% of Total share	% Change during the year
Ashish Natawarlal Soparkar	21,98,563	24,16,094	46,14,657	11.11%	109.89%
Natwarlal Meghjibhai Patel	22,27,305	19,49,546	41,76,851	10.05%	87.53%
Jayantibhai Meghjibhai Patel	18,82,414	16,94,293	35,76,707	8.61%	90.01%
Rameshbhai Meghjibhai Patel	13,82,414	15,32,355	29,14,769	7.01%	110.85%
Anandbhai Ishwarbhai Patel	10,69,983	7,46,661	18,16,644	4.37%	69.78%
Maulik Jayantibhai Patel	18,97,011	1,97,580	20,94,591	5.04%	10.42%
Kaushal Ashishbhai Soparkar	15,80,747	1,40,632	17,21,379	4.14%	8.90%

Change during the year includes shares issued to shareholders of Meghmani Organcis Limited as per the share swap ratio approved by NCLT in its Order, the Holding Company has allotted Equity Shares in the ratio of 94 Equity Shares of Rs. 10 each for every 1,000 Equity Shares of Re. 1 each held by the shareholders of MOL.

Promoter (31 March 2021)	No of Share at the beginning of the year	Change during the year	No of Share at the end of the year	% of Total share	% Change during the year
Ashish Natawarlal Soparkar	21,98,563	-	21,98,563	5.34%	0.00%
Natwarlal Meghjibhai Patel	22,27,305	-	22,27,305	5.41%	0.00%
Jayantibhai Meghjibhai Patel	18,82,414	-	18,82,414	4.57%	0.00%
Rameshbhai Meghjibhai Patel	13,82,414	-	13,82,414	3.36%	0.00%
Anandbhai Ishwarbhai Patel	10,69,983	-	10,69,983	2.60%	0.00%
Maulik Jayantibhai Patel	18,97,011	-	18,97,011	4.61%	0.00%
Kaushal Ashishbhai Soparkar	15,80,747	-	15,80,747	3.84%	0.00%
Meghmani Organics Limited*	2,35,45,985	(2,35,45,985)	0	0.00%	-100.00%

* Shares held by Meghmani Organics Limited have been cancelled pursuant to Scheme of Arrangement.

14 Other Equity

PARTICULARS	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Capital Reserve		
Balance as at the beginning of the Year	(24,668.28)	(24,668.28)
Adjustment on cancellation of equity shares pursuant to Scheme of Arrangement	0.28	-
Balance as at the end of the Year	(24,668.00)	(24,668.28)
Retained Earnings		
Balance as at the beginning of the Year	67,834.41	57,768.08
Profit for the Year	25,278.68	10,083.90
Other Comprehensive Income for the Year	(3.16)	(17.57)
Balance as at the end of the Year	93,109.93	67,834.41
Total	68,441.93	43,166.13

Capital Reserve
The balance in Capital Reserve represents difference between consideration paid and net asset acquired under common control business combination transactions and cancellation of shares pursuant to scheme of arrangement.

15 Borrowings (Non Current)

PARTICULARS	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Term Loan Facilities from Banks:		
Indian Rupee loan (Secured) (refer note below)	51,679.85	25,814.74
From Financial Institutions		
Foreign currency loan (Secured) (refer note below)	4,042.56	8,232.00
Redeemable Preference Share		
8% Redeemable Preference Share (RPS) (refer note below)	21,091.99	-
Total Non-Current Borrowing	76,814.40	34,046.74
[refer note 17 for Current Maturities of Term Loan from Banks and Financial Institutions ₹ 14,107.47 Lakhs (31st March 2021 : ₹ 12,280.91 Lakhs)]		
The above amounts includes:		
Secured borrowing	76,814.40	34,046.74
Unsecured borrowing	-	-

refer note - 38 For Interest Rate Risk and Liquidity Risk.

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Details of Security and Repayment Terms :

(i) The Holding Company has taken External Commercial Borrowing of Euro 180.00 lakhs equivalent to Rs 14,400.00 lakhs from Standard Chartered Bank to finance its capital expenditure plans. Outstanding balance for this borrowing is Euro 96.00 lakhs equivalent to ₹ 8,085.12 lakhs (31st Mach 2021: ₹.12,348.00 lakhs). The borrowing is secured by first pari passu mortgage charge on all immovable properties, first pari passu hypothecation charge over all the moveable assets. The borrowing carries interest @ Euribor + 1.6% p.a. payable on quarterly rests. The Holding Company has entered into Interest Rate Swap ('IRS') agreement with the bank for a fixed interest @ 1.85% p.a. and hedging of the foreign exchange rate whereby the Holding Company will pay additional interest @ 4.95% p.a. The effective interest rate after considering basic interest rate and interest for hedging is 6.80%. The borrowing is repayable in 15 quarterly instalments of Euro 12 Lakhs each, starting from July 3, 2020.

ii) The Holding Company has availed following Rupee Term Loan facilities:

1) Term loan amounting ₹ 11,000 Lakhs from HDFC Bank Limited for capital expenditure toward setting up of Chloromethane Plant. Outstanding balance for this facility is ₹ 3,850 lakhs (31st March 2021: ₹ 6,050 lakhs). This borrowing carries interest @ 1 year MCLR (Benchmark rate) plus NIL spread (to be set every year) payable on monthly rest. The interest rate for the current year remained @ 7.20%. (31st March 2021: 7.65%). The Term Loan is repayable in 20 quarterly instalments of ₹ 550.00 Lakhs each and repayment started from 9th March 2019.

2) Term loan amounting ₹ 15,000 Lakhs from HDFC Bank Limited for capital expenditure toward setting up of Caustic Soda Lye Plant with new 36 MW Power Plant. Outstanding balance for this facility is ₹ 10,000 Lakhs (31st March 2021: ₹ 13,333 Lakhs). This borrowing carries interest @ 1 year MCLR (Benchmark rate) plus NIL spread (to be set every year) payable on monthly rest. The effective interest rate is 7.25%. (31st March 2021: 7.25%) The term loan is repayable in 18 quarterly instalments of ₹ 833.33 Lakhs each starting from 1st November, 2020.

3) Term loan amounting ₹ 12,500 lakhs from Federal Bank Limited for capital expenditure toward setting up of Hydrogen Peroxide Plant. Outstanding balance for this facility is ₹ 7,895 Lakhs (31st March 2021: ₹.10,526 Lakhs). The borrowing carries interest @ 12 month T-bill rate (benchmark as published by RBI - to be reset every year) plus spread (fixed @ 0.94%) payable on monthly rest. The effective interest rate is 6.64% (31st March 2021: 6.64%). The Term Loan is repayable in 19 quarterly instalments of ₹ 657.89 lakhs each starting from 29th September, 2020.

4)Term loan amounting ₹ 19,000 lakhs from State Bank of India for capital expenditure toward setting up of new Epichlorhydrin Plant. The Company has drawn down ₹ 19,000 Lakhs as at the Balance Sheet date (31st March 2021: ₹ 4,070 Lakhs) . The borrowing carries interest at 6 month MCLR (Benchmark rate) plus spread of 0.10% (to be reset every half year) payable on monthly rest. The effective interest rate is 7.05%(31st March 2021 : 7.05%). The Term Loan is repayable in 20 quarterly instalments of ₹ 950.00 lakhs each starting from 31st December, 2022.

5) Term loan amounting ₹ 28,475 lakhs from HDFC Bank Limited for capital expenditure toward setting up of new Chloro Polyvinyl Chloride Plant and expansion of Caustic capacity with 36 MW Captive Power Plant. The Company has drawn down ₹ 21,000 Lakhs as at the Balance Sheet date (31st March 2021: ₹ NIL Lakhs) . The borrowing carries interest at 6 month MCLR (Benchmark rate) plus NIL spread (to be reset every half year) payable on monthly rest. The effective interest rate is 7.05% (31st March 2021 : Nil). The Term Loan is repayable in 20 quarterly instalments of ₹ 1,423.75 lakhs each starting from September 2023.

6) The Term Loan facilities are secured by first pari passu mortgage charge of all immovable properties of the Holding Company,first pari passu hypothecation charge over all the movable assets of the Holding Company

iii) The Holding Company has executed an Indenture of Mortgage with Lenders of these term loans (Secured Parties) by creating mortgages on Immovable Properties of the Holding Company by creating a charge by way of registered mortgage. According to the indenture, all the Secured Parties will share pari passu charge with first ranking and priority over the Immovable Properties of the holding Company, both present and future.

iv) Bank loans availed by the Holding Company are subject to certain covenants relating to Interest Service Coverage Ratio, Current Ratio, Debt Service coverage Ratio, Total Outside Liabilities to Total Net Worth, Fixed Assets Coverage Ratio, Ratio of Total Term Liabilities to Net Worth and Return on Property, Plant and Equipments. The Holding Company has complied with the covenants as per the terms of the loan agreements.

v) 21,09,19,871 Redeemable Preference Shares of Rs 10 each which were earlier classified as OCRPS (refer note 13) is cumulative and carry coupon/dividend rate of 8.00% p.a. with redeemable tenure of 20 Years from the date of allotment, The Holding Company have the right to exercise the option of early redemption, Redemption will be at face value. Dividend is accrued for the Year from the effective date of conversion of OCRPS to RPS i.e 3rd May 2021.

