August 16, 2024

Ref. No.: **AIL/SE/33/2024-25**

To,

**BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001, MH.

Scrip Code: **543534**

**National Stock Exchange of India Limited**
Exchange Plaza,
Bandra Kurla Complex, Bandra (E),
Mumbai-400051, MH.

Symbol: **AETHER**

Dear Madam / Sir,

**Subject: Annual Report for the FY 2023-24**

In accordance with Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Annual Report for the FY 2023-24, including the Notice of the 12th Annual General Meeting (includes e-voting instructions), is annexed herewith.

The Annual Report is dispatched electronically to Members whose e-mail id is registered with the Company / Registrar & Share Transfer Agent / Depositories.

The above document is also available on website of the Company, accessible at:
**https://aether.co.in/wp-content/uploads/2024/02/Annual%20Report%20FY%202023-24.pdf**

We request you to kindly take the information on your records.

Thank you.

**For Aether Industries Limited**

AETHER INDUSTRIES LIMITED SURAT

**Chitrarth Rajan Parghi**
Company Secretary & Compliance Officer
Mem. No.: F12563

Encl.: As annexed

CHITRARTH RAJAN PARGHI
Digitally signed by CHITRARTH RAJAN PARGHI
Date: 2024.08.16 17:14:53 +05'30'



**Aether Industries Limited**
**Registered Office:** Plot No. 8203, GIDC Sachin, Surat-394230, Gujarat, India.
**Phone:** +91-261-6603000 || **Email:** accounts@aether.co.in || **Web:** www.aether.co.in II **CIN:** L24100GJ2013PLC073434
**Factory:** Plot No. 8203, Beside Shakti Distillery, Near Rajkamal Chokdi, Road No. 8, Sachin GIDC, Sachin, Surat-394230, Gujarat, India.

# ANNUAL REPORT

2023-24

aether
elementally innovative

**Conceptualized & Designed by Aether**
Ms. Heer Patel | Creative Specialist | Email: heer@aether.co.in

Registered Office
Plot No. 8203, GIDC Sachin, Surat - 394230, Gujarat, India

Board Line: +91-261-6603000
Email ID: info@aether.co.in
Website: www.aether.co.in

# INNOVATION FOR A SUSTAINABLE FUTURE

# " I firmly believe in laying the groundwork ahead of the ever-growing opportunities "

On behalf of the Board of Directors of Aether Industries Limited, it is my privilege to present the Annual Report for the Fiscal Year 2024. This report encapsulates the Company's performance over the past year and our ongoing narrative of growth.

The most unfortunate event of this Fiscal Year was the fire accident that claimed the lives of our people. I am deeply saddened for their loss and extend my heartfelt condolences to the families of the deceased team members of Aether Industries Limited. We are thoroughly committed to undertake all the crucial corrective and preventive measures to prevent such accidents from occurring in the future.

I would like to express my sincere gratitude to our shareholders for their unwavering faith in our Company during the challenges we faced in Fiscal Year 2024. Your steadfast support is invaluable as we continue to navigate our path towards new milestones in the coming years.

The success of our Initial Public Offering (IPO) in June 2022, made possible by the unwavering support of our esteemed shareholders, marked a significant milestone for Aether Industries. This success was followed by a second round of fundraising in June 2023 through a Qualified Institutions Placement (QIP), at a notable valuation of INR 12,000 crores. This strategic initiative not only underscores our commitment to delivering value to our stakeholders but also positions us for further expansion and innovation within the dynamic landscape of specialty chemicals and intermediates.

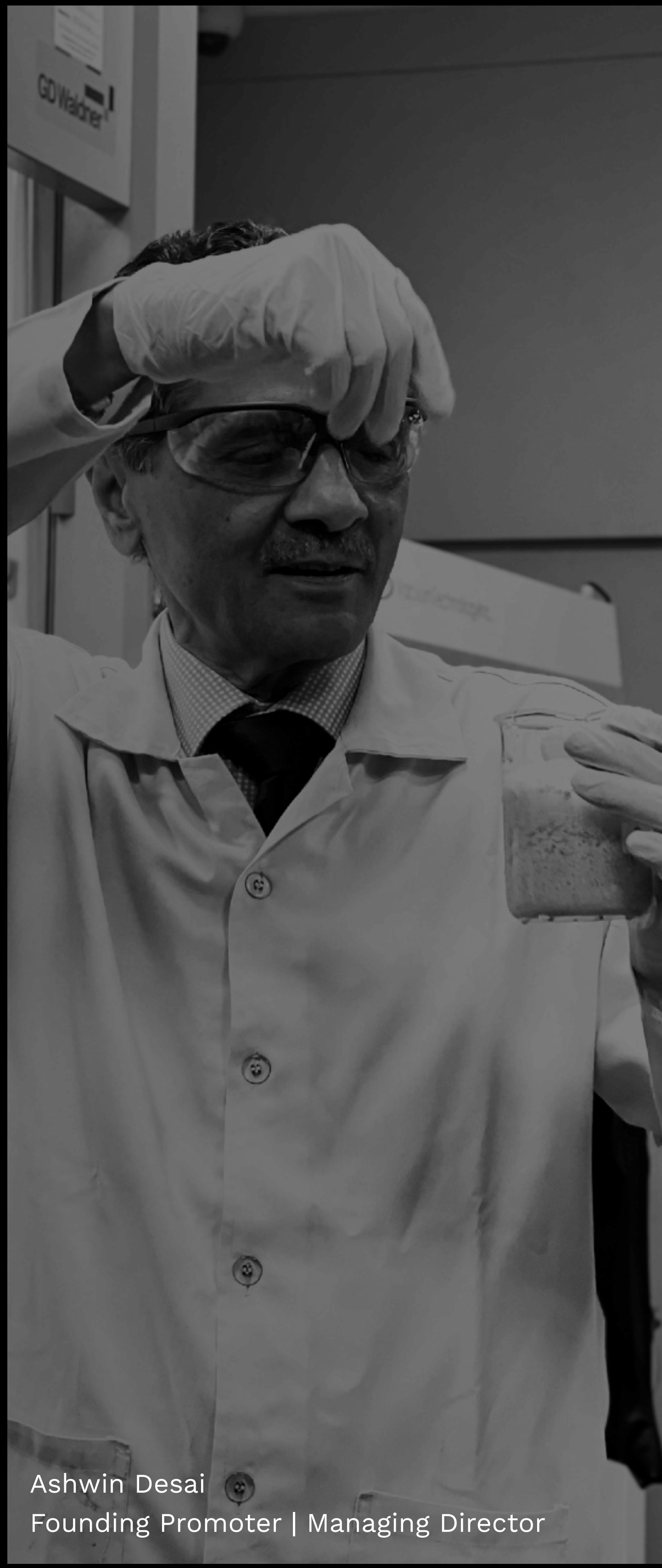
The past year has been fraught with challenges, particularly due to the fire incident at our Manufacturing Facility 2 on November 29, 2023, which significantly impacted our human capital. We have ensured the best possible treatment and rehabilitation for the injured and their families. Moreover, we have provided compensation and lifelong support to the families of the deceased, including job opportunities, educational support for children, and assistance to elderly parents. The closure of the site, mandated by the GPCB, had a temporary impact on our manufacturing operations. Additionally, the broader operating environment presented hurdles, including volatile macroeconomic conditions, ongoing geopolitical tensions, sectoral slowdowns due to inventory de-stocking, margin pressures from aggressive competition, particularly from Chinese players, and increased working capital requirements. Despite the turbulence, we stand strong on our mettle, because of our competencies and team's resilience integrated with our stakeholders' trust. I reaffirm that the well-being of our human capital is of the utmost significance to us. We have undertaken a comprehensive corrective and preventive action plan to mitigate operational risks and implemented the same beginning from R&D, pilot - level to manufacturing. In line with that, we have optimally restructured our SOPs, safety protocols with a special focus on reactive chemistry by working closely with the industry experts and regulatory authorities. These improvements and enhancements have been implemented across all our manufacturing sites.

We have brought about hierarchical changes to bolster a strategic direction. We have onboarded Dr. James W. Ringer as our CTO, who has been associated with us since past few years as a Business Development Leader for the Americas and also SMP. We are in the process of hiring a head of operations who will look over the operations at all sites. Various other changes are anticipated, which will be done in the next Fiscal Year, which will be for the benefit of the Company as a whole.

Capex at greenfield manufacturing site 3++, site 5 (Phase One) are progressing well as planned. We have commercialised our greenfield manufacturing facility 4, under our wholly owned subsidiary in March 2024.

I firmly believe in laying the groundwork ahead of the significant opportunities and ever-growing demand in our R&D and Pilot Plant facility. Our ongoing efforts to enhance our capabilities through incremental Greenfield expansions and advanced chemical reaction capabilities, from R&D to commercial scale, require the strong belief and backing of our esteemed stakeholders. With your continued support, I am confident that we will reach even greater heights on this remarkable journey.

We look forward to the ongoing support from all stakeholders, including our employees, shareholders, bankers, government agencies, departments, and society at large, as we aspire to achieve new heights in the future.



Ashwin Desai
Founding Promoter | Managing Director

# 01 ABOUT AETHER

# Introduction

## “ Young and dynamic Aetherians add more fuel to the success of Our Company ”

Aether Industries Limited, based in Surat (Gujarat, India), focuses on producing advanced intermediates and specialty chemicals involving complex and differentiated chemistry and technology core competencies. Our products find application in the pharmaceutical, agrochemical, material science, coating, high-performance photography, additive, and oil and gas segments of the chemical industry.

Our business was started in Fiscal Year 2013 with a vision to create a niche in the global chemical industry with a creative approach towards chemistry, technology, and systems that would lead to sustainable growth. In the first phase of our development through Fiscal Year 2017, we focused on building our team and infrastructure and on our R&D centred around building our core competencies. Our revenue generation operations commenced with our second phase in Fiscal Year 2018. We are a growing specialty chemical company in India, growing at a CAGR of nearly 28.74% between Fiscal Year 2018 and Fiscal Year 2024. The foundation of our Company is our in-house research and development capabilities. Our chemistry and technology core competencies and all of our products have been developed by our own R&D team, scaled up in our Pilot Plant, and launched into production employing in-house design and engineering.

Aether Industries Limited is backed by well-experienced Promoters, Board Members, various KMPs, SMPs, and a dedicated team which has been instrumental in the growth of the Company. These all are termed as “Aetherians” and the average age of them is 29 years as of March 31, 2024. Young, dynamic, and eager-to-learn people add more fuel to the success of the Company.

The Company got listed very successfully in June 2022, with a very good valuation and then the same was followed by a Qualified Institutional Placement (QIP) in June 2023, with a much better valuation. This shows the interest and belief the investors have in the Story of Aether, which includes its Chemistries, Technologies, Systems, and the dedicated team.

The Company has expanded its business and has been able to showcase its expertise by manufacturing mostly all the products for the first time in India, giving competition to Chinese manufacturers, who have been into the manufacture of such products for the last few decades.



# Qualified Institutional Placement (QIP)



## QIP Successfully completed of

# ₹7,500MM

With Investments from Marquee Investors, believing in Aether's story and future plans

Overall support from | The Promoters, the Board of Directors & Aetherians

## Objects of the issue

| Funding Capex at Site - 3 | Funding Capex at Site - 5 | Funding Working Capital | General Corporate Purposes |
|---|---|---|---|
| 1,830 | 3,300 | 450 | 1,705 |

# Timeline

(00)

## 2013

Aether Incorporated

- Registration procedure
- Incorporation
- Aether is born.

(01)

## 2014

Developed AIRIS

- Implementation of AIRIS
- SAP B-1 ERP System
- Team Aether grows > 50
- R&D / Pilot Plant - Mfg. Facility 1

(02)

## 2015

Land Acquisition

- 10,500 Sq. Mtrs. for Mfg. Facility 2
- Construction for Mfg. Facility 2
- Team Aether grows > 100

(03)

## 2016

Commercialisation

- Commercialisation of Mfg. Facility 2
- Commercial Production - 4MEP
- Team Aether grows > 200

(04)

## 2017

Expansion QA/QC

- Expansion of QA / QC at Mfg. Facility 1
- Team Aether grows > 300

(05)

## 2018

₹ 1,000 MM

- Revenue ₹ 1,000 MM
- Commercial Production - OTBN

(06)

## 2019

₹ 2,000 MM

- Revenue ₹ 2,000 MM
- Commercial Production - MMBC
- Team Aether grows > 400

# Timeline (cont...)

(07)

## 2020

₹ 3,000 MM

- Revenue ₹ 3,000 MM
- Pilot Plant and R&D Expansions
- R&D Received DSIR recognition
- Team Aether grows > 500
- Start Solvent Recovery Plant

(08)

## 2021

Launched BFA

- Commercial Production - BFA
- Land - 5,250 Sq. Mtrs for Mfg. Facility 3
- Revenue ₹ 4,500 MM
- Aether team grows > 700

(09)

## 2022

Land for Site 5 & IPO

- Land - 1,25,000 Sq. Mtrs. - for Mfg. Facility 5
- Revenue ₹ 6,000 MM
- Successful IPO - valuation of ₹ 80,000 MM
- Land - 2,600 Sq. Mtrs for Mfg. Facility 3
- Commercial Production - IDB & 10MISB
- Inauguration of revamped R&D and Pilot Plant

(10)

## 2023

Launched ISBCC

- Commercialisation of Mfg. Facility 3
- Land - 2,600 Sq. Mtrs for Mfg. Facility 3
- Commercial Production - ISBCC
- Aether team grows > 880

(11)

## 2024

QIP

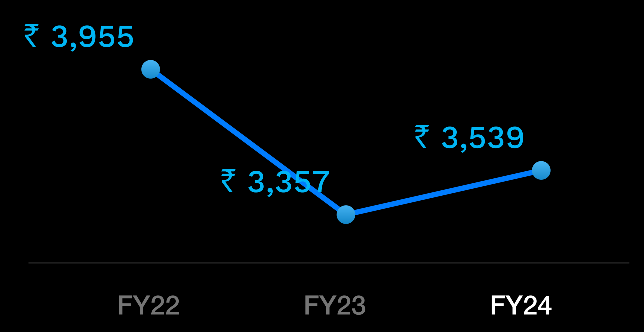
- Successful QIP - valuation of ₹ 1,20,000 MM
- Contract with Saudi Aramco Tech. Co.
- LOI with Baker Hughes
- Dr. James Ringer appointed CTO
- Awards to Aether - D&B and SBI

# Business Models

## 59%

### Large Scale Manufacturing

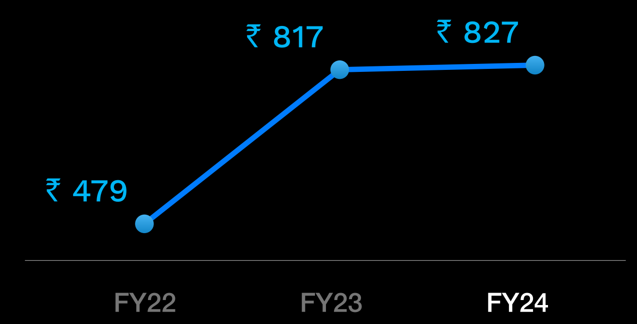
Advanced intermediates and speciality chemicals with application across the industry spectrum