16 Long Term Provisions

PARTICULARS	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Gratuity (refer note 32)	197.78	103.81
Compensated Absences	91.53	59.04
Total	289.31	162.85

17 Borrowings (Current)

PARTICULARS	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Secured Loans		
Rupee Loans repayable on Demand		
Cash Credit / Overdraft / WCDL Facility from Banks (refer note below)	8,014.33	7,503.49
Current Maturities of Long-Term Debt (refer note 15)	14,107.47	12,280.91
Total	22,121.80	19,784.40

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Note:

The Holding Company has availed Working Capital Facility of ₹ 25,000 Lakhs (31st March 2021: ₹ 18,000 Lakhs) as sanctioned limit from consortium comprising of ICICI Bank Limited ₹ 9,000 Lakhs, Standard Chartered Bank ₹ 8,000 Lakhs and HDFC Bank Ltd. ₹ 8,000 Lakhs.
Rate of interest stipulated by ICICI Bank Limited is 6 Month MCLR +Nil spread on the principal amount remains outstanding each day. Interest rate for the year ranges between 4.90% - 7.25% (31st March 2021: 7.25% - 8.70%).
Rate of interest stipulated by Standard Chartered Bank is monthly MCLR . Interest rate for the year ranges between 5.00% - 6.75% (31st March 2021: 6.60% - 8.85%).
Rate of interest stipulated by HDFC Bank Limited is as per prevailing 1 year MCLR + applicable margin. Interest rate for this ranges between @ 4.90% -7.20% (31st March 2021: 7.20% - 8.00%).
The Holding Company has availed Working Capital Facility of ₹ 5,000 Lakhs (31st March 2021: ₹ NIL) from Kotak Mahindra Bank. The rate of interest stipulated by Kotak Mahindra Bank is 6 month MCLR +NIL Spread. Interest rate for this ranges between 4.65% - 5.00%.
The Holding Company is in process of filing the requisite from with Ministry of Corporate Affairs for creating of first pari passu hypothecation charge over all the Current Assets for additional faciliites sanctioned during the year
Bank loans availed by the Holding Company are subject to certain covenants relating to Interest Service Coverage Ratio, Current Ratio, Debt Service Coverage Ratio, Total Outside Liabilities to Total Net Worth, Fixed Assets Coverage Ratio, Ratio of Total Term Liabilities to Net Worth and Return on Property, Plant and Equipments. The Holding Company has complied with the covenants as per the terms of the loan agreements.

18 Trade Payables

PARTICULARS	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Trade Payables	8,810.50	7,304.93
Total	**8,810.50**	**7,304.93**

Terms and conditions of the above outstanding dues :
Trade Payables are non-interest bearing and are normally settled in 45 - 360 days terms.
For amounts due to related parties and terms and conditions with Related Parties, refer note 33.
For Group's Credit Risk management processes refer note 38

Trade Payables Ageing Schedule as at March 31,2022

(₹ in Lakhs)

Particulars	Unbilled Dues	Current but Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Total outstanding dues of Micro and Small Enterprise	-	512.82	402.43	-	-	-	915.25
Total outstanding dues of creditors other than Micro and Small Enterprise	54.66	4,877.85	2,857.21	53.81	51.55	0.17	7,895.25
Disputed outstanding dues of Micro and Small Enterprise	-	-	-	-	-	-	-
Disputed outstanding dues of creditors other than Micro and Small Enterprise	-	-	-	-	-	-	-
Total	**54.66**	**5,390.67**	**3,259.64**	**53.81**	**51.55**	**0.17**	**8,810.50**

Trade Payables Ageing Schedule as at March 31,2021

(₹ in Lakhs)

Particulars	Unbilled Dues	Current but Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Total outstanding dues of Micro and Small Enterprise	-	118.43	127.13	2.45	-	-	248.01
Total outstanding dues of creditors other than Micro and Small Enterprise	68.40	5,180.39	1,768.12	35.69	3.82	0.50	7,056.92
Disputed outstanding dues of Micro and Small Enterprise	-	-	-	-	-	-	-
Disputed outstanding dues of creditors other than Micro and Small Enterprise	-	-	-	-	-	-	-
Total	**68.40**	**5,298.82**	**1,895.25**	**38.14**	**3.82**	**0.50**	**7,304.93**

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19 Other Current Financial Liabilities

PARTICULARS	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Financial Liabilities carried at Amortised Cost		
Interest Accrued but not due on Borrowing	1,841.65	332.10
Capital Creditors	6,497.86	4,148.40
Security Deposits	1,049.00	950.00
Employee Benefits Payable	2,951.74	1,581.59
Book Overdraft	-	48.33
Expenses Payable	6,275.64	3,895.96
Total	**18,615.89**	**10,956.38**

20 Other Current Liabilities

PARTICULARS	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Advances from Customers	80.88	85.51
Statutory Dues Payables	2,525.45	640.26
Total	**2,606.33**	**725.77**

21 Short Term Provisions

PARTICULARS	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Compensated Absences	17.89	10.04
Total	**17.89**	**10.04**

22 Current Tax Liabilities (Net)

PARTICULARS	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Current Tax Payable (net)	942.21	9.62
Total	**942.21**	**9.62**

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23 Revenue from Operations

PARTICULARS	(₹ in Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Sales of Products		
Sale of products	1,54,712.61	82,493.37
Sale of By-product	260.71	100.36
Sales of Products	1,54,973.32	82,593.73
Other Operating Revenue		
Export Benefits and Other Incentives	1.77	9.74
Scrap Sales	119.05	256.56
Total Other Operating Revenue	120.82	266.30
Total	1,55,094.14	82,860.03

23.1 Disaggregated Revenue Information

Set out below is the disaggregation of the Group's revenue from Contracts with Customers:

PARTICULARS	(₹ in Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Type of Goods or Service		
Chlor Alklai & its Derivatives	1,54,973.32	82,464.66
Traded Goods	-	129.07
Total Revenue from contracts with Customers	1,54,973.32	82,593.73
Geographical location of Customer		
India	1,54,861.21	82,017.51
Outside India	112.11	576.22
Total Revenue from contracts with Customers	1,54,973.32	82,593.73
Timing of Revenue Recognition		
Goods transferred at a point in time	1,54,973.32	82,593.73
Total Revenue from Contracts with Customers	1,54,973.32	82,593.73

23.2 Contract balances

The Holding Company has recognised the following Revenue-related Contract Asset and Liabilities

PARTICULARS	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Trade Receivables (refer note 9)	25,632.40	11,883.73
Advance from Customers (refer note 21)	80.88	85.51
Contract Liabilities includes Short Term Advance received from Customers towards Sale of Products. There is no significant movement for the Year		

23.3 Reconciling the amount of Revenue recognised in the Statement of Profit and Loss with the Contracted price

PARTICULARS	(₹ in Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Revenue as per contracted price	1,61,322.77	86,356.00
Adjustments		
Sale Returns	(75.11)	(40.87)
Trade Discount & Quantity Rebate	(4,929.90)	(2,446.38)
Cash Discount	(439.93)	(335.56)
Sales Commission	(904.51)	(939.47)
Revenue from contract with Customers	1,54,973.32	82,593.73

23.4 Performance Obligation

The performance obligation is satisfied upon dispatch of Goods from the Group's premises / delivery of Goods to the Customer in accordance with the terms of contract with Customer and payment is generally due within 30 to 90 days from date of dispatch of Goods.

23.5 Information about Major Customers

No single Customer represents 10% or more of the Group's total Revenue during the year ended 31st March 2022 and 31st March 2021

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24 **Other Income**

PARTICULARS	(₹ in Lakhs) Year ended March 31, 2022	Year ended March 31, 2021
Interest Income on :		
- Bank Deposit	12.28	13.76
- Other	3.65	1.04
Net gain on Foreign Currency Transactions and Translations (net)	111.86	38.36
Profit On Sale of Property, Plant and Equipment (net)	-	0.28
Miscellaneous Income	98.94	58.88
Insurance Claims	172.11	106.58
Provision No Longer Required written back	12.24	-
Total	**411.08**	**218.90**

25 **Cost of Materials Consumed**

PARTICULARS	(₹ in Lakhs) Year ended March 31, 2022	Year ended March 31, 2021
Chlor Alkali & its Derivatives	75,941.09	38,609.98
Total	**75,941.09**	**38,609.98**

Note: The above amount comprises of Raw Material consumption generated from the accounting system and related adjustment there to.