## 14%

### Contract Research & Manufacturing Services

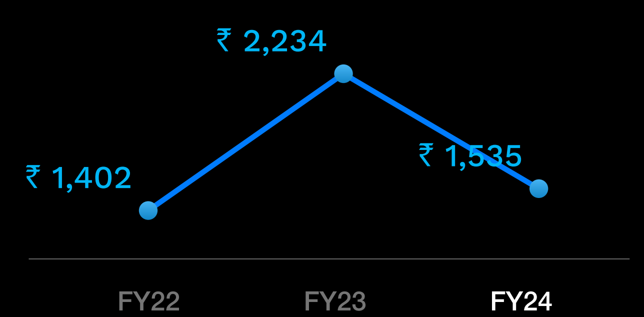
Contract research, scale-up services, technology development, low volume high value contract manufacturing



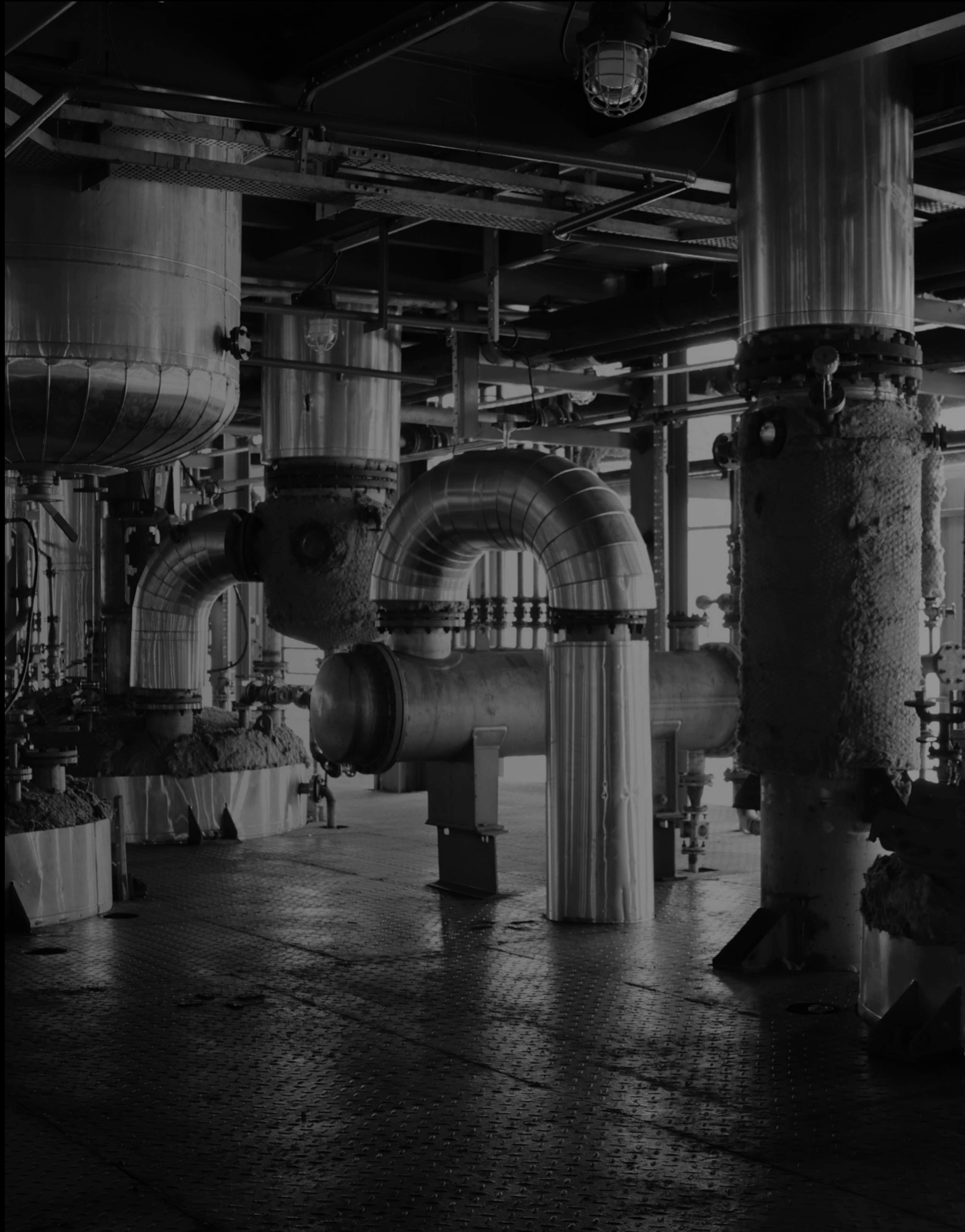

## 26%

### Contract | Exclusive Manufacturing

Manufacture under contractual supply agreements with MNCs





# " Those who innovate today, the future belongs to them "

It is with great privilege that I address our esteemed shareholders in this 3rd Annual Report of Aether Industries Limited, following our successful listing on the bourses. As we forge ahead, pioneering innovation and technological advancement in the chemical industry, we celebrate the completion of 11 prosperous years since our inception and continue to thrive with remarkable resilience.

Although, we had been well-known for practicing benchmark safety protocols, last year marked a huge setback because of the fire accident that took place at our Manufacturing Facility 2, in the face of a challenging business environment, which had put us on a back foot for a brief time. Consequently, we made a shift in our focus to fortify the existing safety protocols in an aggressive manner as well as implement incremental safety measures. Despite the unfortunate turn of events in this Fiscal Year 2024, impacting overall performance, we were able to sail through majorly because of our team's resilience and our stakeholders' steadfast belief in us.

The well-being of our people remains our foremost priority. I extend my deepest condolences and solidarity to the victims of the fire accident and their families. We have ensured the best possible rehabilitation and treatment for those affected, and we are committed to providing lifelong support to the families of the deceased. Our approach with regulatory bodies has been one of complete cooperation and transparency. We have conducted a thorough root cause analysis and identified immediate corrective and preventive measures to prevent any recurrence of such incidents in the future.

In the face of these unprecedented challenges, all three of our business models demonstrated resilience, with LSM leading the way, followed by CEM and CRAMS. Our CRAMS portfolio has shown consistent year-on-year growth, and we anticipate significant traction in the coming fiscal year with new projects and an expanding customer base across the industry spectrum. We are particularly optimistic about several products in our pilot plants, poised to transition from the CRAMS portfolio to the CEM portfolio.

Research & Development (R&D) and Pilot Plant infrastructure continue to be the cornerstone of Aether's journey. R&D remains instrumental in breaking new ground with innovative technologies and products, reinforcing our market-leading position. With our roots deeply ingrained in research and development, we have consistently invested in R&D and pilot plant assets, infrastructure, and manpower. This commitment is reflected in our R&D expenses, which account for 15.43% of our total revenue, supported by a robust R&D team of 276 employees. This ongoing investment ensures the vitality of our R&D pipeline, with numerous projects spanning all three of our business models.

We continue to strengthen our foothold with our well-laid expansion plans. We have successfully operationalised manufacturing site - 4 in March 2024 dedicated to our wholly owned subsidiary Aether Specialty Chemical Ltd. It is aligned with the LOI that we have signed with the one of the largest US based oil-field drilling services company and will be currently dedicated to contract/exclusive manufacturing. The SSA for the same is anticipated in Q1FY25 and commercial production is expected to begin by H1FY25. The Site 3++ is advancing well with all the regulatory approvals in place, civil construction being done along with the procurement of machineries and equipments. This Greenfield manufacturing site is anticipated to be commissioned by end of FY25. Upon commissioning, we are planning to launch products under LSM and CEM business models which are as usual painstakingly developed at our R&D and scaled-up in our Pilot Plant. The development of first phase at Site 5 is progressing well with the vision of a massive industrial estate with more than 16 production blocks anticipated to be put up overall, each production block to be ground+4 structures with more than 500 reactors combined in the 16 production blocks. This Site-5 will incorporate global best practices towards sustainability, carbon neutrality, and renewable energy-based resources. This Site-5 will also be designed and built well above global engineering technology and safety design standards and will represent the face of Aether's production capabilities and will be a milestone step in Aether's transition to a major global specialty chemical manufacturer.

We are proud to announce the first commercialization of the novel Converge Polyol technology, led by H.B. Fuller, one of the largest U.S.-based adhesives manufacturers. Developed in collaboration with Saudi Aramco Technologies Company, this technology offers sustainable solutions to our customers. Additionally, we have partnered with Novoloop to pioneer a first-of-its-kind Lifecycling technology, paving the way for a circular plastic future. This technology offers an economical and sustainable solution for hard-to-recycle plastics, with operations set to begin in Q1 FY25 at our newly built pilot plant dedicated to the project. Another significant breakthrough last year was the strategic agreement with a major global lithium-ion battery producer, marking our entry into specialized electrolyte additive products. These additives are partially commercialized, and we anticipate a gradual scale-up in the next fiscal year, solidifying our position as a premier provider of sustainable solutions.

Dr. James Ringer was onboarded as our CTO who is a well-accredited R&D professional with the career spanning more than 3 decades in the Chemical development space with Dow Chemical Company in the USA at an R&D Director level. He will be jointly overseeing the R&D and technology verticals of the company. Under his leadership, we look forward to manoeuvring to greater heights in strategic innovation and technical leadership in cementing our place as a preferred partner for chemical development and scale-up across the industry spectrum. Additionally, we are in the process bringing about further hierarchical changes by hiring or internally promoting personnel at CXO level.

We are actively engaged in implementing energy efficient strategies aiming at conserving electricity with our 16 MW power plant which is operating at an impressive 85% utilisation aiding in saving a substantial amount of overhead. We have further invested in 15 MW power plant with auto-tracker solar power panel modules which will substantially decrease our reliance on conventional energy resources.

## " Fundamental Base of Aether Remains Strong & Uniquely Positioned, which is evident from our expansion plans & New Unique Partnerships "

We remain committed to fostering a conducive environment for the development of our talented team, recognizing that their growth is pivotal to our company's sustainable success. Our collaboration with prestigious institutions such as NCL Pune, ICT Mumbai, and SVNIT Surat exemplifies our dedication to nurturing intellectual minds and emerging leaders, driving innovation forward.

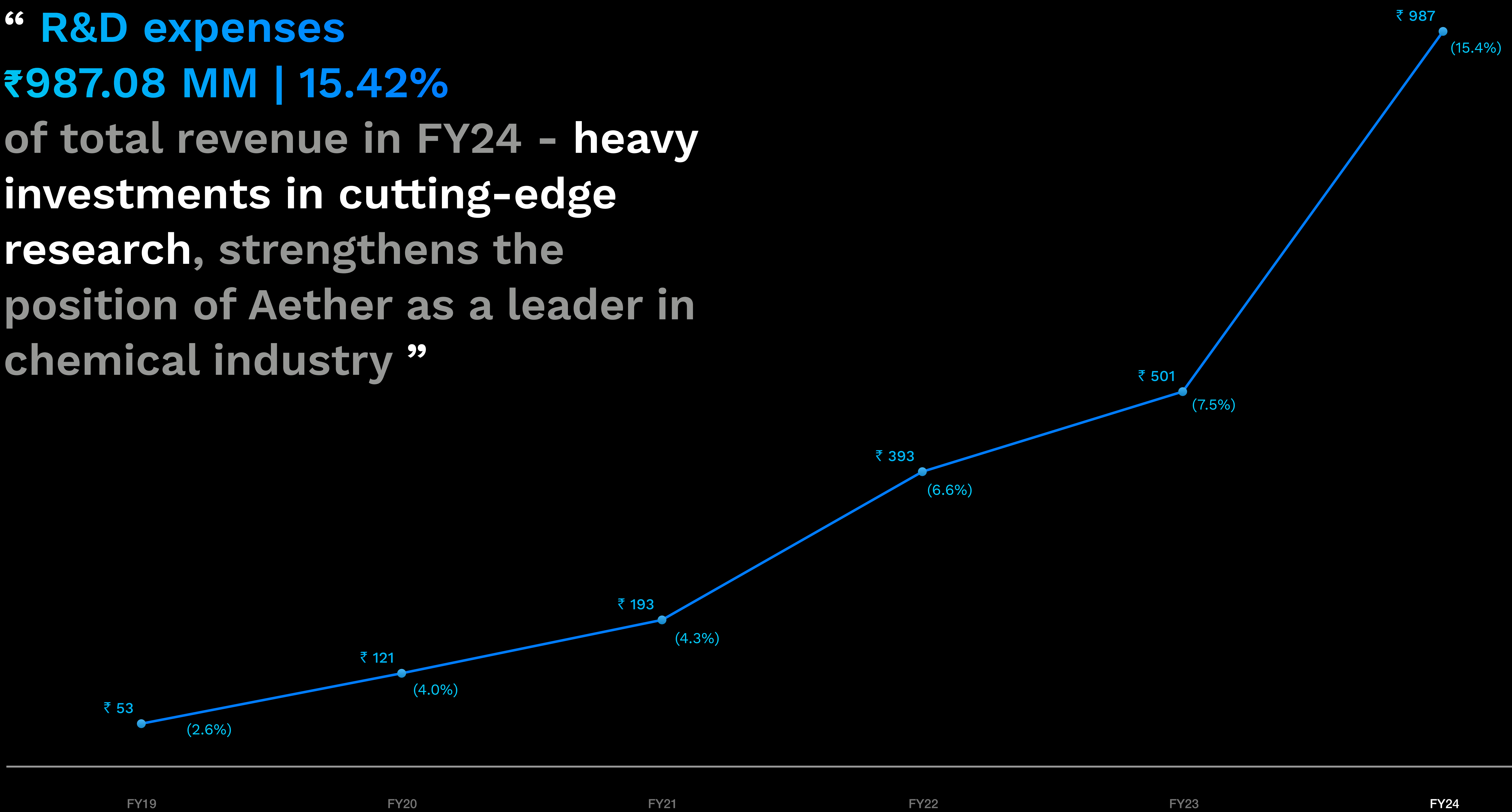
Though the sectoral environment remains challenging, I firmly believe these difficulties are transient and will soon dissipate. The current era offers immense opportunities for the Indian specialty chemical industry to flourish, especially as the West faces saturation, stricter environmental norms, and a growing interest in the China+1 initiative, with global innovators seeking to diversify their supply chains and favourable macroeconomic trends emerging for India.

As we consistently tread our path towards expanding a value-accretive business, we strive to advance on the forefront of augmenting manufacturing technologies, with an emphasis on automation in our multi-faceted operations and further our credibility globally as well as implement sustainable business practices across all the business segments.

On behalf of Aether Industries, I would like to extend my deepest gratitude and appreciation to all our stakeholders for their continued support.