26 **Change In Inventories Of Finished Goods and Stock in Trade**

PARTICULARS	(₹ in Lakhs) Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the Year		
(i) Finished Goods	914.31	766.53
(ii) Stock in Trade	8.89	36.15
Total (A)	**923.20**	**802.68**
Inventories at the end of the Year		
(i) Finished Goods	755.54	914.31
(ii) Stock in Trade	-	8.89
Total (B)	**755.54**	**923.20**
Changes in Inventories (A-B)	**167.66**	**(120.48)**

27 **Employee Benefit Expenses**

PARTICULARS	(₹ in Lakhs) Year ended March 31, 2022	Year ended March 31, 2021
Salaries and Wages	4,567.53	3,584.58
Director Remuneration	2,480.00	1,235.00
Contribution to Provident and Other Funds and Gratuity (refer note 32)	256.81	209.79
Staff Welfare Expenses	375.12	331.57
Total	**7,679.46**	**5,360.94**

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28 **Finance Costs**

PARTICULARS	(₹ in Lakhs) Year ended March 31, 2022	Year ended March 31, 2021
Interest Expense on :		
- Term Loan	2,473.01	2,665.15
- Cash Credit and Working Capital Demand Loan	469.06	310.88
-Lease Liability (refer note 36)	31.48	34.90
- Others	216.99	79.18
Dividend on Non Convertible Redeemable Preference Shares	1,539.43	-
Loss/(Gain) on Derivative Instruments	65.60	(528.50)
Exchange Loss/(Gain) on restatement of External Commercial Borrowing (ECB)	(422.88)	329.40
Other Borrowing Costs (includes Bank Charges, etc.)	54.33	20.36
Total	**4,427.02**	**2,911.37**

29 **Other Expenses**

PARTICULARS	(₹ in Lakhs) Year ended March 31, 2022	Year ended March 31, 2021
Consumption of Stores and Spares	1,873.45	1,426.66
Consumption of Packing Materials	2,151.10	1,291.42
Repairs and Maintenance:		
- Buildings	114.48	117.12
- Plant and Machinery	940.87	479.70
Rent (refer note 36)	3.50	2.99
Rates and Taxes	128.85	62.78
Insurance	447.05	366.83
Power and Fuel	4,112.59	441.85
Electricity Duty on Power Generation	2,302.59	2,350.93
Renewal Purchase Obligation	937.89	845.70
Contract Labour Charges	1,200.53	1,043.55
Selling and Promotion Expenses	1,701.90	449.76
Loss on Sale of Property, Plant and Equipment	7.16	-
Water Charges	2,669.54	2,167.28
Expenditure towards Corporate Social Responsibility (refer not i below)	360.00	966.93
Payments to the Auditors (refer note ii below)	24.10	17.87
Miscellaneous Expenses	1,381.59	803.40
Total	**20,357.19**	**12,834.77**

Notes:

(i) Corporate Social Responsibility Expenditure

PARTICULARS	(₹ in Lakhs) Year ended March 31, 2022	Year ended March 31, 2021
Amount required to be spent during the Year	360.00	383.37
Amount of opening unspent CSR expenses spent during the year pursuant to representation made by the Holding Company with ROC & NCLT	-	579.29
Amount approved by the Board to be spent during the year	360.00	966.93
Amount Spend during the year	275.00	966.93
i. Construction / Acquisition of an Assets	-	-
ii. On purpose other than (i) above	275.00	966.93
Amount yet to be spent	85.00	-

Details related to spent/unspent obligation		
i) Contribution to Charitable Trust	275.00	966.93
ii) Unspent amount in relation to ongoing project	85.00	-

Details of Ongoing Projects :
In case of S. 135(6) (Ongoing Project)

Opening Balance	
With Company	-
In Separate CSR Unspent Account	-
Amount Required to be spent during the Year	360.00
Amount spent during the year	
From Company's Bank Account	275.00
From Separate CSR unspent Account	-
Closing Balance	
With Company	-
In Separate CSR Unspent Account	85.00

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(ii) Payment to Auditors (excluding Tax)

(₹ in Lakhs)

PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
(a) Statutory Audit Fees	23.00	17.35
(b) Reimbursement of Expenses	1.10	0.52
	24.10	17.87

30 DISCLOSURE OF EARNING PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to Equity Shareholders of parent by the weighted average number of Equity Shares outstanding during the year, including effect of shares issued pursuant to Scheme of Arrangement.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to Equity Shareholders of parent by the weighted average number of Equity Shares outstanding during the year after adjusting effects of OCRPS which are Dilutive Potential Equity Shares.

The following reflects the Income and Share used in the Basic and Diluted EPS computation: (₹ in Lakhs)

PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
Profit attributable to Shareholders (Figure in ₹)	25,278.68	10,083.90
Total number of Equity Shares at the end of the Year (Nos)	4,15,50,158	4,15,52,665
Weighted Average number of Equity Shares outstanding (Nos)		
- For basic EPS calculation	4,15,50,158	4,15,52,665
- For diluted EPS calculation	4,15,50,158	5,84,26,255
Nominal value per Equity Share (₹.)	10	10
Basic Earnings Per Share (₹.)	60.84	24.27
Diluted Earnings Per Share (₹.)	60.84	17.26
Weighted Average number of Equity Shares		
Weighted Average number of Equity Shares for basic EPS	4,15,50,158	4,15,52,665
Effect of dilution:		
Optionally Convertible Redeemable Preference Shares (OCRPS)	-	1,68,73,590
Weighted average number of Equity Shares adjusted for the effect of dilution	4,15,50,158	5,84,26,255

MEGHMANI FINECHEM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED March 31, 2022

31 Tax expense

(a) Amounts recognised in Profit and Loss

Particulars	For the year ended March 31, 2022 (₹ in Lakhs)	For the year ended March 31, 2021 (₹ in Lakhs)
Current Income Tax	6,967.28	2,816.76
Deferred Tax Expenses	4,259.01	3,185.10
Utilisation of MAT Credit	1,837.27	-
Tax Expense for the Year	13,063.56	**6,001.86**

(b) **Amounts recognised in Other Comprehensive Income** (₹ in Lakhs)

Particulars	31st March 2022			31st March 2021		
	Before Tax	Tax (expense)/ benefit	Net of Tax	Before Tax	Tax (expense) /benefit	Net of Tax
Items that will not be reclassified to Profit or Loss						
Remeasurements of the Defined Benefit Plans	(4.85)	1.69	(3.16)	(27.00)	9.43	(17.57)
Total	(4.85)	1.69	(3.16)	(27.00)	9.43	(17.57)

(c) **Reconciliation of Effective Tax Rate** (₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Profit Before Tax	38,342.24	**16,085.76**
Tax using the Group's domestic tax rate	13,398.31	5,621.01
(Current Year 34.944% and 31st March 2021 34.944%)		
Tax effect on Non Deductible Expenses/ Income not subject to Tax/ Other adjustments		
Dividend on Preference Share	537.94	-
Corporate Social Responsibility Expenses	28.13	337.95
Others	5.20	42.88
Others		
Income exempt under Section 80 IA	(754.95)	-
True Up Tax Adjustments	(151.10)	-
Total	13,063.56	6,001.87
Effective Tax Rate	34.07%	37.31%

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(₹ in Lakhs)

(d) Movement in Deferred Tax balances for the year ended 31st March 2022

Particulars	Net balance 1st April 2021	Recognised in Profit and Loss	Recognised in OCI	Other Adjustments	31st March 2022		
					Net	Deferred Tax Asset	Deferred tax liability
Property, Plant and Equipment	(12,709.61)	(1,663.04)	-	-	(14,372.65)	-	(14,372.65)
Gain on derivative - Mark to market	159.80	(159.80)	-	-	-	-	-
Employee Benefits	60.41	51.27	1.69	-	113.38	113.38	-
Lease Liabilities	6.43	12.51	-	-	18.94	18.94	-
Carried Forward Loss	2,798.58	(2,798.58)	-	-	-	-	-
Tax Credit (MAT)	6,388.61	(1,837.27)	-	339.33	4,890.66	4,890.66	-
Others	215.25	(40.69)	-	-	174.56	174.56	-
Tax Assets/ (Liabilities)	(3,080.53)	(6,435.61)	1.69	339.33	(9,175.12)	5,197.54	(14,372.65)
Set off Tax							5,197.54
Net Tax Assets / (Liabilities)							(9,175.12)

(₹ in Lakhs)

Movement in Deferred Tax balances for the year ended 31st March 2021

Particulars	Net balance 1st April, 2020	Recognised in Profit and Loss	Recognised in OCI	Other	31st March 2021		
					Net	Deferred Tax Asset	Deferred Tax Liability
Property, Plant and Equipment	(4,029.19)	(8,680.42)	-	-	(12,709.61)	-	(12,709.61)
Gain on derivative - Mark to market	129.64	30.16	-	-	159.80	159.80	-
Employee Benefits	57.25	(6.27)	9.43	-	60.41	60.41	-
Lease Liabilities	7.38	(0.95)	-	-	6.43	6.43	-
Carried Forward Loss	-	2,798.58	-	-	2,798.58	2,798.58	
Tax Credit (MAT)	3,571.85	2,816.76	-	-	6,388.61	6,388.61	-
Others	358.20	(142.95)	-	-	215.25	215.25	-
Tax Assets/ (Liabilities)	95.13	(3,185.10)	9.43	-	(3,080.53)	9,629.08	(12,709.61)
Set off tax							9,629.08
Net Tax Assets/ (Liabilities)							(3,080.53)

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32 GRATUITY AND OTHER EMPLOYMENT BENEFIT PLANS

(a) Retirement Benefits

The Gratuity Plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans:

Table 1: Reconciliation of Defined Benefit Obligation (DBO)