Dr. Aman Desai
Promoter | Whole time Director

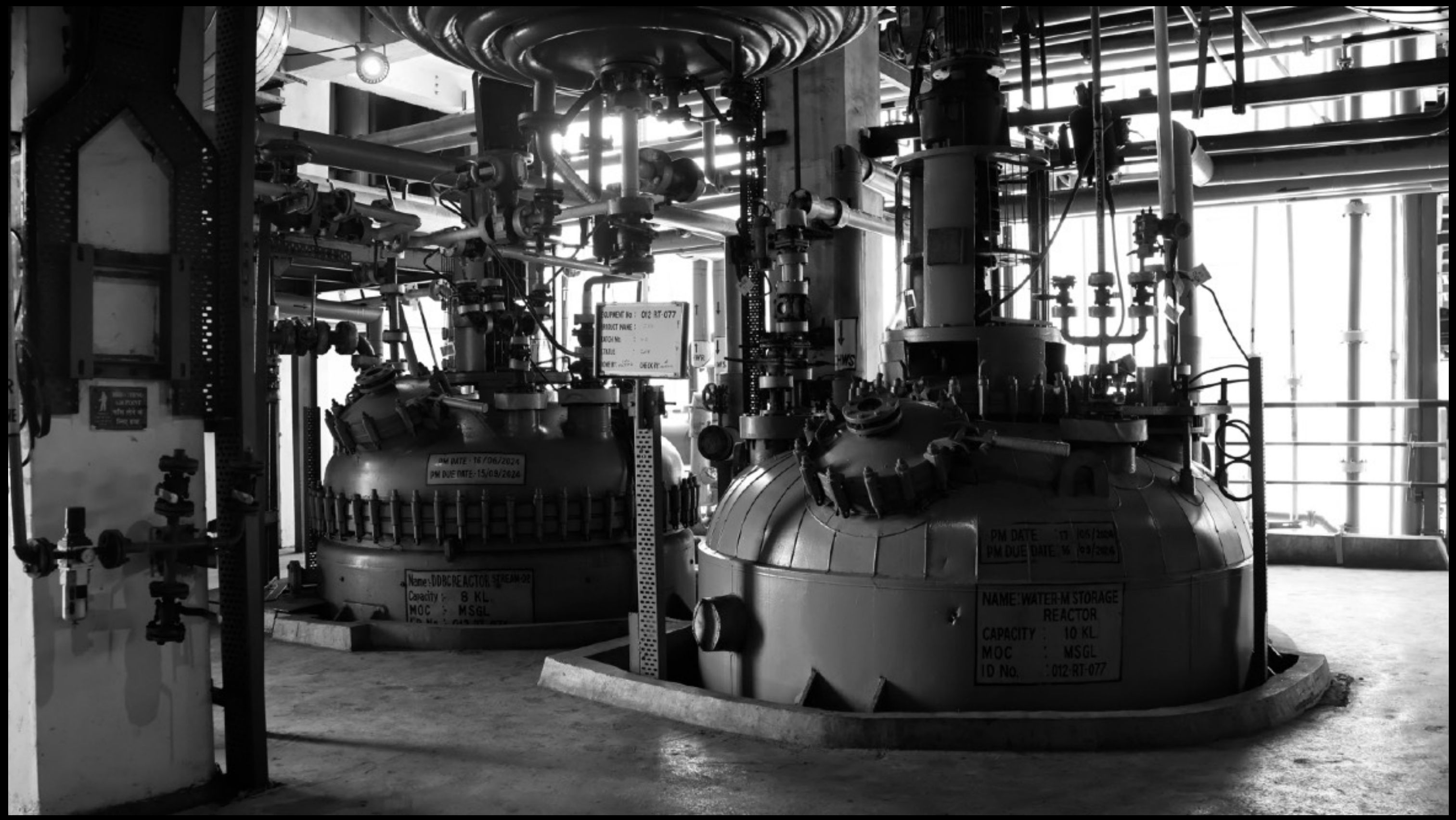
“ **R&D expenses**
**₹987.08 MM | 15.42%**
of total revenue in FY24 - **heavy investments in cutting-edge research**, strengthens the position of Aether as a leader in chemical industry ”



# Oil field Company

Aether Industries Limited, signed a Letter of Intent (LoI) with one of the top 3 leading global Oil Field Services companies based in USA towards the finalization of a strategic supplier and contract manufacturing partnership.

The LoI specifies 4 strategic products of the new customer that will be contract manufactured by Aether as the first set of products in this new partnership. The individual volumes of these 4 products is also specified in the LoI, and totals to 1,325 MT per month (i.e. ~ 16 KTA or 16,000 MT per year). These products will be supplied to the global energy and oil and gas locations of the customer, including a significant supply within India.





# Converge polyols technology and product series

Aether Industries Limited has inked a license agreement with Saudi Aramco Technologies Company, Saudi Arabia, for the commercialization of the sustainable Converge polyols technology.

The agreement formally initiates Aether's activities towards the manufacturing and commercialization at Aether of the Converge polyols technology and product series, the manufacturing process for which has been previously jointly developed and validated at pre-commercial scale by Aramco and Aether. The agreement also captures the next set of important milestones.

## Sustainable alternatives that enhances performance

Aether Industries, H.B. Fuller, and Saudi Aramco Technologies Company jointly announce the first commercialization of the sustainable Converge® polyols technology.

H.B. Fuller is one of the world's largest adhesives manufacturer based in the US. The novel Converge® platform demonstrates the potential for carbon footprint reduction when compared to industry-standard polyols. This announcement further underscores our collaborative endeavours in the CASE industry to identify sustainable alternatives that not only enhance performance but also prioritise sustainability.

## Carbon footprint reduction of unto 91%

Novoloop Breaks Ground on Pilot Plant with Aether,
Paving the Way for a Circular Plastic Future

Novoloop's Lifecycling™ technology provides an economical and sustainable solution to hard-to-recycle plastics. By using highly scalable mechanisms of oxidation to convert post-consumer polyethylene into useful monomers for durable materials, Novoloop expects to provide its products at prices competitive with fossil-based products. Furthermore, an ISO-compliant life cycle assessment shows that Novoloop monomers can realize a carbon footprint reduction of up to 91% when compared to the conventional process of producing adipic acid.

# Partnership with Global Lithium-Ion battery producer

Aether Industries executes strategic agreement with Global Lithium-Ion Battery Producer to announce entry in the electrolyte additives space

Aether Industries Limited (NSE: AETHER, BSE: 543534), one of India's leading specialty and fine chemical manufacturers and a preferred provider of Contract Research and Manufacturing Services, has executed a strategic agreement and contract with a global lithium-ion battery producer, thereby announcing Aether's entry in the electrolyte additives and battery space. The agreement includes the commercial supply finalisation of one specific electrolyte additive and initiates the discussion on three others.

Commenting on the agreement, Dr. Aman said, "We are excited to announce this new partnership and strategic agreement with our new customer, a global lithium-ion battery producer. We are equally excited to announce Aether's entry in the electrolyte additives and battery space. As the world marches on towards de- carbonisation and sustainable practices, I don't need to emphasise the promise and tremendous opportunities that exist in this space for the speciality chemical industry. We have been developing products for this field for a long time but wanted to make it public knowledge only after securing a substantial commercial contract with a global lithium-ion battery producer, which I am happy to say that the current agreement has accomplished. Finally, coupled with our recent announcements with Saudi Aramco Technologies Company on the commercialisation of the sustainable Converge® polyols technology and multiple ongoing projects and research within Aether, I am happy to report that Aether is firmly established as a premier India-based provider of sustainable and carbon neutral chemistry solutions across the industry spectrum."



# Appointment of Chief Technology Officer (CTO)

Dr James Ringer appointed as the CTO of the company with effect from the opening business hours of March 1, 2024

Bachelor's Science (Purdue Univ. USA) and PhD Organic Chemistry (Univ. Wisconsin, USA)
> 30 years at The Dow Chemical Company (and subsidiaries) at various positions - Leader R&D Director
Co-inventor on 22 USA patents, published worldwide.
Already been working with Aether as a Business Development Leader since 3 years.
Now, leading R&D and technology functions with focus on process safety

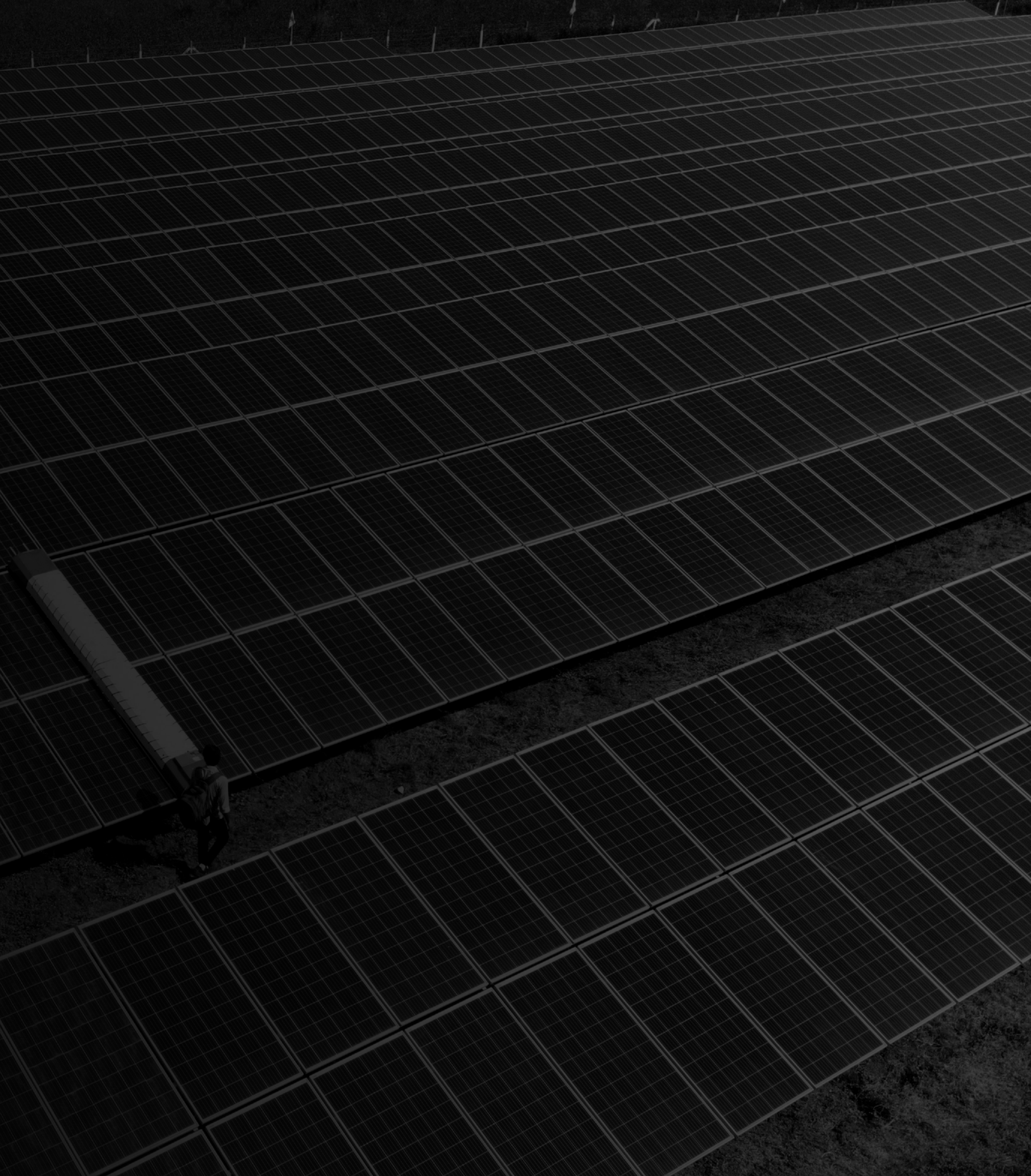
Dr. James (Jim) W. Ringer is a dynamic leader recognised for creating innovation and personnel strategies. Demonstrated ability to generate significant value through building exceptional teamwork and organisational culture with strong personnel development, technical excellence, and project portfolio.

# “ Solar Power Plant - 15MW with Auto Tracker - Smart Solar Innovation ”

The execution of this new solar power plant order, with auto-tracker modules has started from the date of order and is scheduled to be completed in the FY 2024-25, in phases with an initial commissioning of 5 MW in Q1FY25.

This order holds immense significance for our Company, marking a significant leap forward in our Company’s unwavering commitment to sustainability. This will meet the energy requirement of the Company’s manufacturing facilities by replacing the conventional energy sources with renewable alternative.

This cutting-edge auto-tracker Solar Power Plant system optimizes energy capture by automatically adjusting the solar panels to follow the sun's trajectory, maximizing efficiency and output. The solar power plant not only underscores our commitment to sustainable energy but also significantly reduces our carbon footprint. By integrating this innovative solution, Aether Industries continues to lead in environmental responsibility while powering our operations with clean, renewable energy.



# At the Helm

**Dr. Aman Desai**
Promoter, Whole-time Director
10+ years experience in
Specialty Chemical Industry

**Rohan Desai**
Promoter, Whole-time Director
Extensive experience in
Specialty Chemical Industry

**Purnima Desai**
Promoter, Whole-time Director
Multiple decades experience in
Specialty Chemical Industry

**Ashwin Desai**
Founding Promoter, Managing Director,
Decades of experience in
Specialty Chemical Industry



**Kamalvijay Tulsian**
Chairman,
Non-Executive Director
Decades of experience in
Textile and Chemical Industry

**Jeevan Lal Nagori**
Non-Executive
Independent Director
34 years experience in
Chemical Industry

**Leja Hattiangadi**
Non-Executive
Independent Director
Decades of experience in
Engineering Contracting /
Chemical Industry

**Dr. Amol Kulkarni**
Non-Executive
Independent Director
Experience as a Scientist

**Ishita Manjrekar**
Non-Executive Director
Experience in Chemical
Industry

**Arun Kanodiya**
Non-Executive
Independent Director
15+ years of experience
as Chartered Accountant

**Jitendra Vakharia**
Non-Executive
Independent Director
Decades of experience in
Chemical and Textile Industry

**Rajkumar Borana**
Non-Executive
Independent Director
Extensive experience in
Textile Industry

## Key Managerial Personnel

Chief Technology Officer (New)
Dr. James W. Ringer

Chief Financial Officer
CA Faiz A. Nagariya

Company Secretary & Compliance Officer
CS Chitrarth R. Parghi

## Statutory Auditor

Birju S. Shah & Associates
113, International Business Centre,
Nr. Big Bazar, Piplod, Dumas Road,
Surat-395007, Gujarat, India

## Cost Auditor

Ashvin Ambaliya & Associates
B/29, Danev Ashish Society,
Nr. Dhanmora Chikuwadi Road, Katargam,
Surat-395004, Gujarat, India

## Secretarial Auditor

Dhirren R. Dave & Company
B-103, International Commerce Centre,
Nr. Kadiwala School, Ring Road,
Surat-395002, Gujarat, India

## Registrar & Share Transfer Agent

Link Intime India Private Limited
C 101, 1st Floor, 247 Park,
L. B. S. Marg, Vikhroli (West),
Mumbai 400083, Maharashtra, India
Phone: +91 22 4918 6200
Email: rnt.helpdesk@linkintime.co.in
Web: www.linkintime.co.in

## Registered Office

Aether Industries Limited
Plot No. 8203, GIDC Sachin,
Surat-394230, Gujarat, India
Phone: +91-261-6603000
Email: info@aether.co.in
Web: www.aether.co.in
CIN: L24100GJ2013PLC073434

## USA Office

6004, Harwood Drive, Midland,
Michigan, 48640, USA

## Europe Office

Bruchweg 32,
47608 Geldern, Germany

## Solar Power Plants (New)

Long Leased

Block No. 433-436, 454, Sarod, Jambusar,
Bharuch-392150, Gujarat, India

Block No. 454-457, Sarod, Jambusar,
Bharuch-392150, Gujarat, India

Block No. 431/P1, 431/P2, 432 & 433 Sarod, Jambusar,
Bharuch-392150, Gujarat, India

New Block No. 716, 717 & 719, Vagra, Bhesan,
Bharuch-392012, Gujarat, India

New Block No. 619, Vagra, Bhesan,
Bharuch-392012, Gujarat, India

New Block No. 639, Vagra, Bhesan,
Bharuch-392012, Gujarat, India

## Manufacturing Facilities

Long Leased - GIDC

**Manufacturing Facility 1**
Plot Nos. B-21/5 and B-21/7 SUSML,
Road No. 3, Hojiwala Industrial Estate,
Sachin, Surat-394230, Gujarat, India

**Manufacturing Facility 2**
Plot No. 8203, GIDC Sachin,
Surat-394230, Gujarat, India

**Manufacturing Facility 3**
Plot No. 8202/1, GIDC Sachin,
Surat-394230, Gujarat, India

**Manufacturing Facility 3** (under construction)
Plot No. 8202/2/A, GIDC Sachin,
Surat-394230, Gujarat, India

**Manufacturing Facility 5** (under construction)
Plot No. 14+15, GIDC Panoli,
Bharuch-394115, Gujarat, India

**Manufacturing Facility 4** (New)
(Aether Speciality Chemicals Limited)
Plot No. 362/363, GIDC Sachin,
Surat-394230, Gujarat, India

## Warehouses

Long Leased

Plot No. C-24/23, Hojiwala Industrial Estate,
Sachin, Surat-394230, Gujarat, India

Plot No. 822, GIDC Sachin,
Surat-394230, Gujarat, India

Plot No. 6714, GIDC Sachin,
Surat-394230, Gujarat, India

Plot No. 8206/A, GIDC Sachin,
Surat-394230, Gujarat, India

Plot No. 8208/1 and 2-P, GIDC Sachin,
Surat-394230, Gujarat, India

Plot No. C-24/9, Hojiwala Industrial Estate, Sachin,
Surat-394230, Gujarat, India

Plot No. C-24/10, Hojiwala Industrial Estate, Sachin,
Surat-394230, Gujarat, India (Long Leased)

# Presence

# 02 FINANCIAL HIGHLIGHTS

# “ Customer - Centric, People - Focused, Future - Ready ”

As I reflect on the past year, it is impossible to overlook the profound impact of the recent fire accident on our operations. The well-being of our employees remains our highest priority, and our immediate focus was on providing the best possible care and compensation for those affected. This unforeseen event presented formidable challenges, but our response has been characterized by steadfast commitment and resilience. Our dedicated team has worked tirelessly to restore the facility and bring production streams back online, adhering meticulously to all regulatory and statutory requirements.

In the wake of the fire, we received a closure notice from the Gujarat Pollution Control Board (GPCB), resulting in a 39-day shutdown of Manufacturing Facility 2. At the beginning of Q4, we announced the partial reopening of the facility, operating at 50% capacity by February 2024. This incident had financial repercussions, but we have lodged a claim of INR 1,000 million with our insurance company to cover the loss of fixed assets, inventory, and profits. We also incurred one-time costs to compensate the families of the deceased and cover treatment expenses for the injured. We anticipate receiving an on-account payment in Q1 FY25, indicating the insurance company’s acceptance of our claim.

The chemical sector has faced numerous challenges this fiscal year. Intense competition from Chinese players, bolstered by extensive government incentives and a depreciating Chinese currency, has led to price erosion and compressed margins. Additionally, global demand in the agrochemical segment remained soft due to inventory rationalization. Despite these hurdles, we have successfully diversified across various industries, including oil-field drilling services, electronic chemicals, sustainable polyols, circular plastic recycling technology, and numerous other rapidly advancing projects within our R&D and pilot plant facilities. Our business model witnessed significant contributions from Large Scale Manufacturing (LSM), which generated INR 3,539.49 million, accounting for 59% of our revenue. Contract/Exclusive Manufacturing (CEM) contributed INR 1,534.53 million (26%), and Contract Research and Manufacturing Services (CRAMS) brought in INR 826.61 million (14%). Our domestic revenue constituted 57%, with exports making up the remaining 43%.

The future of the Indian chemical sector appears promising, buoyed by substantial FDI inflows and the introduction of Production-Linked Incentive (PLI) schemes by the government. Global innovators are increasingly looking to diversify their supply chains into India, driven by stringent pollution control norms in Western countries and the growing adoption of the China+1 strategy. With our state-of-the-art R&D and manufacturing facilities and a proven track record of collaboration with global leaders, we are well-positioned to capitalize on this potential.

Despite challenges such as the fire accident and competitive pressures from China, we have closed the fiscal year on a positive note and are optimistic about the future. We are committed to excelling in the specialty chemicals industry, leveraging our assets, technologies, and well-developed R&D capabilities to fuel our growth. In conclusion, I extend my heartfelt gratitude to all our stakeholders for their unwavering support and to our Board of Directors for their invaluable insights and guidance. Together, we stand poised for a bright and promising future.

Rohan Desai
Promoter | Whole time Director

# Financial Growth

In ₹ MM, unless otherwise stated

For the year ended March 31,

| Particulars (Standalone) | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Income | | | | | |
| Revenue from operations | ₹ 5,956.69 | ₹ 6,510.74 | ₹ 5,900.47 | ₹ 4,498.16 | ₹ 3,018.06 |
| Other Income | ₹ 442.64 | ₹ 165.65 | ₹ 69.74 | ₹ 39.73 | ₹ 19.75 |
| Total income | ₹ 6,399.33 | ₹ 6,676.39 | ₹ 5,970.21 | ₹ 4,537.89 | ₹ 3,037.81 |
| Expenses | | | | | |
| COGS | ₹ 3,757.87 | ₹ 3,796.14 | ₹ 3,585.21 | ₹ 2,249.16 | ₹ 1,729.90 |
| Changes in inventories | (₹ 564.42) | (₹ 622.76) | (₹ 704.88) | ₹ 57.72 | (₹ 168.35) |
| Employee benefits expense | ₹ 386.11 | ₹ 344.57 | ₹ 270.44 | ₹ 221.13 | ₹ 133.76 |
| Finance costs | ₹ 85.17 | ₹ 50.93 | ₹ 131.21 | ₹ 113.15 | ₹ 93.76 |
| Depreciation and amortisation | ₹ 394.15 | ₹ 232.45 | ₹ 154.87 | ₹ 110.11 | ₹ 78.48 |
| Other expenses | ₹ 1,062.66 | ₹ 1,130.27 | ₹ 1,068.63 | ₹ 848.56 | ₹ 605.19 |
| Total expenses | ₹ 5,121.54 | ₹ 4,931.60 | ₹ 4,505.48 | ₹ 3,599.83 | ₹ 2,472.74 |
| PBT before exceptional items | ₹ 1,277.79 | ₹ 1,744.79 | ₹ 1,464.73 | ₹ 938.06 | ₹ 565.07 |
| Exceptional items | ₹ 137.62 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Profit before tax | ₹ 1,140.17 | ₹ 1,744.79 | ₹ 1,464.73 | ₹ 938.06 | ₹ 565.07 |
| Tax expense: | | | | | |
| Current tax | ₹ 172.90 | ₹ 311.22 | ₹ 338.73 | ₹ 201.00 | ₹ 121.92 |
| Deferred tax | ₹ 86.29 | ₹ 129.39 | ₹ 36.72 | ₹ 25.87 | ₹ 43.59 |
| Total Tax Expenses | ₹ 259.19 | ₹ 440.61 | ₹ 375.45 | ₹ 226.87 | ₹ 165.51 |
| Profit for the period (A) | ₹ 880.98 | ₹ 1,304.17 | ₹ 1,089.29 | ₹ 711.19 | ₹ 399.56 |
| Other comprehensive (loss)/income | | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | | |
| Remeasurement of defined benefit liability / (asset) | (₹ 4.46) | (₹ 1.67) | (₹ 1.98) | (₹ 0.86) | (₹ 3.16) |
| Income tax relating to the above | ₹ 1.12 | ₹ 0.42 | ₹ 0.50 | ₹ 0.22 | ₹ 0.92 |
| Total others (B) | (₹ 3.34) | (₹ 1.25) | (₹ 1.48) | (₹ 0.64) | (₹ 2.24) |
| Total comprehensive income for the period (A+ B) | ₹ 877.64 | ₹ 1,302.93 | ₹ 1,087.81 | ₹ 710.55 | ₹ 397.32 |
| Earnings per equity share [nominal value of ₹ 10] | | | | | |
| Basic | ₹ 6.74 | ₹ 10.47 | ₹ 9.67 | ₹ 7.36 | ₹ 4.24 |
| Diluted | ₹ 6.74 | ₹ 10.47 | ₹ 9.67 | ₹ 7.36 | ₹ 4.24 |



In ₹ MM, unless otherwise stated

For the year ended March 31,

| Particulars (Consolidated) | 2024 | 2023 |
|---|---|---|
| Income | | |
| Revenue from operations | ₹ 5,981.72 | ₹ 6,510.74 |
| Other Income | ₹ 392.07 | ₹ 165.65 |
| Total income | ₹ 6,373.80 | ₹ 6,676.39 |
| Expenses | | |
| COGS | ₹ 3,774.13 | ₹ 3,796.14 |
| Changes in inventories | (₹ 564.95) | (₹ 622.76) |
| Employee benefits expense | ₹ 386.25 | ₹ 344.57 |
| Finance costs | ₹ 85.17 | ₹ 50.93 |
| Depreciation and amortisation | ₹ 396.65 | ₹ 232.45 |
| Other expenses | ₹ 1,063.82 | ₹ 1,130.30 |
| Total expenses | ₹ 5,141.06 | ₹ 4,931.63 |
| PBT before exceptional items | ₹ 1,232.74 | ₹ 1,744.76 |
| Exceptional items | ₹ 137.62 | ₹ 0.00 |
| Profit before tax | ₹ 1,095.12 | ₹ 1,744.76 |
| Tax expense: | | |
| Current tax | ₹ 172.90 | ₹ 311.22 |
| Deferred tax | ₹ 97.32 | ₹ 129.39 |
| Total Tax Expenses | ₹ 270.22 | ₹ 440.61 |
| Profit for the period (A) | ₹ 824.90 | ₹ 1,304.15 |
| Other comprehensive (loss)/income | | |
| Items that will not be reclassified subsequently to profit or loss | | |
| Remeasurement of defined benefit liability / (asset) | (₹ 4.46) | (₹ 1.67) |
| Income tax relating to the above | ₹ 1.12 | ₹ 0.42 |
| Total others (B) | (₹ 3.34) | (₹ 1.25) |
| Total comprehensive income for the period (A+ B) | ₹ 821.57 | ₹ 1,302.90 |
| Earnings per equity share [nominal value of ₹ 10] | | |
| Basic | ₹ 6.31 | ₹ 10.47 |
| Diluted | ₹ 6.31 | ₹ 10.47 |

# Financial Growth (cont...)

In ₹ MM, unless otherwise stated

| | For the year ended March 31, | | | | |
|---|---|---|---|---|---|
| Particulars (Standalone) | 2024 | 2023 | 2022 | 2021 | 2020 |
| EBITDA (₹ In MM) | ₹ 1,176.86 | ₹ 1,862.51 ₹ | 1,681.07 | ₹ 1,121.59 | ₹ 717.56 |
| EBITDA Margin (%) | 19.76% | 28.61% | 28.49% | 24.93% | 23.78% |
| PAT (₹ In MM) | ₹ 880.98 | ₹ 1,304.17 | ₹ 1,089.29 | ₹ 711.19 | ₹ 399.56 |
| PAT Margin (%) | 13.77% | 19.53% | 18.25% | 15.67% | 13.15% |
| ROCE (%) | 4.77% | 14.28% | 23.96% | 28.50% | 26.07% |
| Debt-Equity Ratio (Times) | 0.06 | 0.00 | 0.74 | 1.19 | 2.18 |
| Return on Net Worth (%) | 4.26% | 10.48% | 28.16% | 40.79% | 51.04% |

In ₹ MM, unless otherwise stated

| | For the year ended March 31, | |
|---|---|---|
| Particulars (Consolidated) | 2024 | 2023 |
| EBITDA (₹ In MM) | ₹ 1,184.87 | ₹ 1,862.49 |
| EBITDA Margin (%) | 19.81% | 28.61% |
| PAT (₹ In MM) | ₹ 824.90 | ₹ 1,304.15 |
| PAT Margin (%) | 12.94% | 19.53% |
| ROCE (%) | 4.70% | 14.28% |
| Debt-Equity Ratio (Times) | 0.08 | 0.00 |
| Return on Net Worth (%) | 4.00% | 10.48% |

Notes

(a) EBITDA is calculated as profit before tax + depreciation and amortisation expense + finance costs - other income
(b) EBITDA Margin is calculated as EBITDA divided by revenue from operations
(c) PAT is the Profit for the period
(d) PAT Margin is calculated as profit for the period/year divided by total income
(e) ROCE is calculated as earnings before interest and taxes divided by Capital Employed
(f) Debt-Equity Ratio is calculated as Debt divided by total equity
(g) Return on Net Worth is calculated as profit for the period/year divided by Net Worth



# " Stable Growth with Bright Outlook ahead "

The financial growth rate indicates how much a company's finances have increased over a certain period. This measure allows a company to evaluate the growth of key financial metrics such as earnings and revenue. Earnings, or after-tax net income, reflect the company's profits and are the most scrutinized figure in its financial statements. Revenue, often termed the lifeblood of a business, is essential for growth and expansion. Together, revenue, profit margins, and other financial ratios shape a company's future prospects.

Aether Industries, established in 2013, began generating revenue in Fiscal Year 2017 with the opening of Manufacturing Facility 2 at GIDC Sachin. Prior to this, from 2013 to 2017, the company focused on R&D, developing new and advanced specialty chemicals and intermediates. Revenue generation started in the last quarter of Fiscal Year 2017, with approximately ₹250 MM in revenues with profits, marking the beginning of financial journey for Aether. Since then, the company has experienced continuous growth in revenues and margins, maintaining this trend and planning for further expansion.

In just eight years of commercial production, Aether reported ₹6,399 MM in revenue for Fiscal Year 2024 (₹6,676 MM in Fiscal Year 2023). This revenue stems from three robust business models: Large Scale Manufacturing (LSM), Contract Research and Manufacturing Services (CRAMS), and Contract/Exclusive Manufacturing (C/E M). In Fiscal Year 2024, these models contributed ₹3,539 MM (Fiscal Year 2023: ₹3,357 MM), ₹827 MM (Fiscal Year 2023: ₹817 MM), and ₹1,535 MM (Fiscal Year 2023: ₹2,234 MM), respectively. While LSM and CRAMS showed minimal growth, the C/E M model saw a decline due to a downturn in the agrochemicals industry.

Aether has achieved a compound annual growth rate (CAGR) of nearly 28.74% between Fiscal Year 2018 and Fiscal Year 2024. Revenue from operations increased at a CAGR of 27.54%, from ₹1,085 MM in Fiscal Year 2018 to ₹5,957 MM in Fiscal Year 2024. Export revenue (including deemed exports) grew at a CAGR of 30.90%, from ₹391 MM in Fiscal Year 2018 to ₹2,575 MM in Fiscal Year 2024.

The Cost of Goods Sold (COGS) increased from 48.74% in Fiscal Year 2023 to 53.61% in Fiscal Year 2024, primarily due to a fire accident at Manufacturing Facility 2 in November 2023, which reduced revenue from operations. This increase in COGS also resulted from reduced manufacturing and the write-off of ₹139 MM in semi-finished goods damaged by the fire. The stock loss has been reported to the insurance company as a claim.