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Opening balance of Defined Benefit Obligation	**441.71**	**332.34**
Service Cost		
a. Current Service Cost	95.58	76.37
Interest Cost	25.62	20.27
Benefits Paid	(14.11)	(10.58)
Re-measurements		
a. Actuarial Loss/(Gain) from changes in financial assumptions	(15.53)	9.25
b. Actuarial Loss/(Gain) from experience over the past period	20.67	14.06
c. Actuarial (Loss)/Gain from change in demographic assumptions		-
Closing balance of the Defined Benefit Obligation	**553.94**	**441.71**

Table 2: Reconciliation of Fair Value of Plan Assets

Particulars	31st March 2022	31st March 2021
Opening balance of Fair Value of Plan Assets	**337.90**	**230.02**
Contributions by Employer	12.48	105.16
Benefits Paid	(14.11)	(10.58)
Interest Income on Plan Assets	19.60	16.99
Re-measurements		
a. Actuarial (Loss)/Gain from changes in financial assumptions		-
b. Return on plan assets excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	0.29	(3.69)
Closing balance of Fair Value of Plan Assets	**356.16**	**337.90**
Actual Return on Plan Assets	*19.89*	*13.30*
Expected Employer Contributions for the coming period	*100.00*	*100.00*

Table 3: Expenses Recognised in the Profit and Loss Account

Particulars	31st March 2022	31st March 2021
Service Cost		
a. Current Service Cost	95.58	76.37
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	-	-
Net Interest on net Defined Benefit Liability/ (Asset)	6.02	3.28
Employer Expenses	**101.60**	**79.65**

Table 4: Net Liability/ (Asset) recognised in the Balance Sheet

Particulars	31st March 2022	31st March 2021
Present Value of DBO	553.94	441.71
Fair Value of Plan Assets	356.16	337.90
Liability/ (Asset) recognised in the Balance Sheet	**197.78**	**103.81**
Funded Status [Surplus/(Deficit)]	**(197.78)**	**(103.81)**
Of Which, Short term Liability	-	-
Experience Adjustment on Plan Liabilities: (Gain)/Loss	**20.67**	**14.06**
Experience Adjustment on Plan Assets: Gain/(Loss)	**0.29**	**(3.69)**

Table 5: Percentage Break-down of Total Plan Assets

Particulars	31st March 2022	31st March 2021
Investment Funds with Insurance Company	100%	100%
Of which, Traditional/ Non-Unit Linked	*100%*	*100%*
Total	**100%**	**100%**

Note: None of the assets carry a quoted market price in an active market or represent the Company's own transferable financial instruments or are property occupied by the Company.

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Table 6: Actuarial Assumptions

Particulars	31st March 2022	31st March 2021
Salary Growth Rate	10% p.a.	10% p.a.
Discount Rate	6.2%p.a	5.8% p.a.
Withdrawal Rate:		
Up to age 35 years:	12% p.a.	12% p.a.
Above age 35 years:	12% p.a.	12% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2012-14 Ult.
Expected Return on Plan Assets	5.8%p.a	6.1% p.a.
Expected weighted average remaining working life	5 years	5 years

Table 7: Movement in Other Comprehensive Income

Particulars	31st March 2022	31st March 2021
Opening Balance (Loss)/Gain	(144.21)	(117.21)
Re-measurements on DBO		
a. Actuarial (Loss)/Gain from changes in financial assumptions	15.53	(9.25)
b. Actuarial (Loss)/Gain from experience over the past period	(20.67)	(14.06)
c. Actuarial (Loss)/Gain from change in demographic assumptions		-
Re-measurements on Plan Assets		
a. Actuarial (Loss)/Gain from changes in financial assumptions		
b. Return on Plan assets, excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	0.29	(3.69)
Remeasurement (Loss) on Defined Benefit Plans	(4.85)	(27.00)
Closing Balance (Loss)/Gain	(149.06)	(144.21)

Table 8: Sensitivity Analysis

Financial Year ended 31st March 2022	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by Rs 38.53 Lakh	DBO decreases by Rs 34.76 Lakh
Discount Rate	DBO decreases by Rs 35.62 Lakh	DBO increases by Rs 40.39 Lakh
Withdrawal Rate	DBO decreases by Rs 9.02 Lakh	DBO increases by Rs 9.92 Lakh

Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.14 Lakh	
Mortality (increase in expected lifetime by 3 years)	DBO increases by Rs 0.40 Lakh	

Financial Year ended 31st March 2021	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by Rs 31.92 Lakh	DBO decreases by Rs 28.71 Lakh
Discount Rate	DBO decreases by Rs 29.53 Lakh	DBO increases by Rs 33.60 Lakh
Withdrawal Rate	DBO decreases by Rs 8.44 Lakh	DBO increases by Rs 9.29 Lakh

Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.20 Lakh	
Mortality (increase in expected lifetime by 3 years)	DBO increases by Rs 0.41 Lakh	

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses.

Table 9: Movement in Surplus/ (Deficit)

Particulars	31st March 2022	31st March 2021
Surplus/ (Deficit) at start of Year	(103.81)	(102.32)
Current Service Cost	(95.58)	(76.37)
Past Service Cost	-	-
Net Interest on net DBO	(6.02)	(3.28)
Actuarial gain/ (loss)	(4.85)	(27.00)
Contributions	12.48	105.16
Surplus/ (Deficit) at end of Year	(197.78)	(103.81)

(b) **Defined Contribution Plans**

The Group makes Provident Fund contributions to Defined Contribution Plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The Group has recognised Provident Fund contribution of ₹. 155.21 Lakhs (31st March 2021: ₹ 129.97 Lakhs) as expense in Note 28 under the head 'Contributions to Provident and Other Funds'.

33 RELATED PARTIES DISCLOSURES :-

⟹ Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence :	:	Meghmani Organics Limited (MOL) (Formerly Meghmani Organochem Limited) Meghmani Dyes & Intermediates LLP (MDIL) Meghmani Industries Limited (MIL) Meghmani Pigments (MP) Trent Chemical Industries (Trent Chemicals) Arjan Owners LLP (Arjan) (Formerly Panchratna Corporation) Meghmani Novotech Pvt Ltd (Meghmani Novotech) Meghmani LLP (formerly Meghmani Unichem LLP) (MLLP)
⟹ Key Managerial Personnel	:	Mr. Maulik Patel (Chairman and Managing Director) Mr. Kaushal Soparkar (Managing Director) Mr. Ankit Patel (Executive Director) Mr. Karana Patel, (Executive Director) Mr. Darshan Patel (Executive Director) Mr. Kamlesh Mehta (Company Secretary) Mr. Sanjay Jain (Chief Financial Officer)
⟹ Relatives of Key Managerial Personnel	:	Mr. Jayanti Patel Mr. Ashish Soparkar Mr. Natwarlal Patel Mr. Ramesh Patel Mr. Anand Patel
⟹ Non Executive Directors	:	Mr.Manubhai Patel Mr.Balkrishna Thakkar (Till 22nd September 2021) Ms.Nirali Parikh Mr Kanubhai Patel (w.e.f. 20th May 2021) Mr Sanjay Asher (w.e.f. 20th May 2021) Mr Raju Swamy (w.e.f. 20th May 2021)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED March 31, 2022

Transaction with Related Parties (Continued):

(₹ in Lakhs)

Particulars	Enterprises in which Key Managerial Personnel (KMP)and its Relatives have significant influence		Key Managerial Personnel and its Relatives(KMP)		Total	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Sale of Goods to MOL	16,730.24	6,265.17	-	-	16,730.24	6,265.17
Sale of Goods to MDIL	1,256.87	551.33	-	-	1,256.87	551.33
Sale of Goods to MIL	1,616.66	829.19	-	-	1,616.66	829.19
Sale of Goods to MP	210.69	104.51	-	-	210.69	104.51
Sale of Goods to MLLP	7,761.17	2,331.23	-	-	7,761.17	2,331.23
Sale of Goods to Trent Chemicals	1,670.99	793.10	-	-	1,670.99	793.10
Sale of Goods to Meghmani Novotech	36.66	8.23	-	-	36.66	8.23
Availing of Services (Rent) Arjan	127.29	123.11	-	-	127.29	123.11
Purchase of Services from MOL	-	13.82	-	-	-	13.82
Purchase of MEIS Licence from MOL	232.25	352.49	-	-	232.25	352.49
Sitting fees	-	-	22.00	5.50	22.00	5.50
Maulik Patel- Remuneration	-	-	615.33	305.78	615.33	305.78
Kaushal Soparkar- Remuneration	-	-	615.33	305.78	615.33	305.78
Ankit Patel- Remuneration	-	-	615.33	305.49	615.33	305.49
Karana Patel- Remuneration	-	-	385.33	195.49	385.33	195.49
Darshan Patel- Remuneration	-	-	270.33	140.49	270.33	140.49
Sanjay Jain - Remuneration	-	-	47.22	40.63	47.22	40.63
Dividend on RPS to MOL	1,539.43	-	-	-	1,539.43	-

Outstanding Balance with Related Parties:

(₹ in Lakhs)