The fire incident at Manufacturing Facility 2 on November 29, 2023, stalled the company's financial growth. The facility was completely shut down by government authorities, with partial revocation orders received in January 2024 to restart unaffected parts. Due to this fire accident, the company incurred one-time expenses totalling ₹281 MM, including:



**₹55 MM** in compensation to the families of 11 deceased team members
**₹30 MM** for medical treatment of injured team members
**₹5 MM** in penalties from GPCB
**₹30 MM** for increased insurance premiums
**₹4 MM** in legal and professional expenses
**₹18 MM** in various incidental expenses
**₹139 MM** in stock write-offs

These one-time expenses accounted for 4.39% of total revenue and 4.72% of revenue from operations, significantly impacting the company's margins.

In Fiscal Year 2023, Aether commissioned a 16MW solar power plant for its Manufacturing Units 1, 2, and 3, saving ₹130 MM in electricity expenses in Fiscal Year 2024 (₹60 MM in Fiscal Year 2023). This reduced electricity costs to 2.10% of total revenue in Fiscal Year 2024, down from 2.87% in Fiscal Year 2023. Taking into account the benefits attached to the renewable source of energy, which has considerably reduced the electricity cost of the Company, a new order for 15MW Solar Power Plant (with auto tracker modules) has been given by the Company in February 2024.

Despite rising utility and other costs, the company reduced power and fuel expenses as a percentage of total revenue to 4.20% in Fiscal Year 2024, down from 5.45% in Fiscal Year 2023, mainly due to lower steam costs.

Finance costs increased to 6.16% of total revenue in Fiscal Year 2024, up from 3.48% in Fiscal Year 2023, primarily due to using bank facilities for working capital after utilizing IPO-driven funds.

While EBITDA and PAT margins declined year-over-year, the company's net worth increased due to raising ₹7,500 MM through a Qualified Institutional Placement (QIP) in June 2023. This funding supports its Master Site Plan (MSP) and various expansion projects. EBITDA margins decreased from 30.38% in Fiscal Year 2023 to 25.31% in Fiscal Year 2024, and PAT margins fell from 13.77% to 9.53%. These declines were mainly due to the fire incident and reduced average selling prices caused by competition from Chinese manufacturers.

As a result, the company's Earnings Per Share (EPS) declined year-over-year, partly due to the increased number of shares from the QIP in June 2023 and partly due to the reduction in revenues and margins year-over-year.

# 03 FINANCIAL SNAPSHOT

Financial Snapshot

# Sustainable alternatives that enhances performance

"The past year has presented challenges across several sectors, including a downturn in demand from the agrochemicals industry, aggressive dumping from China leading to a reduction in average selling prices, and the unfortunate fire accident at Manufacturing Facility 2 in November 2023. These factors collectively contributed to a decline in our revenues, EBITDA margins, and PAT margins.

We remain steadfast in our focus on optimizing the working capital cycle, with a strong commitment to bringing it down to more efficient levels in the near future. While we have made progress in reducing our debtor days, inventory days saw an increase in Fiscal Year 2024. This was primarily due to the restart of Manufacturing Facility 2 in February 2024, following the fire accident, which led to higher in-process inventory levels for many of our products as of March 31, 2024.

The funds raised from the Qualified Institutions Placement (QIP) in June 2023 are being deployed in alignment with the objectives outlined in our offer document. We are optimistic that our expansion projects at Site 3++ and the first phase of Site 5 will proceed according to the planned commissioning schedule. Site 4, commissioned under our wholly owned subsidiary, Aether Specialty Chemicals Limited, began operations in March 2024, also funded through the QIP.

The unwavering support of our investors, who have stood by us since our IPO in Fiscal Year 2023 and continued through the QIP in Fiscal Year 2024, has been invaluable. Even during the challenging period following the fire accident, their confidence in our vision and growth prospects has remained strong. We are committed to justifying this trust as we navigate these challenges and work towards a prosperous future for the company and its stakeholders."

- Faiz Nagariya (Chief Financial Officer)

**Standalone** (INR MM)

| | Revenue | EBITDA | PAT |
|---|---|---|---|
| FY24 | 6,399 | 1,619 (25%) | 881 (14%) |
| | ↓ 4% | ↓ 20% | ↓ 32% |
| FY23 | 6,676 | 2,028 (30%) | 1,304 (20%) |

**Consolidated** (INR MM)

| | Revenue | EBITDA | PAT |
|---|---|---|---|
| FY24 | 6,374 | 1,576 (25%) | 825 (13%) |
| | ↓ 5% | ↓ 22% | ↓ 37% |
| FY23 | 6,676 | 2,028 (30%) | 1,304 (20%) |

# Financial Capital

In Fiscal Year 2024, our financial capital has been pivotal in navigating challenges, particularly a slowdown in the agrochemicals sector and disruptions from the fire at Manufacturing Facility 2. Despite these headwinds, we have laid the foundation for sustainable growth and innovation in the specialty chemicals sector.

### Revenue and Profitability

We faced several challenges, including reduced demand from key sectors, aggressive pricing by Chinese competitors, and operational setbacks due to the fire incident. These factors affected our revenues, EBITDA, and profit margins. Nonetheless, our proactive strategies have allowed us to maintain financial stability and continue fostering innovation.

### Capital Investment and Allocation

Our strategic capital investments, supported by the successful QIP in June 2023, are fuelling the expansion of manufacturing capabilities at Site 3++ and the initial phase of Site 5. The commissioning of Site 4 by Aether Specialty Chemicals Limited in March 2024 marks a significant milestone, enhancing our production capacity and market presence.

### Working Capital Management

Efficient working capital management remains a focus. While we have reduced debtor days, the restart of Manufacturing Facility 2 increased inventory days due to in-process stock. We are refining our inventory practices to improve efficiency and maintain liquidity for ongoing operations and future investments.

### Financial Resilience and Investor Trust

Our financial resilience has been supported by the trust and engagement of our investors, following our IPO in Fiscal Year 2023 and the recent QIP. This confidence has reinforced our stability and supported our strategic initiatives.

### Outlook and Strategic Focus

We are committed to leveraging our financial resources to drive innovation, expand manufacturing capabilities, and enhance our market position. Our focus will be on optimizing capital structure, pursuing strategic investments, and maintaining disciplined financial management to capitalize on emerging opportunities and deliver sustainable value.

Despite various challenges, including Chinese market pressures, a slowdown in agrochemicals, and the fire incident, we achieved a revenue of ₹6,399 MM. Our Large Scale Manufacturing and CRAMS business models saw modest increases of 5.44% and 1.23%, respectively, while the Contract/Exclusive Manufacturing model experienced a 31.30% decline due to the agrochemical sector's slowdown.



INR MM

| | |
|---|---|
| **6,399** Total Revenue | **20,689** Net Worth |
| **1,619** EBITDA | **25.31%** EBITDA MARGIN |
| **881** PAT | **13.77%** PAT Margin |

FY24

# Manufacturing Capital

The backbone of operations and the catalyst for growth at Aether Industries, the Manufacturing Capital, is pivotal in driving our success in the specialty chemicals industry. Our commitment to innovation, quality, and operational excellence is reflected in the continued expansion and optimization of our manufacturing infrastructure.

### Expansion and Capacity Building

Despite of challenges posed by some internal as well as external factors, Fiscal Year 2024 witnessed significant advancements in our manufacturing capabilities. The successful commissioning of Manufacturing Facility 4 under our wholly owned subsidiary, Aether Specialty Chemicals Limited, in March 2024, is a testament to our strategic vision. This state-of-the-art facility has been designed to meet the stringent demands of the specialty chemicals market, ensuring that we remain at the forefront of industry innovation.

With the help of the QIP done in June 2023, our ongoing projects at Manufacturing Facility 3++ and the first phase of Manufacturing Facility 5 are progressing as planned, with regulatory approvals secured and construction well underway. These expansions are integral to our growth strategy, enhancing our ability to meet increasing global demand while maintaining the highest standards of safety, quality, and environmental sustainability.

### Resilience Amidst Challenges

The fire incident at Manufacturing Facility 2 in November 2023 posed a significant challenge, temporarily impacting our operational capacity. However, our swift and decisive response, characterized by rigorous safety reviews and the implementation of enhanced protocols, allowed us to resume partial operations by February 2024. We have since operated at 50% capacity and are on track to fully restore production streams in the near future. This resilience underscores our commitment to maintaining operational continuity, even in the face of unforeseen events.

### Focus on Operational Excellence

Operational excellence for Aether Industries always remains at the core of our manufacturing philosophy. We have continued to invest in advanced manufacturing technologies, including automation and process optimization, to improve efficiency, reduce costs, and minimize environmental impact. Our commitment to sustainability is further exemplified by the integration of energy-efficient systems and renewable energy sources across our facilities, including the development of a 15 MW power plant with auto-tracker solar power panels, for savings in energy costs, which is advancement to the 16 MW power plane with static solar power panels, commissioned in Fiscal Year 2023.

### Quality and Safety

Quality and safety are non-negotiable pillars of our manufacturing operations. In the aftermath of the fire incident at our Manufacturing Facility 2, we conducted a comprehensive root cause analysis and have since implemented stringent corrective and preventive measures across all our facilities. This includes a thorough review and update of our Standard Operating Procedures (SOPs), safety protocols, and emergency response plans. We continue to work closely with industry experts and regulatory authorities to ensure that our manufacturing practices meet and exceed global safety standards.

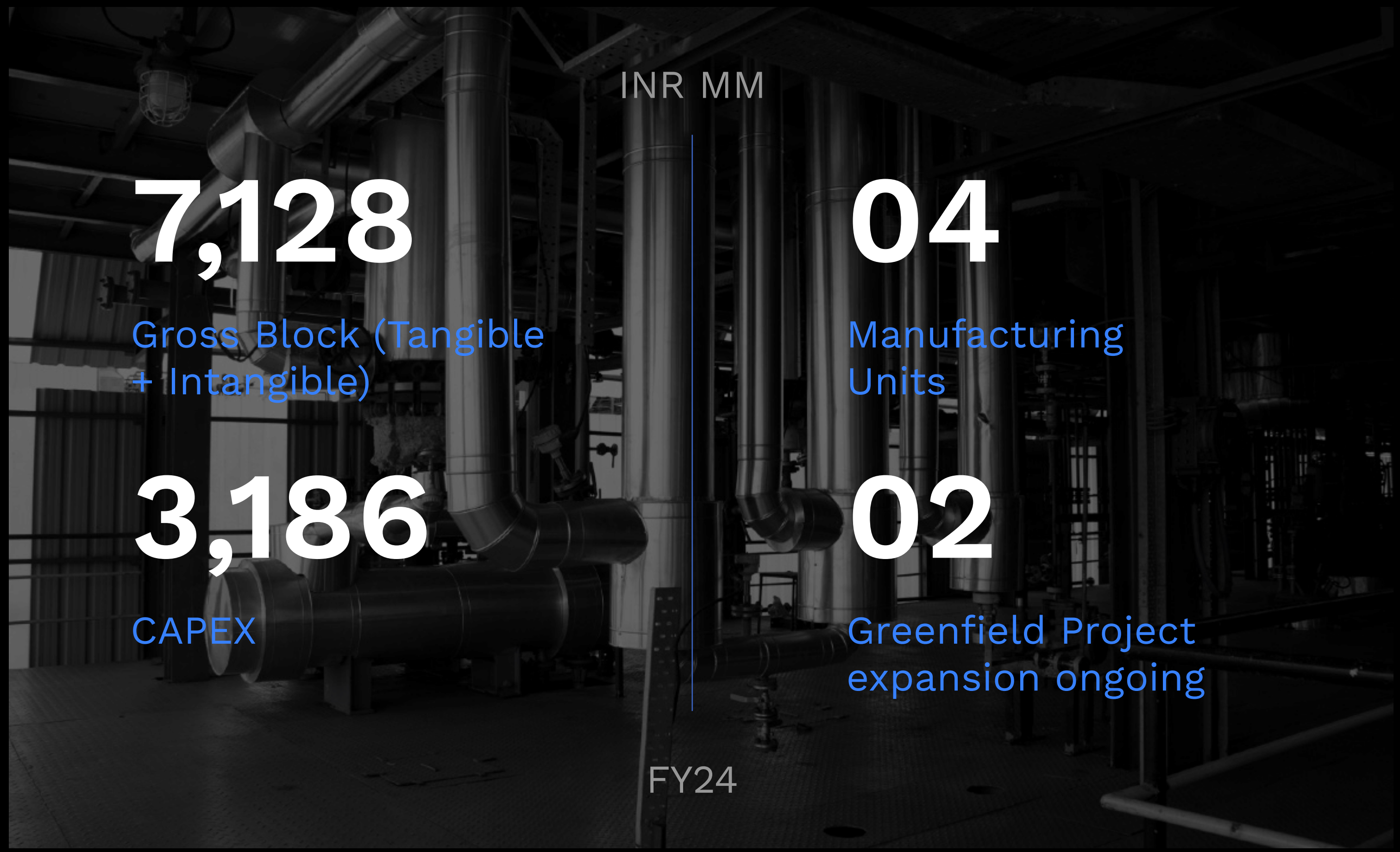


### Innovation and R&D Integration

R&D has always been the core and backbone to the success of Aether Industries. Our manufacturing sites are closely integrated with our Research & Development (R&D) efforts, ensuring a seamless transition from innovation to commercialization. This synergy allows us to rapidly scale up new products from our world's largest Pilot Plant production to large-scale manufacturing, meeting the evolving needs of our customers while maintaining a competitive edge in the market. The ongoing development of specialized facilities dedicated to emerging technologies, such as circular plastic recycling and advanced polyol production, positions us as a leader in sustainable chemical manufacturing.

### Outlook and Strategic Priorities

As we move forward, our focus remains on expanding our manufacturing footprint, optimizing operational efficiency, and driving innovation across all our facilities, which will be backed up by our R&D and Pilot Plant. We are committed to maintaining the highest standards of safety, quality, and environmental stewardship, ensuring that our Manufacturing Capital continues to be a key driver of our long-term success. With a robust pipeline of projects and a strong emphasis on sustainability, we are well-positioned to meet the challenges and opportunities of the future, delivering value to our stakeholders and advancing our leadership in the specialty chemicals industry.



# Human Capital

At the core of Aether Industries' success is our most valuable asset—our people. Human Capital reflects the expertise, innovation, and dedication of our workforce, driving our growth and leadership in the specialty chemicals industry.

## Culture of Safety and Well-being

Employee well-being is paramount. Following the fire at Manufacturing Facility 2 in November 2023, our commitment to safety has been reinforced. We provided immediate care to those affected and comprehensive support to their families. Our safety protocols have been thoroughly reviewed and enhanced, fostering a culture where safety is prioritized and every individual feels secure and valued.

## Talent Development and Continuous Learning

We invest in our employees' growth to sustain our competitive edge. This year, we expanded our learning programs and offered targeted training to help employees refine their skills and adapt to industry demands. Collaborations with leading institutions like NCL Pune, ICT Mumbai, and SVNIT Surat emphasize our dedication to nurturing future leaders and innovators.

## Diversity and Inclusion

Diversity drives innovation at Aether Industries. Our diverse workforce enriches our organization, and we are committed to fostering an inclusive environment where everyone can thrive. We intensify our efforts to promote gender diversity, particularly in leadership roles, and support the empowerment of women within our organization and communities.

## Employee Engagement and Well-being

Engaged employees are key to our success. We have introduced various initiatives to enhance engagement, ensuring our team members are motivated and aligned with our vision. Our focus on mental and physical well-being includes wellness programs, mental health support, and flexible work arrangements, promoting a healthy work-life balance.

## Innovation through Collaboration

Our success in innovation is linked to a collaborative spirit. We encourage teamwork and open communication, allowing employees to share ideas and challenge conventions. This approach extends to partnerships with academic institutions, industry experts, and global leaders, keeping us at the forefront of technological advancements.

## Future-Ready Workforce

We are preparing a workforce that is agile and adaptable. Investment in skills such as digitalization, automation, and sustainability equips our employees to excel in a rapidly changing industry, fostering a culture of continuous improvement and lifelong learning.



## Recognition and Rewards

Recognizing and rewarding contributions is fundamental to our philosophy. Our performance management system aligns individual goals with organizational objectives, ensuring excellence is acknowledged. Our competitive compensation and benefits packages reflect our commitment to attracting and retaining top talent.

## Conclusion

Our Human Capital strategy underscores that our people are crucial to our success. By investing in their development, well-being, and engagement, we enhance our competitive advantage and foster a positive, innovative workplace. Our unwavering commitment to our employees positions us to meet future challenges and opportunities effectively.

# Intellectual Capital

In the competitive specialty chemicals sector, Intellectual Capital is essential for our innovation, differentiation, and sustained leadership. At Aether Industries, our Intellectual Capital—comprising proprietary technologies, R&D capabilities, trademarks, copyrights, and the expertise of our skilled workforce—drives value creation for our stakeholders.

## Research and Development

Our dedication to R&D is central to our Intellectual Capital. With 276 scientists and engineers, we push the boundaries of chemical science. This year, we invested 15.43% of our revenue into R&D, underscoring our commitment to innovation as a key growth driver.

## Proprietary Technologies and Trade Marks

Our portfolio of proprietary technologies and trademarks highlights our leadership in the specialty chemicals sector. Notable innovations like the Converge Polyol technology, developed with Saudi Aramco Technologies, showcase our ability to deliver advanced, cost-effective, and sustainable solutions. Strategic partnerships with global leaders further strengthen our competitive edge.

## Knowledge Management and Innovation Culture

Our Intellectual Capital thrives on a culture of continuous learning and knowledge sharing. We encourage cross-functional collaboration to address complex challenges and drive the development of next-generation chemical solutions. This culture ensures that our Intellectual Capital remains at the forefront of industry advancements.

## Collaborations and Strategic Alliances

Strategic alliances with top academic institutions and industry partners enhance our Intellectual Capital. Collaborations with NCL Pune, ICT Mumbai, and SVNIT Surat advance our research capabilities and innovation. These partnerships provide access to cutting-edge research and emerging trends, accelerating product commercialisation and maintaining our market edge.

## Intellectual Property Protection

Safeguarding our Intellectual Capital is crucial. We employ rigorous IP management practices to protect our proprietary technologies and innovations. Our comprehensive IP strategy ensures effective protection of trademarks, copyrights, and trade secrets, preserving our competitive advantage in a challenging global environment.

## Sustainability and Intellectual Capital

Sustainability is integral to our Intellectual Capital strategy. We develop eco-friendly chemical solutions that promote a greener future. Our focus on sustainability drives innovation in circular plastic recycling, sustainable polyols, and energy-efficient manufacturing processes, aligning with our commitment to environmental stewardship.

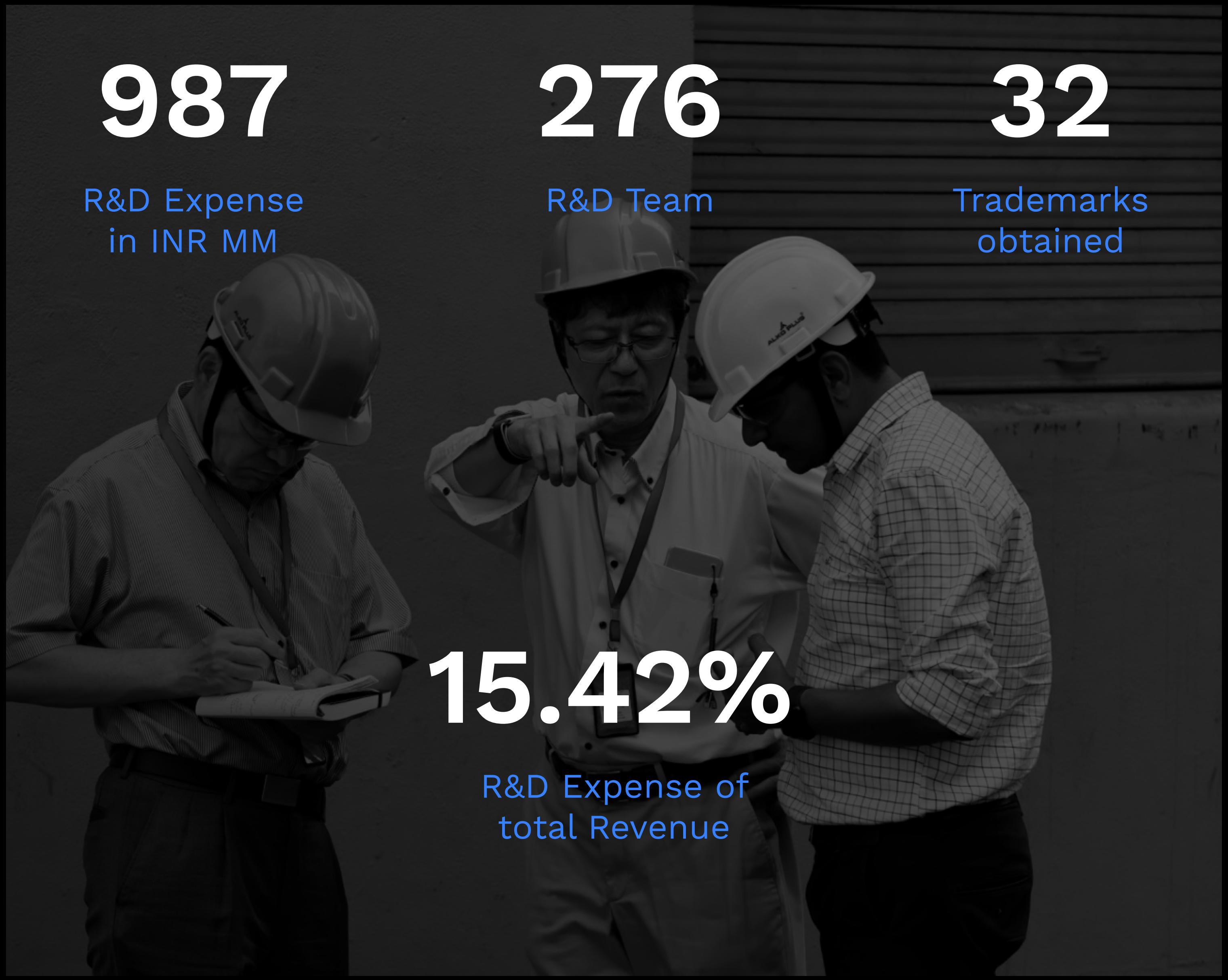


## Digital Transformation and Future Readiness

Digital transformation enhances our Intellectual Capital by improving innovation, process efficiency, and decision-making. Investing in digital tools and platforms ensures our operations are agile and scalable, preparing us for the demands of the digital age.

## Conclusion

Our Intellectual Capital is the engine of our innovation and leadership in the specialty chemicals industry. Through relentless R&D, strategic collaborations, robust IP protection, and a commitment to sustainability and digital transformation, we continuously enhance our Intellectual Capital to deliver long-term value. Looking ahead, we remain focused on advancing our intellectual capabilities to stay at the forefront of global innovation.



# Social Capital

At Aether Industries, Social Capital is pivotal to our long-term success and sustainable growth. Our relationships with stakeholders—employees, customers, suppliers, communities, and regulatory bodies—are fundamental to our effective and responsible operations in the specialty chemicals industry. We are dedicated to building trust, transparency, and shared value, which strengthens our Social Capital.

## Employee Engagement and Well-being

Employees are the cornerstone of Aether Industries. We foster a culture of diversity, inclusivity, and continuous learning, offering professional development opportunities, open communication, and a safe, healthy work environment. Our well-being programs, including health initiatives, mental health support, and work-life balance measures, underscore our commitment to our workforce's holistic welfare.

## Community Engagement and Corporate Social Responsibility (CSR)

As a responsible corporate citizen, Aether Industries is committed to positively impacting the communities where we operate. Our CSR efforts tackle key social issues, focusing on education, healthcare, women's empowerment, and environmental sustainability.

## Education

We view education as vital for a brighter future. Our initiatives enhance access to quality education in underserved regions through scholarships, infrastructure development, and teacher training, fostering a more inclusive society.

## Healthcare

We strive to improve healthcare access in needy communities by providing medical care, supporting local health centers, and organizing health camps in remote areas, contributing to community well-being.

## Environmental Stewardship

Our environmental commitment extends beyond our operations. We engage in conservation efforts like reforestation, water conservation, and waste management, partnering with local governments and NGOs to ensure a sustainable environment for future generations.

## Stakeholder Engagement and Transparency

Open and transparent communication is key to building stakeholder trust. We actively engage with customers, suppliers, investors, and regulators through surveys, feedback mechanisms, and forums, ensuring alignment with their expectations and needs.

## Ethical Business Practices

Integrity and ethical conduct are central to our operations. We adhere to the highest standards of governance, compliance, and ethical behaviour, guided by our Code of Conduct and anti-corruption policies.



## Supplier and Partner Relationships

Our suppliers and partners are crucial to delivering quality products and services. We collaborate closely with them to uphold standards of quality, safety, and sustainability, fostering resilient, responsible, and aligned value chains.

## ESG Reporting

This year, Aether published our inaugural Environment, Social, and Governance (ESG) report, detailing our journey towards sustainable development. Aligned with GRI Standards (2021) and mapped against Sustainable Development Goals (SDGs), our report reflects a materiality analysis identifying ten key topics relevant to our operations, which will be covered in our sustainability report.

# “ Resilient Response to the unexpected ”

- Fire accident on November 29, 2023 Manufacturing Facility 2
- Total 11 casualties reported. The families of the deceased, compensated INR 5 MM per family
- The injured workers hospitalised and given the best treatment, expenses borne by the Company
- GPCB revoked the closure notice, allowing unaffected plants to resume operations in Jan ’24, after initially issuing a penalty of INR 5 MM
- The other Manufacturing Facilities (1 and 3) remained up and running
- The loss estimate is likely around Rs. 100 cr, with all the assets, inventories, people and loss of profit, being fully insured
- 50% revocation and permission to start the Manufacturing Facility 2 was received within just 39 days
- Insurance claim put up and the on account payment expected in Q1/FY25 and the remaining in instalment in FY25
- Revocation orders expected anytime for 75% of the facility and operations to begin
- Expected to resume 100% operations at Manufacturing Facility 2 by end of HFY25




04
GROWTH
STORY

# Success Biography

In just over a decade, Aether Industries Limited has evolved from a visionary start-up into a leading specialty chemicals firm, renowned for innovation, technology, and excellence. Fiscal Year 2024 was a landmark period, showcasing our resilience and strategic growth despite various challenges.

## Early Beginnings and Visionary Leadership

Founded in 2013 by Mr. Ashwin Jayantilal Desai, supported by Dr. Aman Desai, Mr. Rohan Desai, and Mrs. Purnima Desai, Aether was built on a passion for chemistry and innovation. Our founders aimed to excel in specialty chemicals while setting new standards in sustainability and customer solutions. Our mission has been clear: to merge deep chemical expertise with advanced manufacturing to meet the evolving needs of global markets.

## Innovation as the Cornerstone

Innovation is at the core of Aether's success. Our cutting-edge R&D facilities have driven significant advancements in specialty chemicals. This year, despite global competition, we intensified our R&D efforts, focusing on green chemistry and sustainable technologies. Notable achievements include new projects in adhesives, battery tech, and plastic recycling, reinforcing our leadership in innovation.

## Strategic Growth and Expansion

Aether's growth has been fuelled by strategic expansion. Fiscal Year 2024 saw the launch of Manufacturing Facility 4 for our subsidiary, Aether Specialty Chemicals Limited, and progress on Manufacturing Facilities 3++ and 5. These expansions enhance our production capabilities and support new product launches across our Large Scale Manufacturing (LSM) and Contract/Exclusive Manufacturing (CEM) models.

## Enhancing Technological Edge and Sustainability

Our expansion goes beyond increasing capacity; it focuses on advancing technology. By integrating advanced automation and sustainability-driven processes, we ensure top-tier quality, efficiency, and reduced environmental impact.

## Resilience Amidst Challenges

Fiscal Year 2024 presented challenges, notably the fire at Manufacturing Facility 2 in November 2023. This setback tested our resilience but also highlighted our strong safety protocols and stakeholder support. We managed to restore 50% of production at the facility by year-end and implemented enhanced safety measures.

The industry faced additional pressures from competitive Chinese players and softening demand in agrochemicals. Nevertheless, Aether's focus on high-growth sectors like electronic chemicals and battery technologies allowed us to sustain growth and deliver value.

## Commitment to Sustainability and Social Responsibility

Sustainability is central to Aether’s mission. In FY 2024, we advanced our ESG initiatives, focusing on carbon reduction, resource optimization, and circular economy practices. Our community outreach expanded to education, healthcare, and women’s empowerment, demonstrating our belief in aligning business success with social progress.

## Looking Ahead

As FY 2024 concludes, Aether is positioned stronger than ever. Our evolution from start-up to global leader is driven by visionary leadership and innovation. With a clear vision and robust product pipeline, we are set for continued growth and global leadership in specialty chemicals.

## Acknowledgments

We extend our deepest gratitude to our employees, customers, partners, and investors. Your support has been crucial to our success, and we look forward to achieving new milestones together.

## Global Reach and Sustainability Efforts

We export to key markets including Italy, Spain, Germany, Netherlands, Japan, and the United States. In FY 2023, we commissioned a 16MW Solar Power Plant, reducing electricity expenses to 2.10% of revenue in FY 2024 from 2.87% in FY 2023. We have also ordered an additional 15MW Solar Power Plant with auto tracker modules for phased operation starting Q1 FY 2025.

EBITDA and PAT margins decreased due to the fire accident at Manufacturing Facility 2 and increased competition from Chinese manufacturers, which reduced our revenues and also hit on our margins.

# Revenue Growth

Fiscal Year 2024 marked a pivotal period for Aether Industries, demonstrating our unwavering commitment to innovation, resilience, and sustainable growth despite a challenging global landscape and the fire at Manufacturing Facility 2. Despite facing significant obstacles, our revenue growth highlights the strength of our diversified portfolio, nimble business model, and relentless focus on stakeholder value.

### Navigating a Complex Environment

The global specialty chemicals sector faced significant turbulence this year, marked by fluctuating demand, intense competition, and macroeconomic uncertainties. The agrochemical segment, a traditionally strong market for us, experienced reduced demand due to industry-wide inventory adjustments. Additionally, severe pricing pressures arose from increased competition, particularly from Chinese producers benefiting from government incentives and a depreciated currency.

Despite these challenges, Aether Industries displayed notable resilience. While external pressures impacted growth in some segments, our diversified revenue streams and strategic focus on high-growth areas allowed us to mitigate adverse effects and maintain our trajectory of sustainable growth.

### Diversification Driving Growth

We leveraged our technological advancements and R&D capabilities to expand into high-potential industries, including electronic chemicals, sustainable polyols, and advanced battery materials. These sectors, driven by global trends such as electric vehicles, renewable energy, and sustainable materials, have provided substantial growth opportunities.