Particulars	Enterprises in which Key Managerial Personnel (KMP) and its Relative have significant influence		Key Managerial Personnel and its Relatives(KMP)		Total	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Receivable from MOL	3,864.46	1,644.24	-	-	3,864.46	1,644.24
Receivables from MDI	310.73	102.47	-	-	310.73	102.47
Receivables from MIL	440.87	202.34	-	-	440.87	202.34
Receivables from MP	24.39	12.94	-	-	24.39	12.94
Receivables from MLLP	1,784.19	519.11	-	-	1,784.19	519.11
Receivables from Trent Chemical	458.41	159.91	-	-	458.41	159.91
Receivables from Meghmani Novotech	31.38	5.06	-	-	31.38	5.06
Payable to MOL	-	13.82	-	-	-	13.82
Payable for MEIS Licence	-	29.12	-	-	-	29.12
Remuneration Payable to Maulik Patel	-	-	576.92	275.04	576.92	275.04
Remuneration Payable to Kaushal Soparkar	-	-	576.92	275.04	576.92	275.04
Remuneration Payable to Ankit Patel	-	-	576.92	275.15	576.92	275.15
Remuneration Payable to Karana Patel	-	-	346.92	166.98	346.92	166.98
Remuneration Payable to Darshan Patel	-	-	231.92	111.98	231.92	111.98
Remuneration Payable to Sanjay Jain	-	-	2.98	2.31	2.98	2.31
Dividend Payable on RPS to MOL	1,385.49	-	-	-	1,385.49	-

(i) Transaction entered into with Related Parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

(ii) The Group's transactions with Related Parties are at arm's length. Management believes that the Group's domestic transactions with related parties post 31st March 2022 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the Financial Statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the period end.

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34 Segment Reporting

The Group's Chief Operating Decision Maker (CODM) examines the Group's performance from business and geographic perspective. In accordance with Ind AS-108 - Operating Segments, evaluation by the CODM and based on the nature of activities performed by the Group, which primarily relate to manufacturing of Chloro Alkali & its Derivatives, the Group does not operate in more than one business segment.

Analysis By Geographical Segment

Segment Revenue is analysed based on the location of Customers regardless of where the goods are produced. The following provides an analysis of the Sales by Geographical Markets.

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue :		
Within India	1,54,861.21	82,017.51
Outside India	112.11	576.22
Total Revenue from Contracts with Customers	1,54,973.32	82,593.73

The following is analysis of the carrying amount of Non Current Assets, which do not include Deferred Tax Assets, Tax Assets, Investment in Subsidiary and Financial Assets analysed by the geographical area in which the assets are located:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount of Segment Assets		
Within India	1,66,592.58	1,25,460.16
Outside India	-	-

35 Contingent Liabilities & Commitments

A. Claim against the Group not acknowledged as Debts (excluding Interest and Penalty)

(₹ in Lakhs)

Particular	As at March 31, 2022	As at March 31, 2021
Disputed Income Tax Liability*	892.09	-
Disputed Service Tax Liability**	53.69	108.37
Disputed Custom Duty Liability***	621.83	621.83
(In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various Forums / Authorities. The Group has assessed that it is only possible but not probable, the outflow of economic resources will be required)		
In respect of Letter of Credit	6,345.89	565.12

*Income tax demand comprise demand from the Indian Income Tax authorities for payment of additional tax of Rs. 892.09 (31 March 2021: Nil), upon completion of their tax review for the assessment year 2016-17 and 2018-19.The tax demands are mainly on account of adjustment pertaining to 80 IA benefits claimed for captive power plant against sale of steam and power. The matter is pending before CIT (A).

**Service tax demand comprise demand from Service tax Authorities for payment of additional tax of Rs. 52.69 lakhs (31 March 2021: Rs 108.37 lakhs), upon completion of their tax review for the financial year 2012-13 and 2014-15. The tax demands are on account of service tax on sales commission and classification of coal. The matter is pending before Commissioner of Excise Service Tax Appellate Tribunal (CESTAT).

***Customs tax demand comprise demand from Custom Authorities for payment of additional tax of Rs. 621.83 lakhs (31 March 2021: Rs 621.83 lakhs), upon completion of their tax review for the financial year 2012-13. The tax demands are on account of classification of coal. The matter is pending before Commissioner of Excise Service Tax Appellate Tribunal (CESTAT).

The Holding Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be in favour of Holding Company in the appellate process and no tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

B. Capital Commitment

The Estimated amount of Contract to be executed on Capital Account of ₹ 4,795.40 Lakhs (31st March 2021 ₹. 36,282.83 Lakhs) and not provided for (Net of Advances).

C. Other Commitment

The Group has imported capital good for the various expansion projects under the EPCG Scheme at nil rate of custom duty by undertaking obligation to export. Future outstanding export obligation under the scheme is ₹. 8,164.49 lakhs (31st March 2021: ₹. 3,070.20 lakhs) which is equivalent to 6 times of duty saved of ₹. 1,767.53 lakhs (31st March 2021: ₹. 696.28 lakhs). The export obligation against respective EPCG licences has to be completed between 2023-24 to 2027-28.

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36 Leases

The Group has lease contracts for office premises. Leases of office premises is having lease terms of 3 to 9 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain premises in good state. The lease contract include extension and termination options.
The Group also has a Sales Office with lease terms of 12 months or less. The Group applies the 'short-term lease'recognition exemptions for this lease.

Terms of Cancellation and Escalation

The Leases are cancellable by giving one month notice by either parties and these does not carries any escalation.

(A) Leases as lessee

(₹ in Lakhs)

(i) The movement in Lease Liabilities during the Year	As at March 31, 2022	As at March 31, 2021
Opening Balance	375.55	439.45
Additions during the Year	79.74	-
Finance costs incurred during the Year	31.48	34.90
Payments of Lease Liabilities	(110.55)	(98.80)
Balance at the end of the Year	376.22	375.55

(ii) The carrying value of the Rights-of-Use and Depreciation charged during the year

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	1,446.83	1,542.17
Additions during the Year	2,167.32	-
Depreciation charged during the Year	(124.38)	(95.34)
Balance at the end of the Year	**3,489.77**	**1,446.83**

(₹ in Lakhs)

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year	Year Ended March 31, 2022	Year Ended March 31, 2021
Depreciation expense of Right-of-Use Assets	124.38	95.34
Interest expense on Lease Liabilities	31.48	34.90
Expense relating to short-term Leases (included in other expenses)	3.50	2.99
Total Expenses	**159.36**	**133.23**

(₹ in Lakhs)

(iv) Amounts recognised in Statement of Cash Flows	Year Ended March 31, 2022	Year Ended March 31, 2021
Total Cash outflow for Leases	(110.55)	(98.80)

(₹ in Lakhs)

(v) Maturity analysis of Lease Liabilities	As at March 31, 2022	As at March 31, 2021
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	141.17	98.80
One to five years	285.07	349.09
More than five years	-	-
Total undiscounted Lease Liability	426.24	447.89

(₹ in Lakhs)

Balances of Lease Liabilities	As at March 31, 2022	As at March 31, 2021
Non Current Lease Liability	261.84	306.00
Current Lease Liability	114.38	69.55
Total Lease Liability	376.22	375.55

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37. Capital Management

Capital as on 31st March 2021 includes Equity and OCRPS attributable to the Equity and OCRPS holders and only Equity as on 31st March 2022 attributable to the Equity Shareholders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its Capital Structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the Capital Structure, the Group may adjust the dividend payment to Shareholders, return on capital to Shareholders or issue new Shares. No changes were made in the objectives, policies or processes during the year ended 31 March 2022 and 31 March 2021.

The Group monitors capital using a ratio of 'Adjusted Net Debt' to 'Adjusted Equity'. For this purpose, adjusted net Debt is defined as Total Liabilities, comprising Interest-Bearing Loans and Borrowings, less Cash and Cash Equivalents. Adjusted Equity comprises all components of Equity.

	(₹ in Lakhs)	
Particulars	**31st March 2022**	**31st March 2021**
Total Interest bearing liabilities	99,312.42	54,206.69
Less : Cash and Cash Equivalent	2,508.54	68.00
Adjusted Net Debt	**96,803.88**	**54,138.69**
Total Equity	72,596.95	68,413.39
Total Equity	**72,596.95**	**68,413.39**
Adjusted Net Debt to Total Equity ratio	1.33	0.79

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38 Financial Instruments – Fair Values and Risk Management

The Significant Accounting Policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note 2 to the Financial Statements.