Large Scale Manufacturing (LSM) remained a cornerstone of our revenue, contributing ₹3,539 million, or 59% of total revenue. Our Contract/Exclusive Manufacturing (CEM) segment, offering tailored solutions for global clients, added ₹1,535 million, representing 26% of revenue. Meanwhile, our Contract Research and Manufacturing Services (CRAMS) segment, renowned for its R&D initiatives, generated ₹827 million, or 14% of revenue.
This balanced revenue mix not only mitigated sector-specific challenges but also positioned us to capture emerging growth opportunities as global demand evolves.

### Geographic Expansion and Export Growth

Our geographic diversification strategy significantly contributed to revenue growth. In Fiscal Year 2024, we achieved a balanced revenue split between domestic and international markets, with exports to 18 countries accounting for 43% of total revenue. This global reach underscores our competitive edge in delivering high-quality, innovative solutions to diverse customer needs worldwide.

The growing demand for our products in key international markets, particularly North America and Europe, has driven our export growth. We have strengthened our presence in these regions through strategic partnerships and by aligning our offerings with global market trends, especially in sustainable solutions and advanced materials.

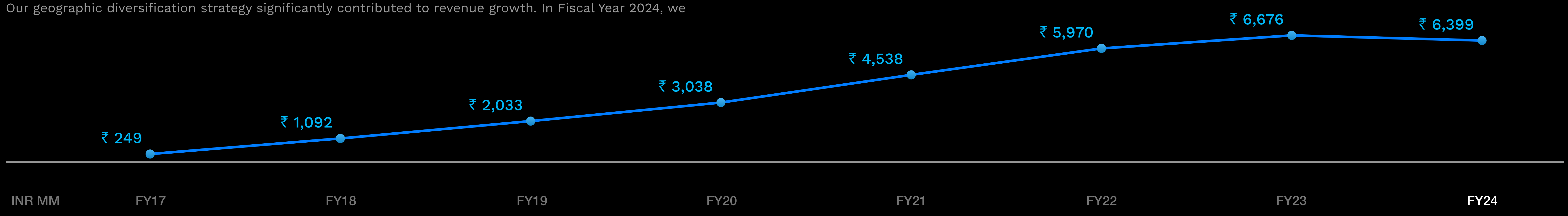
### Strategic Investments and Future Outlook

Our continued investment in capacity expansion and technological upgrades has been crucial to revenue growth. The successful commissioning of Manufacturing Facility 4, along with ongoing developments at Manufacturing Facilities 3++ and 5 (first phase), will significantly enhance our production capabilities and allow us to meet rising demand and enter new markets.

Looking ahead, we are optimistic about growth prospects. The Indian specialty chemicals industry is set for expansion, driven by favourable macroeconomic trends, increasing foreign direct investment (FDI), and government Production Linked Incentive (PLI) schemes. As global innovators seek to diversify their supply chains, Aether Industries is well-positioned to capitalize on these opportunities with our advanced R&D and manufacturing facilities and our track record of delivering innovative, sustainable solutions.

### Conclusion

Fiscal Year 2024 was a testament to our resilience and strategic growth. Despite challenges, we achieved a balanced revenue mix, expanded our global footprint, and made strategic investments poised to drive future growth. As we move forward, we remain committed to leveraging our strengths, exploring new opportunities, and delivering exceptional value to our stakeholders. Our success in navigating a complex global market is a reflection of our strategic vision, operational excellence, and the unwavering support of our stakeholders. We are well-positioned to advance as a global leader in the specialty chemicals industry.



# Geographical Presence

In Fiscal Year 2024, Aether Industries has further cemented its status as a preeminent global player in the specialty chemicals sector through a strategic and deliberate expansion of its geographical footprint. Our robust approach to geographic diversification has not only facilitated entry into new markets but has also reinforced our position in existing ones, enabling us to navigate regional challenges effectively and cater to a global clientele with precision.

## Global Footprint Expansion

Aether Industries has significantly broadened its international reach, now serving over 18 countries across critical regions including North America, Europe, Asia-Pacific, and the Middle East. This expansion underscores our commitment to leveraging global opportunities and reflects a considerable increase in export revenues, which constituted 43% of our total revenue in FY 2024.

## Regional Highlights

North America and Europe: These markets remain pivotal to our export strategy, driven by the escalating demand for advanced materials and sustainable technologies. Our strong foothold in these mature markets is supported by strategic partnerships and an acute understanding of local market dynamics, which have enabled us to address the evolving needs in high-performance chemicals and specialty polymers.

Asia-Pacific, has emerged as a significant growth area for Aether Industries. The rapid industrialization and economic expansion present vast opportunities for our innovative and high-quality chemical solutions. Our focus in Asia-Pacific includes enhancing market penetration, expanding distribution networks, and deepening customer engagement.

Middle East, we are witnessing burgeoning opportunities in this region, particularly within the oil and gas, construction, and automotive sectors. Our successful entry into the Middle East is marked by strategic collaborations and tailored solutions that address the unique demands and challenges of the market.

## Domestic Market Strength

India, our home base, remains integral to our growth strategy, contributing 57% of our total revenue in FY 2024. Our success in the domestic market is a result of a well-established distribution network, a keen understanding of local needs, and a steadfast commitment to delivering innovative solutions across various industries, including agrochemicals, pharmaceuticals, and performance chemicals.

## Strategic Approach and Future Outlook

Our geographic expansion is underpinned by a dual strategy of leveraging local expertise while upholding global standards. Our state-of-the-art manufacturing facilities in India exemplify our dedication to quality and safety, ensuring the delivery of superior products worldwide. Our R&D capabilities continue to drive innovation, enabling us to meet the specific needs of diverse markets and build enduring PPPP-, relationships.

Looking ahead, we remain focused on furthering our geographical reach, with particular emphasis on emerging markets in Africa, Latin America, and Southeast Asia. Our strategic approach is characterized by a deep understanding of local conditions, robust partnerships, and a commitment to high-quality and sustainable solutions. We are poised to capitalize on these high-growth opportunities and enhance our global presence.

## Conclusion

The Fiscal Year 2024, though challenging due to internal as well as external factors, has been a landmark period for Aether Industries, marked by significant progress in expanding our geographical presence and solidifying our domestic leadership. Our strategic diversification and operational excellence position us well for continued success and sustainable growth. We are excited about the future and confident in our ability to deliver exceptional value to our global stakeholders as we advance our global footprint.

FY24 **5,957** Sales Revenue (INR MM)

| SPAIN | USA | GERMANY | ITALY | INDIA | OTHERS |
|---|---|---|---|---|---|
| 3.90% | 5.76% | 7.27% | 10.82% | 63.90% | 8.35% |

# Business Segments

| Particulars (INR MM) | FY 2024 | FY 2023 | FY 2022 | FY 2021 | FY 2020 |
|---|---|---|---|---|---|
| Pharmaceuticals | ₹ 3,038.54 | ₹ 2,744.05 | ₹ 3,513.26 | ₹ 3,041.90 | ₹ 2,454.50 |
| Agrochemicals | ₹ 1,629.51 | ₹ 2,261.72 | ₹ 1,456.19 | ₹ 926.50 | ₹ 257.50 |
| Miscellaneous / Multiple | ₹ 154.92 | ₹ 567.63 | ₹ 126.66 | ₹ 82.66 | ₹ 173.21 |
| High Perf. Photo | ₹ 222.94 | ₹ 371.85 | ₹ 283.77 | ₹ 125.80 | ₹ 57.90 |
| Material Science | ₹ 473.00 | ₹ 319.33 | ₹ 248.20 | ₹ 195.90 | ₹ 46.30 |
| Coatings | ₹ 288.19 | ₹ 218.35 | ₹ 195.31 | ₹ 124.80 | ₹ 0.55 |
| Oil & Gas | ₹ 68.03 | ₹ 24.26 | ₹ 54.12 | ₹ 0.00 | ₹ 26.50 |
| Food Additives | ₹ 28.33 | ₹ 3.55 | ₹ 22.96 | ₹ 0.60 | ₹ 1.60 |
| Textiles | ₹ 53.23 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 5,956.69 | ₹ 6,510.74 | ₹ 5,900.47 | ₹ 4,498.16 | ₹ 3,018.06 |

# Research & Development

In Fiscal Year 2024, Aether Industries solidified its leadership in the specialty chemicals sector through an unwavering commitment to research and development (R&D). Our focus on R&D has driven groundbreaking technological advancements and high-value product innovations, fortifying our competitive position and strategic growth.

### Investing in Innovation

We allocated 15.43% of our total revenue to R&D, reflecting our belief in the essential role of sustained innovation. Our state-of-the-art laboratories and pilot plants, supported by a team of 276 skilled experts, have been instrumental in developing cutting-edge technologies and meeting diverse market needs.

### Sustainability Focus

Aether prioritized green chemistry, developing sustainable processes that reduce environmental impact and align with global sustainability standards.

### Talent Empowerment

Continuous investment in talent development ensured that our R&D team remained at the forefront of scientific and technological advancements.

### Future-Ready

Aether's R&D efforts in FY 2024 have set the stage for sustained growth and market leadership, positioning the company to meet evolving global demands. We have and will continue to invest more in our R&D and Pilot Plants to come fuel our up-coming expansions of plants.

### Looking Ahead

As we advance, our R&D division will continue to propel Aether Industries forward, exploring new frontiers and delivering solutions that address pressing global challenges. Fiscal Year 2024 has showcased our R&D prowess, positioning us for continued success and leadership in innovation.

# Environmental, Social & Governance (ESG)

In our commitment to fostering a sustainable future that addresses the needs of both the environment and its inhabitants, Aether Industries has proactively issued our inaugural Environment, Social, and Governance (ESG) report this year. This report outlines our ongoing journey toward sustainable development and is aligned with the 2021 version of the Global Reporting Initiative (GRI) Standards. Furthermore, we have meticulously mapped our sustainability performance against the Sustainable Development Goals (SDGs) to ensure comprehensive alignment with global sustainability benchmarks.
In accordance with GRI requirements, we conducted a thorough materiality analysis utilizing a multi-stakeholder survey. This process identified and prioritized ten key topics that are crucial to our business operations. These topics have been comprehensively addressed and reported in our Sustainability Report.

### Energy Management

We prioritizes energy management within our ESG initiatives by adopting advanced technologies and optimizing processes to enhance energy efficiency and reduce our carbon footprint. Our commitment to responsible energy use supports sustainability goals, aligning with global standards and driving continuous improvements in operational performance.

### Diversity and Inclusion

We believe diversity enhances organizational value by bringing unique skills and perspectives. We ensure equal treatment in compensation, training, and benefits, irrespective of caste, religion, disability, gender, sexual orientation, race, or any other personal characteristic. Additionally, we have begun hiring 'Divyang' employees starting this year.

### Product Quality and Safety

We maintain a comprehensive Good Manufacturing Practices (GMP) manual outlining all procedures for review and safety mandates related to our products. Our operations are certified under Indian GMP standards. During the reporting year, there were no incidents of non-compliance with product and service information, labelling, or marketing communications. Additionally, audits conducted by numerous customers revealed no significant deficiencies.

### Emissions

We are dedicated to reducing emissions as a core component of our ESG initiatives. We implement cutting-edge technologies and rigorous practices to minimize our environmental impact, ensuring compliance with global standards and driving sustainable practices across our operations.

### Employee Engagement

We are dedicated to fostering a culture of excellence, integrity, accountability, and transparency within our organization. Embracing the principle of mutual growth, we strive to elevate our employees through a comprehensive suite of benefits for permanent staff. This includes gratuity, bonuses, parental insurance, provident fund, leave encashment, term life insurance, and coverage for personal accidents and health.



### Water Management

We use water from Gujarat Industrial Development Corporation (GIDC) for our Surat plant and operate an on-site ETP with a 100KL per day capacity. Regular sampling and audits ensure effluent quality, and our Zero-Liquid Discharge policy guarantees no wastewater is discharged outside the facility, preventing any potential environmental impact.

### Human Rights

We are unwavering in our commitment to uphold Human Rights principles throughout our operations, which is evident in our interactions with stakeholders. All suppliers and contractors are required to enter into detailed formal agreements stipulating compliance with relevant labor laws concerning their employees or workers. Additionally, we provide human rights training to all security personnel at Aether to reinforce these standards.

At Aether Industries, our commitment to Quality, Environment, Health, and Safety (QEHS) is integral to our operational excellence and long-term sustainability. As we reflect on Fiscal Year 2024, these core principles have been pivotal in guiding our strategies, ensuring that we maintain the highest standards across all aspects of our business.

## Quality

Excellence in quality is the hallmark and tradition of Aether Industries. Our dedication to delivering superior products is reflected in our rigorous quality management systems, which are meticulously aligned with global standards. We continuously invest in advanced technologies, process optimizations, and comprehensive training programs to enhance our quality assurance mechanisms. This commitment to precision and reliability has solidified our reputation as a trusted partner in the specialty chemicals industry.

At Aether Industries, quality is the cornerstone of our operations. In FY 2024, we maintained our rigorous quality management systems, ensuring that every product we deliver meets the highest industry standards. Our commitment to quality is reflected in our robust processes, from raw material sourcing to final product testing, backed by state-of-the-art technology and strict compliance with global regulatory standards. Continuous improvement initiatives were a key focus, driving enhancements across our manufacturing sites to ensure consistency, reliability, and excellence in every batch produced. By fostering a culture of quality at every level, Aether Industries remains a trusted partner in the specialty chemicals sector, delivering products that not only meet but exceed customer expectations.

## Environment

Sustainability lies at the heart of our environmental stewardship. In FY2024, we deepened our commitment to environmental responsibility by embracing green chemistry principles and advancing our sustainability initiatives. Our efforts to reduce carbon emissions, optimize energy use, and minimize waste are complemented by strategic investments in renewable energy and resource-efficient processes. These initiatives not only underscore our dedication to protecting the planet but also position Aether Industries as a leader in sustainable industrial practices.

Our investment in energy efficiency and renewable energy expanded, with a focus on reducing our carbon footprint through advanced technologies and solar energy infrastructure. Waste management practices were enhanced, prioritizing recycling and exploring circular economy opportunities.

The importance of Environment at Aether industries is also depicted from the fire accident which happened in November 2023, wherein no environment destruction was noticed by the authorities.

Water conservation remained a key focus, supported by efficient water management systems and state-of-the-art wastewater treatment. We maintained full compliance with environmental regulations, reflecting our dedication to transparency and accountability. Aether Industries is committed to ongoing innovation in sustainability, ensuring we lead in environmental responsibility within the specialty chemicals sector.

## Health

At Aether Industries, the health and safety of our employees, contractors, and surrounding communities are of utmost importance. In FY 2024, we intensified our commitment to maintaining a safe work environment by enhancing our safety protocols and integrating industry-leading practices across all our facilities.
We conducted comprehensive safety audits, regular training programs, and emergency preparedness drills to ensure that our workforce is well-equipped to handle any situation. Our robust incident reporting and analysis framework allowed us to identify potential hazards and implement effective corrective measures swiftly.
Moreover, we fostered a culture of safety awareness, encouraging proactive participation from every team member in adhering to and promoting safety standards.
Our dedication to health and safety is not just a compliance requirement but a core value that drives our operations, ensuring that we protect our most valuable assets—our people—while maintaining the highest levels of operational integrity.

The health and well-being of our employees are paramount. We have cultivated a culture that prioritizes health, offering robust wellness programs, comprehensive healthcare services, and preventive care initiatives. Our proactive approach to health management, combined with regular health screenings and wellness activities, ensures that our workforce remains resilient, motivated, and capable of achieving their full potential.