A. Category-wise classification of Financial Instrument

The carrying value of Financial Instruments by categories as of 31st March, 2022 and 31st March, 2021 is as follows:

(₹ in Lakhs)

31st March 2022	Carrying Amount			
	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income	Amortised Cost	Total
Financial Assets				
Other Non-Current Financial Asset (refer note 4)	152.55	-	671.82	824.37
Trade Receivables (refer note 8)	-	-	25,632.40	25,632.40
Cash and Cash Equivalents (refer note 9)	-	-	2,508.54	2,508.54
Loans (refer note 10)	-	-	22.69	22.69
Other Current Financial Assets (refer note 11)	152.55	-	35.14	187.69
Total Financial Assets	**305.10**	-	**28,870.59**	**29,175.69**
Financial Liabilities				
Non-Current Borrowings (refer note 15)	-	-	76,814.40	76,814.40
Non-Current Lease Liabilities (refer note 36)	-	-	261.84	261.84
Current Borrowings (refer note 17)	-	-	22,121.80	22,121.80
Current Lease Liabilities (refer note 36)	-	-	114.38	114.38
Trade Payable (refer note 18)	-	-	8,810.50	8,810.50
Other Current-Financials Liabilities (refer note 19)	-	-	18,615.89	18,615.89
Total Financial Liabilities	-	-	**1,26,738.81**	**1,26,738.81**

(₹ in Lakhs)

31st March, 2021	Carrying Amount			
	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income	Amortised Cost	Total
Financial Assets				
Other Non-Current Financial Asset (refer note 4)	247.13	-	788.67	1,035.80
Trade Receivables (refer note 8)	-	-	11,883.73	11,883.73
Cash and Cash Equivalents (refer note 9)	-	-	68.00	68.00
Loans (refer note 10)	-	-	11.42	11.42
Other Current Financial Assets (refer note 11)	123.57	-	60.23	183.80
Total Financial Assets	**370.70**	-	**12,812.05**	**13,182.75**
Financial Liabilities				
Non-Current Borrowings (refer note 15)	-	-	34,046.74	34,046.74
Non-Current Lease Liabilities (refer note 36)	-	-	306.00	306.00
Current Borrowings (refer note 17)	-	-	19,784.40	19,784.40
Current Lease Liabilities (refer note 36)	-	-	69.55	69.55
Trade Payable (refer note 18)	-	-	7,304.93	7,304.93
Other Current-Financials Liabilities (refer note 19)	-	-	10,956.38	10,956.38
Total Financial Liabilities	-	-	**72,468.00**	**72,468.00**

B. Measurement of Fair values and Sensitivity analysis

Fair Value Hierarchy:

The fair value of the Financial Assets and Liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

(i) Level 1: quoted prices (unadjusted) in active markets for identical Assets or Liabilities.
(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the Asset or Liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
(iii) Level 3: inputs for the Asset or Liability that are not based on observable market data (unobservable inputs).

Financial Instrument measured at Fair Value

(₹ in Lakhs)

Financial Assets / Financial Liabilities	Fair value as at		Fair value hierarchy	Significant observable inputs
	31st March 2022	31st March 2021		
Mark to market Derivative Assets on interest Rate Swap and cross Currency Swap valued at FVTPL. (refer note 4 & 11)	305.10	370.70	Level 2	Fair value as ascertained and provided by Bank

Financial Instrument measured at Amortised Cost

The carrying amount of Financial Assets and Financial Liabilities measured at amortised cost in the Financial Statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Reconciliation of level I Fair Values

There have been no transfers between level 1, level 2 and level 3 during the year ended March 31, 2022.

Financial Risk Management Framework

The Group's Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group manages market risk through treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends risk management objectives and policies. The activities of this operations include management of cash resources, hedging of foreign currency exposure, credit control and ensuring compliance with market risk limits and policies.

The Group's principal Financial Liabilities, other than Derivatives, comprises of Long Term and Short Term Borrowings, Trade and Other Payables, and Financial Liabilities. The main purpose of these Financial Liabilities is to finance the Group's operations. The Group's principal Financial Assets include Loans, Trade and other Receivables, Cash and Cash Equivalents, other Bank Balances and Other Financial Assets that derive directly from its Operations.

The Group has an effective risk management framework to monitor the risks controls in key business processes. In order to minimise any adverse effects on the bottom line, the Group takes various mitigation measures such as credit control, foreign exchange forward contracts to hedge foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Group has exposure to the following risks arising from Financial Instruments
• Credit Risk ;
• Liquidity Risk ; and
• Market Risk

i. Credit Risk

Credit Risk is the risk that counter party will not meet its obligation leading to a financial loss. The Group is exposed to credit risk arising from its operating activities primarily from Trade Receivables and from financing activities primarily relating to parking of surplus funds as Deposits with Banks. The Group considers probability of default upon initial recognition of Assets and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period.

The carrying amount of following Financial Assets represents the maximum credit exposure:

Financial Instruments and Cash Deposit:

Credit Risk from Balances with Banks and Financial Institutions is managed by the Group's Treasury Department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

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Trade Receivables

The Sales Department has established a Credit Policy under which each new Customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each Customer and reviewed periodically. Any sales exceeding those limits requires further approval.

Trade Receivables of the Group are typically unsecured ,except to the extent of the security deposits received from the Customers or Financial Guarantees provided by the market organizers in the business.Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of Customers to which Group grants credit terms in the normal course of business. The Group performs ongoing credit evaluations of its Customers' financial condition and monitors the creditworthiness of its Customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade Receivables is created to the extent and as and when required, based upon the expected collectability of Accounts Receivables.The Group evaluates the concentration of risk with respect to Trade Receivables as low, as its Customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group measures the expected credit loss of Trade Receivables and Loan from individual Customers based on historical trend, industry practices and the business environment in which the Entity operates.Loss rates are based on actual credit loss experience and past trends.

The maximum exposure to Credit Risk for Trade Receivables by geographic region was as follows:

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Domestic	25,632.40	11,883.73
Other Regions	-	-
Total	25,632.40	11,883.73

Age of Receivables

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
Neither due nor Impaired	19,104.87	9,343.51
Past due 1–90 Days	6,485.73	2,309.45
Past due 91–180 Days	5.43	53.86
More than 180 Days	36.37	176.91
	25,632.40	11,883.73

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of Customer Credit Risk, including underlying Customers' Credit Ratings if they are available.

Management estimates that the amount of provision of Rs Nil Lakh (31st March 2021 : 18.38 Lakhs) is appropriate

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Financial Instruments – Fair Values and Risk Management (continued)

ii. Liquidity Risk

Liquidity Risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to Liquidity Risk

The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and Actual Cash flows and matching the maturity profiles of the Financial Assets and Liabilities. The table below summarises the remaining contractual maturities of Financial Liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Non-Derivative Financial Liabilities

(₹ in Lakhs)

31st March 2022	Carrying amount	Contractual Cash Flows				
		Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
India Rupee loan	61,744.77	61,744.77	10,064.91	11,414.90	40,264.96	-
Foreign currency loan	8,085.12	8,085.12	4,042.56	4,042.56	-	-
Redeemable Preference Share Capital	21,091.99	21,091.99	-	-	-	21,091.99
Working Capital Loans from Banks	8,014.33	8,014.33	8,014.33	-	-	-
Trade Payables	8,810.50	8,810.50	8,810.50	-	-	-
Other Payables	18,992.11	18,992.11	18,730.27	126.88	134.96	-
Total	**1,26,738.82**	**1,26,738.82**	**49,662.57**	**15,584.34**	**40,399.92**	**21,091.99**

Non-Derivative Financial Liabilities

(₹ in Lakhs)

31st March 2021	Carrying amount	Contractual cash flows				
		Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
India Rupee loan	33,979.65	33,979.65	8,164.91	8,164.91	17,649.82	
Foreign currency loan	12,348.00	12,348.00	4,116.00	4,116.00	4,116.00	-
Working Capital Loans from Banks	7,503.49	7,503.49	7,503.49	-		-
Trade Payables	7,304.93	7,304.93	7,304.93	-	-	-
Other Payables	11,331.93	11,331.93	11,025.92	89.77	216.23	-
Total	**72,468.00**	**72,468.00**	**38,115.25**	**12,370.68**	**21,982.06**	-

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular Industry

In order to avoid excessive concentrations of risk, the policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels

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MEGHMANI FINECHEM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED March 31, 2022

Financial instruments – Fair Values and Risk Management (continued)

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. Market risk comprises three types of risk: Currency Risk, Interest Rate Risk, and Other Price Risk such as Equity Price Risk. Financial Instruments affected by market risk include Loans and Borrowings, Deposits, FVTOCI and Amortised Cost Investments and Derivative Financial Instruments.

Foreign Currency Risk

Foreign Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of actual sales and purchases and 12-month period for foreign currency loans. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Exposure to Currency Risk

The Currency profile of Current Financial Assets and Current Financial Liabilities as at 31st March, 2022, 31st March , 2021 are as below:

The Group's exposure to Foreign Currency Risk at the end of the reporting period expressed in INR, are as follows

(₹ in Lakhs)

31st March 2022	Total	INR Equivalent to USD	INR Equivalent to Euro	INR Equivalent to CNY	INR
Financial Assets					
Trade and Other Receivables (refer note 8)	25,632.40	475.93	-	-	25,156.47
Other Non-Current Financial Assets (refer note 4)	824.37	-	152.55	-	671.82
Other Current Financial Assets (refer note 11)	187.69	-	152.55	-	35.14
	26,644.47	475.93	305.10	-	25,863.44
Financial Liabilities					
Non Current Borrowings (refer note 15)	76,814.40	-	4,042.56	-	72,771.84
Current Borrowings (refer note 17)	22,121.80	-	4,042.56		18,079.24
Trade Payables (refer note 18)	8,810.50	811.02	-	-	7,999.48
Other Current Financial Liabilities (refer note 19)	18,615.89	128.52	84.76	328.66	18,073.95
Less : Foreign Currency Hedged	8,085.12	-	8,085.12	-	-
Total	1,18,277.48	939.54	84.76	328.66	1,16,924.51

(₹ in Lakhs)

31st March 2021	Total	INR Equivalent to USD	INR Equivalent to Euro	INR Equivalent to CNY	INR
Financial Assets					
Trade and Other Receivables (refer note 8)	11,883.73	154.62	-	-	11,729.11
Other Non-Current Financial Assets (refer note 4)	1,035.80	-	247.13	-	788.67
Other Current Financial Assets (refer note 11)	183.80	-	123.57	-	60.23
Total	13,103.33	154.62	370.70	-	12,578.01
Financial Liabilities					
Non Current Borrowings (refer note 15)	34,046.74	-	8,232.00	-	25,814.74
Current Borrowings (refer note 17)	19,784.40	-	4,116.00	-	15,668.40
Trade Payables (refer note 18)	7,304.93	-	6.86	-	7,298.07
Other Current Financial Liabilities (refer note 19)	10,956.38	1,319.98	4.15	117.88	9,514.36
Less : Foreign Currency Hedged	12,348.00	-	12,348.00	-	-
Total	59,744.45	1,319.98	11.02	117.88	58,295.57

Sensitivity Analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against Foreign Currency at March 31 would have affected the measurement of financial instruments denominated in foreign currency and affected Equity and Profit or Loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in Lakhs)

31st March 2022	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	(23.18)	23.18	(15.08)	15.08
EUR	11.02	(11.02)	7.17	(7.17)
CNY	(16.43)	16.43	(10.69)	10.69

(₹ in Lakhs)

31st March 2021	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	(58.27)	58.27	(37.91)	37.91
EUR	17.98	(17.98)	11.70	(11.70)
CNY	(5.89)	5.89	(3.83)	3.83

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Financial Instruments – Fair Values and Risk Management (continued)

Interest Rate Risk

Interest Rate Risk is the risk that the fair value or future Cash Flows of a Financial Instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Company's Long-Term Debt obligations with floating interest rates. The Group manages its Interest Rate Risk by having balanced portfolio of fixed and variable rate Loans and Borrowings.

Exposure to Interest Rate Risk

The Group's Interest Rate Risk arises from Borrowings obligations. Borrowings is exposed to fair value interest rate risk. The interest rate profile of the Group's interest-bearing Financial Instruments as reported to the management of the Group is as follows.

Variable-Rate Instruments		**(₹ in Lakhs)**
	As at March 31, 2022	**As at March 31, 2021**
Non Current - Borrowings	76,814.40	34,046.74
Current - Borrowings	22,121.80	19,784.40
Total	**98,936.20**	**53,831.14**

Cash Flow Sensitivity Analysis for Variable-Rate Instruments

A reasonably possible change of 100 basis points in Interest Rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amounts shown below. This analysis assumes that all other variables, in particular Foreign Currency Exchange Rates, remain constant.

(₹ in Lakhs)

Particulars	**Profit or Loss**		**Equity, Net of Tax**	
	100 bps increase	**100 bps decrease**	**100 bps increase**	**100 bps decrease**
As at March 31, 2022				
Non Current - Borrowings	(768.14)	768.14	(499.72)	499.72
Current - Borrowings	(221.22)	221.22	(143.92)	143.92
Total	**(989.35)**	**989.35**	**(643.64)**	**643.64**
As at March 31, 2021				
Non Current - Borrowings	(340.47)	340.47	(221.49)	221.49
Current - Borrowings	(197.84)	197.84	(128.71)	128.71
Total	**(538.31)**	**538.31**	**(350.20)**	**350.20**

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39 Composite Scheme of Arrangement

The NCLT Ahmedabad Bench vide its order dated 03 May 2021 (the "Order"), approved the Composite Scheme of Arrangement ("the Scheme") to merge Meghmani Organics Limited (MOL) with the Holding Company along with its Trading Division and Equity Investment in the Holding Company. Pursuant to the Scheme, the Holding Company filed Information Memorandum with National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) and further filed the same with SEBI for the approval. The holding Company received final approval on August 16, 2021, pursuant to which the Holding Company was listed with NSE and BSE on August 18,2021.

Further, as per the Order, Optionally Convertible Redeemable Preference Shares (OCRPS) issued by the Holding Company to Meghmani Organics Limited is converted into equal number of Redeemable Preference Shares (RPS) with same terms and conditions and tenure. Accordingly, the RPS has been reclassified from Instruments entirely Equity in nature to Non Current Borrowings.

40 DISCLOSURE OF RATIOS

RATIO	Numerator	Denominator	Year ended March 31, 2022	Year ended March 31, 2021	% Change	Reason for variance above 25% YoY
Current Ratio	Current Assets	Current Liabilities	0.84	0.47	80%	There is improvement in Current Ratio on account of increase in current assets on account of increase in assets like Inventories and Receivables in line with increase in revenue and production.
Debt-Equity Ratio	Current Borrowings + Non Current Borrowings + Lease Payments	Shareholder's Equity	1.37	0.79	73%	Increase in borrowings is mainly on account of reclassification of OCRPS (termed as Equity) to RPS (Termed as Debt) Pursuant to Scheme of Arrangement.
Debt Service Coverage Ratio	Earnings for Debt Service = Net Profit after Taxes + Non-cash operating expenses + Interest & Lease payment + Other adjustment like loss on sale of Assets	Debt Service = Interest & Lease Payments + Principal Repayments	1.58	0.92	72%	There is improvement in Debt Service Coverage Ratio on account of better profitability and growth after considering increase in finance cost for the year.
Return on Equity Ratio	Net Profits after Taxes – Preference Dividend	Average Shareholder's Equity	35.85%	15.91%	125%	There is a improvement in Return on Equity ratio on account of better profitability. Additionally, on account of conversion of OCRPS to RPS the average equity for the period is lower than previous year.
Inventory Turnover Ratio	Revenue from Operation	Average Inventory	14.91	16.19	-8%	No major variance
Trade Receivables Turnover Ratio	Revenue from Operation	Average Trade Receivable	8.27	8.48	-2%	No major variance
Trade Payables Turnover Ratio	Total Purchase	Average Trade Payables	11.19	6.98	60%	There is increase in Trade Payable Turnover Ratio on account of increase in purchases in line with increase in operations.
Net Capital Turnover Ratio	Revenue from Operation	Working capital = Current assets – Current liabilities	-18.17	-4.00	355%	There is improvement in the Net Capital Turnover Ratio in on account of increase in revenue. However, the ratio is negative as the current ratio of the group is below 1.
Net Profit Ratio	Net Profit	Revenue from Operation	16.30%	12.17%	34%	There is improvement in Net Profit Ratio on account of increase in profitability
Return on Capital Employed	Earnings before Interest and Taxes	Capital Employed = Tangible Net Worth + Total Debt + Lease Liability + Deferred Tax Liability	28.11%	16.22%	73%	There is improvement in the Return on Capital Employed on account of increase in profitability
Return on Investment	Interest (Finance Income)	Average of Investment in Subsidiary & Bank Deposit	7.48%	8.08%	-7%	No major variance

41 Covid 19 Impact :

The Group has evaluated the impact Covid 19 pandemic on its business operations, liquidity, assets and financial position and based on management's review of current indicators and economic conditions there is no material impact and adjustments required on its financial results. However, the impact assessment of COVID-19 is a continuous process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Group will continue to monitor for material changes to future economic conditions and its impact, if any.

42 Events occurred after the Balance Sheet date

The Group evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to approval of Financial Statement to determine the necessity for recognition and/or reporting of any of these events and transactions in the Financial Statements. As of 25th April 2022 there were no material subsequent events to be recognized or reported that are not already disclosed.

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CHARTERED ACCOUNTANTS

43 (a) Information about Subsidiary

The Consolidated financial statements consists of the Holding Company Meghmani Finechem Limited and one subsidiary Company Meghmani Advanced Sciences Limited. The Subsidiary Company has share capital consisting solely of equity shares which are fully held directly by the Holding company. The subsidiary company was incorporated on January 27, 2021 in India and is yet to commence its business operations.

43 (b) Additional Information Required by Schedule III

Name of the Entity in the Group	Net Assets (Total Assets minus Total Liabilities		Share in Profit/(Loss)		Share in other Comprehensive Income/(Loss)		Share in Total Comprehensive Income/(Loss)	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/(Loss)	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
A Parent								
Meghmani Finechem Limited 31 March 2022	100%	72,596.95	100%	25,278.68	100%	(3.16)	100%	25,275.52
Meghmani Finechem Limited 31 March 2021	100%	68,413.39	100%	10,083.90	100%	(17.57)	100%	10,066.33
B Subsidiary								
(I) Indian								
Meghmani Advanced Sciences Limited 31 March 2022	-	-	-	-	-	-	-	-
Meghmani Advanced Sciences Limited 31 March 2021	-	-	-	-	-	-	-	-

44 Previous years figures have been regrouped, restated and reclassified wherever necessary to make them comparable with those of the current year.

As per our Report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. - 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Place: Ahmedabad
Date: 25.04.2022

Sanjay Jain
Chief Financial Officer

K.D. Mehta
Company Secretary

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

Maulik Patel
Chairman and Managing Director
DIN: 02006947

Kaushal Soparkar
Managing Director
DIN: 01998162

Place: Ahmedabad
Date: 25.04.2022

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all material approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

SIGNED ON BEHALF OF BOARD OF DIRECTORS:

Maulik Jayantibhai Patel

Chairman and Managing Director
DIN: 02006947

Date: 21.10.2024

Place: Ahmedabad

DECLARATION

We, the Board of Directors of the Company certify that:

I. the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

II. the compliance with the Companies Act, 2013 and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

III. the monies received under the Issue shall be used only for the purposes and objects indicated in the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

Maulik Jayantibhai Patel

Chairman and Managing Director
DIN: 02006947

Date: 21.10.2024

Place: Ahmedabad

I am authorized by the Board of Directors of the Company, *vide* resolution dated 14.08.2024, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

Maulik Jayantibhai Patel

Chairman and Managing Director
DIN: 02006947

Date: 21.10.2024

Place: Ahmedabad

ISSUER

EPIGRAL LIMITED

Registered and Corporate Office
'Epigral Tower', 5th, 6th and 7th floor,
behind Safal Profitaire, Corporate Road,
Prahladnagar, Ahmedabad - 380 015,
Gujarat, India
Telephone: +91-79-7176100/29709600
Website: www.epigral.com**; Email:** info@epigral.com;

Corporate Identity Number: L24100GJ2007PLC051717

Contact Person:

Gaurang Trivedi, Company Secretary and Compliance Officer

Details of Compliance Officer

Gaurang Trivedi
'Epigral Tower', 5^{th}, 6^{th} and 7^{th} floor,
behind Safal Profitaire, Corporate Road,
Prahladnagar, Ahmedabad - 380 015,
Gujarat, India
Tel: +91-79-7176100/29709600
Email: gaurang.trivedi@epigral.com

BOOK RUNNING LEAD MANAGER

Emkay Global Financial Services Limited
7th Floor, The Ruby
Senapati Bapat Marg, Dadar – West
Mumbai 400 028

DOMESTIC LEGAL COUNSEL TO THE COMPANY

M/s. Crawford Bayley & Co.
State Bank Buildings, 4th Floor
N.G.N. Vaidya Marg, Fort
Mumbai 400 023
Maharashtra, India

AUDITORS TO OUR COMPANY

S R B C & Co LLP
Chartered Accountants
21st Floor, B Wing, Privilon,
Ambli BRT Road, Behind Isckon Temple,
Off. S.G. Highway, Ahmedabad – 380059,
Gujarat, India.
Telephone: +91-79-66083900.
Email: abhishek.karia@srb.in
Peer Review No.: 012054
Firm Registration No.:324982E / E300003

SAMPLE APPLICATION FORM

An indicative format of the Application Form is set forth below:

(Note: The format of the Application Form included herein below is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. Our Company, in consultation with the Book Running Lead Manager, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

EPIGRAL

APPLICATION FORM

EPIGRAL LIMITED

(Epigral Limited was incorporated in the Republic of India under the provisions of Companies Act, 1956 on September 11, 2007)

Registered and Corporate Office: 'Epigral Tower', 5th, 6th and 7th floor, behind Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad - 380 015, Gujarat, India
Telephone: +91-79-7176100/29709600 | **Website:** www.epigral.com | **Email:** info@epigral.com;
CIN: L24100GJ2007PLC051717 | **LEI:** 3358008YTT28JYLL4516

Form No.:

Date:

Name of the Bidder:

____

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO APPROXIMATELY ₹ [●] CRORE UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 AND SECTION 62 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY EPIGRAL LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 2203.29 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or b) prohibited or debarred by any regulatory authority for buying or selling or dealing in securities (c) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; and (d) hold a valid and existing registration under the applicable laws in India (as applicable), and (e) are eligible to invest in the Issue and submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Non-Debt Rules"), can submit this Application Form. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdictions. You should note and observe the solicitation and distribution restrictions contained in the sections titled "*Selling Restrictions*" and "*Transfer Restrictions*" in the accompanying preliminary placement document dated October 21, 2024 ("PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA NON-DEBT RULES IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES AND LOCK-IN REQUIREMENTS. OTHER ELIGIBLE NON-RESIDENT QIBs SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA NON-DEBT RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

STATUS (Please tick for applicable category)			
FI	Scheduled Commercial Bank and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds**
NIF	National Investment Fund	**FPI**	Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Funds

To,

The Board of Directors

EPIGRAL LIMITED

Registered and Corporate Office:
'Epigral Tower', 5th, 6th and 7th floor, behind Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad - 380 015, Gujarat, India

Dear Sirs,

SI-NBFC	Systematically Important Non – Banking Financial Companies	**OTH**	Others ______________ (Please specify)

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.*
*** Sponsor and Manager should be Indian owned and controlled.*

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. In addition, we confirm that we are eligible to invest in the Equity Shares under the SEBI ICDR Regulations, Reserve Bank of India circulars, and other applicable laws. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non-Debt Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are not an FVCI. We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits under applicable laws and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Application Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with Emkay Global Financial Services Limited (the "**Book Running Lead Manager**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the confirmation of allocation note ("**CAN**"), when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Application Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Application Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Application Amount has been /will be transferred from a bank account maintained in our name and in case we are joint holders, from the bank account of the person whose name appears first in the Application Form We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Application Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Application Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; and; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Gujarat at Ahmedabad (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and/or submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Book Running Lead Manager, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Book Running Lead Manager or from any other source, including publicly available information; (2) we will abide by the Preliminary Placement Document and the Placement Document, this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the Book Running Lead Manager, and the submission of this Application Form and payment of the corresponding Application Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Book Running Lead Manager. (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (10) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the Preliminary Placement Document and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or the Equity Shares offered in the Issue have not, been and the Application Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws and that the Equity Shares are only being made on behalf of the Eligible QIB and offered and sold only outside the United States in in "offshore transactions" as defined in, and in compliance with, Regulation S; (15) we are located outside the United States (as defined in Regulation S) and we are not submitting this Application Form is unsigned, from outside the United States and not as a result of any "directed selling" efforts (as defined in Regulation S)

We confirm that we are eligible to invest and hold the Equity Shares of the Company in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	
MOBILE NO.			
LEI			
EMAIL ID			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO.		
FOR MF	SEBI MF REGISTRATION NO		
FOR AIFs***	SEBI AIF REGISTRATION NO.		
FOR VCFs***	SEBI VCF REGISTRATION NO.		
FOR SI-NBFC	RBI REGISTRATION DETAILS		
FOR PENSION FUNDS	PFRDA REGISTRATION DETAILS.		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS.		

**Name should exactly match with the name in which the beneficiary account is held. Application Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the Book Running Lead Manager.*

*** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares held by us in the Company, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the Book Running Lead Manager has relied on the information provided by the RoC for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

NO. OF EQUITY SHARES BID FOR		PRICE PER EQUITY SHARE (RUPEES)		APPLICATION AMOUNT (RUPEES)	
(In Figures)	(In Words)	(In Figures)	(In Words)	(In Figures)	(In Words)

DEPOSITORY ACCOUNT DETAILS				
Depository Name (Please ✓)		National Security Depository Limited		Central Depository Services (India) Limited
Depository Participant Name				
DP – ID	I N			
Beneficiary Account Number				(16-digit beneficiary account. No. to be mentioned above)

PAYMENT DETAILS | REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 12:00 PM (IST), [●] ("ISSUE CLOSING DATE")

BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	**EPIGRAL LIMITED - QIP 2024 ESCROW ACCOUNT**	**Account Type**	Current Account - Escrow Account
Name of Bank	Kotak Mahindra Bank Limited	**Address of the Branch of the Bank**	Shop No. 6 & 7,shidhivinayak Complex, Shivranjini Char Rasta, Satellite
Account No.	0249883716	**IFSC**	KKBK0000810
LEI No.	3358008YTT28JYLL4516		

The demographic details like address, bank account details, etc. will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Application Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

The Application Amount should be transferred pursuant to this Application Form within the Issue Period. All payments must be made only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Application Amount should be made along with this Application Form on or before the closure of the Issue Period i.e. prior to or on the Bid/Issue Closing Date. All payments must be made in favour of "*Epigral Limited QIP Escrow account*". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in this Application Form.

You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Company and the Book Running Lead Manager shall not be liable in any manner for refunds that are not processed due to incorrect bank details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Mobile No.	________________________ Email: ________________________		

OTHER DETAILS	
PAN	
Date of Application	
Legal Entity Identifier Code ("**LEI**")	
Signature of Authorised Signatory (may	

ENCLOSURES ATTACHED
☐ Copy of PAN Card or PAN allotment letter**
☐ FIRC
☐ Copy of the SEBI registration certificate as a Mutual Fund
☐ Copy of the SEBI registration certificate as an Eligible FPI
☐ Copy of the SEBI registration certificate as an AIF
☐ Copy of the SEBI registration certificate as a VCF
☐ Certified copy of certificate of registration issued by the RBI as an SI-NBFC/

be signed either physically of digitally)			a scheduled commercial bank ☐ Copy of the IRDA registration certificate ☐ Copy of notification as a public financial institution ☐ Certified true copy of the power of attorney ☐ Other, please specify __________________

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*

***It is to be specifically noted that the Bidder should not submit the GIR number or any other identification number instead of the PAN, as the applications are liable to be rejected on this ground, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein. This Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.
Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Company in consultation with the Book Running Lead Manager.