## Safety

Safety is the cornerstone of our operations. The challenges of FY2024, particularly the fire incident at Manufacturing Facility 2, underscored the critical importance of stringent safety protocols. In response, we have fortified our safety measures, implementing advanced safety systems, conducting thorough root cause analyses, and enhancing our emergency preparedness. Our relentless pursuit of a zero-incident workplace is driven by continuous safety training, rigorous audits, and a company-wide commitment to vigilance.

Way forwards - QEHS
As we look ahead, Aether Industries remains unwavering in our QEHS commitments. By embedding these principles into every facet of our operations, we not only meet but exceed industry standards, ensuring that our legacy of excellence, responsibility, and safety continues to thrive.

# QEHS

# " Incessantly towards the upliftment and enlightenment of the society "

I would like to take this moment to address our esteemed shareholders and reaffirm our unwavering commitment to social and environmental causes, which are deeply embedded in our business ethos. These initiatives not only bring profound benefits to society at large but also align with our fundamental belief in giving back. By nurturing positive relationships with all our stakeholders, we continue to drive sustainable growth.

At the heart of our CSR strategy is the commitment to providing education in tribal regions and other underserved communities, with a particular focus on the holistic empowerment of women. We are privileged to contribute to harnessing the transformative power of education, paving the way for a brighter and more inclusive future for society.

In addition, we are dedicated to delivering quality healthcare to those in need and have proudly supported a project benefitting a nationally recognized athlete. The role of sports in enriching and transforming society cannot be overstated, and we are honoured to play a part in this impactful endeavour.

Thus, delving on the year gone by, despite the ripples of the fire accident, I would like to weigh on the fact that, we were able to meet our CSR expenditure ahead of the time, which even exceeded our CSR budgets for the year.

Beyond these CSR projects, we have also taken the initiative to transform several land parcels under GIDC ownership into lush green spaces, rich with diverse plant species and dense tree cover. This effort is a testament to our dedication to sustainable practices and environmental stewardship.

I would like to conclude by thanking you all for the solidarity exhibited in such trying times and with such optimism, I am sure of our company's continued growth and thereby serving our part incessantly towards the upliftment and enlightenment of the society.

Purnima Desai
Promoter | Whole time Director

# “ Our commitment to CSR is woven into the fabric of our business ”

In the reporting year, our priority area of CSR was focused on education alike the previous years. We have extended our arms for the building of schools and hostels in the remote area of The Dangs and Navsari. Our focus was aiming to give the educational facilities to the tribal pupils, having a comparatively tough life. That will help to develop enthusiasm for education and reduce the drop out ratio. Also, we have supported towards various academic programs for the needy chemical engineering aspirants through various lecture programs. We report 700+ beneficiaries in our various education programs.

We also focused towards well-being of old aged citizens who are lacking of their primary needs in their later life, we supported through providing better amenities and needs them on a path of 'each human deserves'. We do not earn only financial profit, we do earn their blessings as well.

We continued our contribution for the recognised sports and its promotion alike previous year as we India's potential to get stars on various international sports.

For the very first time, we participated for the animal welfare whereby, we helped to provide facilities to strayed animals and their vaccination.

We closely worked with various agencies towards health / life saving initiatives vide providing various support which will become fruitful to needy. In fact, results are visible of such initiatives whereby, critical requirements of patients have been fulfilled. We also provided various prosthetic and orthopaedic equipments to permanently disabled / injured individuals at mass. We are proud to report 250+ beneficiaries herein.

It was observed that economically and socially backward people of the society were not allowed to enjoy their primary rights. Taking ahead this point, we helped to enhance the capacity of one of the crematorium in the city which will cater the essential needs of such community.



# 05 STATUTORY REPORTS

# Report of the Board

To,
The Members,
Aether Industries Limited

The Board of Aether Industries Limited take pleasure in presenting the 12th Board Report along with other Reports of the Company, together with the Standalone and Consolidated Audited Statement of Accounts and the Auditors' Report of the Company for the Financial Year ended March 31, 2024.

### Financial Summary and Highlights

| | Standalone | | Consolidated | |
|---|---|---|---|---|
| Particulars (INR in MM) | 2024 | 2023 | 2024 | 2023 |
| Income from business operations | ₹ 5,956.69 | ₹ 6,510.74 | ₹ 5,981.72 | ₹ 6,510.74 |
| Add : Other income | ₹ 442.64 | ₹ 165.65 | ₹ 392.07 | ₹ 165.65 |
| Total income | ₹ 6,399.34 | ₹ 6,676.39 | ₹ 6,373.80 | ₹ 6,676.39 |
| EBITDA | ₹ 1,757.11 | ₹ 2,028.16 | ₹ 1,714.56 | ₹ 2,028.14 |
| Less: Finance Cost | ₹ 85.17 | ₹ 50.93 | ₹ 85.17 | ₹ 50.93 |
| Less: Depreciation | ₹ 394.15 | ₹ 232.45 | ₹ 396.65 | ₹ 232.45 |
| Profit before Exceptional items and Tax | ₹ 1,277.78 | ₹ 1,744.79 | ₹ 1,232.74 | ₹ 1,744.76 |
| Less: Exceptional items | ₹ 137.62 | ₹ 0.00 | ₹ 137.62 | ₹ 0.00 |
| Profit before tax | ₹ 1,140.17 | ₹ 1,744.80 | ₹ 1,095.12 | ₹ 1,744.76 |
| Less: Tax | ₹ 259.19 | ₹ 440.61 | ₹ 270.22 | ₹ 440.61 |
| Profit after tax | ₹ 880.98 | ₹ 1,304.17 | ₹ 824.90 | ₹ 1,304.15 |
| Earnings per Equity Share: | | | | |
| Basic and Diluted (per Equity Share) | ₹ 6.74 | ₹ 10.47 | ₹ 6.31 | ₹ 10.47 |

### Business operations and affairs of the Company

The Fiscal Year 2024, begun well in-line with the previous fiscal year. The Company was initially able to operate at an efficient level, later on November 29, 2023 the Company met with an accident which had a significant impact over performance of the Company.

The Management at the operational level, with the extensive support of the employees, strived to work best with limited resources after the unfortunate accident.

The Revenue from Operations in current Fiscal Year were reported at ₹ 5,956.69 MM, compared to ₹ 6,510.74 MM in the previous Fiscal Year. EBITDA, in the current Fiscal Year reported at ₹ 1,619.49 MM, compared to ₹ 2,028.16 MM in the previous Fiscal Year. The Profit after Tax of the Company in the current Fiscal Year was ₹ 880.98 MM against the previous Fiscal Year's Profit after Tax of ₹ 1,304.17 MM.



### Subsidiary, Associate and Joint Venture entities

The Company does not have any Associate or Joint Venture entities. However, a Wholly Owned Subsidiary Company is incorporated, details are mentioned in Form AOC-1, as Annexure-A.

| Name | CIN | Holding % |
|---|---|---|
| Aether Speciality Chemicals Limited | U24290GJ2022PLC135180 | 100% |

### Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the Fiscal Year under review is included in the Annual Report.

### Business Responsibility and Sustainability Report

As the Company falls under top 500 listed Companies of India basis the MCap, the Business Responsibility and Sustainability Report (BRSR) in terms of Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Fiscal Year is attached herewith.

### Material changes and commitments during after the end of the Fiscal Year

Except the financial reporting related to fire accident dated November 29, 2023, there have been no material changes and commitments, which have occurred between the end of the Fiscal Year to which the Financial Statements relate and the date of this Report, which affect the financial position of the Company.

### Change in Nature of the Business

During the Fiscal Year under review, Company pursued the existing stream of business operations without introducing any new business venture. Business activity of the Company remained unchanged throughout the Fiscal Year.

### Details of revision of Financial Statement or Annual Report

No revision of the Financial Statements or Annual Report has been made during Financial Year ended March 31, 2024 neither in any of the preceding three Fiscal Years.

### Accounting treatment

Since the listing of the Company, the Company resorted to adhering to the Indian Accounting Standards (Ind AS).

### Share Capital Structure

During the year under review, the Authorised Share Capital of the Company remains unchanged.

Authorized Capital
₹ 1,47,50,00,000 (Rupees One Hundred Forty-seven Crore Fifty Lakh only), comprised of 14,75,00,000 (Fourteen Crore Seventy-five Lakh) Equity Shares of ₹ 10 each.

The Company's issued share capital structure is as mentioned below:

Issued, Subscribed and Paid-up Capital
₹ 1,32,55,02,730 (Rupees One Hundred Thirty-two Crore Fifty-five Lakh Two Thousand Seven Hundred Thirty only), comprised of 13,25,5,0273 (Thirteen Crore Twenty-five Lakh Fifty Thousand Two Hundred Seventy-Three) Equity Shares of ₹ 10 each.

All the shares of the Company are in dematerialisation form.

During the Fiscal Year under review, in two instances, the issued share capital of the Company was increased, as mentioned here:

Qualified Institutional Placement (QIP)
On June 22, 2023, Company issued 80,12,820 Equity Shares through QIP vide book building process. Shares were issued at ₹ 936, of which ₹ 926 was share premium. Post this, all the Equity Shares were listed on BSE Limited and National Stock Exchange of India Limited (NSE). The Company raised total ₹ 7,49,99,99,520 through the QIP.

Allotment of Shares under ESOS
Through Aether Employee Stock Option Scheme 2021 (AIL ESOS 2021), the Company issued and allotted 26,732 Equity Shares at ₹ 321 each to 235 employees, upon exercising their option, total ₹ 85,80,972 was received through this allotment.

### Credit rating of the Company

The Company has secured increased credit ratings. In the current Fiscal Year, the Company has maintained an excellent upward trend and the credit rating of the Company is ICRA A+ for long-term ratings and ICRA A1 for short-term ratings, appraised by M/s. ICRA Limited.

The rating was opted on credit exposure of ₹ 132.80 Cr. Company's performance at considering other external factors made this achievable.

### Transfer of amounts to Investor Education and Protection Fund

The Company does not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund.

### Board and its Committees

The Board of the Company met at regular intervals as specified under the norms under the Companies Act, 2013 for discussing and reviewing various Board and other strategic matters. For more details, kindly refer the Corporate Governance Report. Total 6 (six) Board Meetings were convened during the Fiscal Year under review.



Business transactions were well-arranged throughout the Fiscal Year under review and accordingly, optimum participation was reported from the Board of Directors.

### Board of Directors and Key Managerial Personnel

The Board of the Company is duly constituted, comprising an adequate number of Executive, Non-Executive, Women Directors and Independent Directors.

At present, the Board is comprised of a total 12 (twelve) Board members, including 3 (women) members. There are 4 (four) Executive Directors, 2 Non-Executive Directors and 6 Independent Directors.

During the year, Dr. James (Jim) William Ringer was appointed as the Chief Technology Officer (CTO) of the Company w.e.f. March 1, 2024.

### Corporate Social Responsibility

During the Fiscal Year under review, the Company fulfilled its CSR obligation of ₹ 27.65 MM above the requirement, the total CSR expenditure reported to ₹ 27.97 MM. Details of CSR activities in accordance with Section 135 read with Schedule VII of the Companies Act, 2013, are provided in the Annexure along with details of the CSR Committee composition.

The Annual Report on CSR is annexed as Annexure-C to this Report.

The CSR Policy of the Company is available on the website of the Company at: https://aether.co.in/wp-content/uploads/2022/08/CSR-Policy.pdf

### Directors' retirement by rotation

According to the provisions of Section 152(6) of the Companies Act, 2013 and as per terms framed under the Articles of Association of the Company, Mr. Rohan Ashwin Desai and Ms. Ishita Surendra Manjrekar will be retiring by rotation at the forthcoming Annual General Meeting and being eligible, to offer themselves for reappointment. The Board recommends their re-appointment.

### Declaration by Independent Directors

The Board of Directors of the Company hereby confirm that all the Independent Directors have been duly appointed by the Company and they have given the declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and as per the SEBI (LODR) Regulations, 2015.

### The Board's evaluation

The Board evaluated the effectiveness of its functioning and that of the Committees and of Individual Directors by seeking their inputs on various aspects of the Board / the Committee governance. Also, several new initiatives were introduced for the overall evaluation of the Board.

The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfilment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and the Committee meetings. The Chairman of the Board had one-on-one meeting with the Independent Directors and the Chairman of the Nomination and Remuneration Committee had one-on-one meeting with the Executive and Non-Executive Directors These meetings were intended to obtain Directors' inputs on effectiveness of the Board / the Committee processes. The Board considered and discussed the inputs received from the Directors and also basis their critical input during the fire accident was taken into consideration. Further, the Independent Directors at their meeting, reviewed the performance of the Board, Chairman of the Board and of Non-Executive Directors

The Policy can be accessed at: https://aether.co.in/wp-content/uploads/2024/09/BoardEvaluationPolicy.pdf

### Familiarization program for Independent Directors

In the reporting Fiscal Year, 2 (two) familiarization program including a site visit was hosted by the Company for its Independent Directors. Details of such program is hosted on the website of the Company, accessible at: https://aether.co.in/wp-content/uploads/2024/08/FamiliarisationProgram of Independent Directors - FINAL.pdf

### Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirm that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Fiscal Year and of the profit and loss of the Company for that period;
(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
(d) The Directors had prepared the annual accounts on a going concern basis; and
(e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Internal Financial Controls

The Internal Financial Control System (IFCS) of the Company has been set out upon considering the following measures:

(a) That IFCS are commensurate with the size and nature of its operations.
(b) All legal and statutory compliances are ensured on a monthly basis. Non-compliance, if any, is seriously taken by the management and corrective actions are taken immediately. Any amendment is regularly updated by



internal as well as external agencies in the system.
(c) Approval of all transactions is ensured through a pre-approved Delegation of Authority Schedule which is reviewed periodically by the Management.
(d) The Company follows a robust internal audit process. Transaction audits are conducted regularly to ensure the accuracy of financial reporting, and the safeguard and protection of all the assets. Verification of Fixed Assets is done on an annual basis. The audit reports for the above audits are compiled and submitted to the Board of Directors for review and necessary action.

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The Company has tried to put the best in class IFCS for the optimum output.

### Deposits

The Company has not accepted any deposit from the general public within the meaning of Section 73 of the Companies Act, 2013 and Rules framed thereunder.

### Loans, Guarantees and Investments

During the year under review, the Company has given an unsecured loan worth ₹ 1,045.55 MM to M/s. Aether Speciality Chemicals Limited, the Wholly Owned Subsidiary, during the reporting period.

### Related Party Transactions

All the Related Party Transactions that were entered into during the Fiscal Year were in the ordinary course of business and at arm's length price.

There are no materially significant Related Party Transactions made by the Company with Promoters (incl. Promoter Group individuals), Directors, Key Managerial Personnel and Group Companies.

Companies or any such designated persons, which are covered under the purview of Material Related Party Transactions.
Particulars of such transactions with related parties are duly noted on accounts forming part of the Financial Statements.

### Energy conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

Information on conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are mentioned here under:

#### (a) Conservation of Energy

The steps taken or impact on conservation of energy:
The Company is taking all the efforts to save electricity and other resources to conserve energy and utilise the same optimally.
Strict adherence is cultivated in all the members in the Company to save electricity and other resources.
The Company through the Purchase Power Agreement, using the capacity of 1.6 MW electricity generated through the solar, installed close to the end of the Fiscal Year, as a result of it, total 4.85 Lakh unit of electricity was saved out with that.
Further, additional 100 TR Brine Chiller for the new utility, additional 75HP Cooling Tower and DP 60 air compressor were installed.
The Company has installed Variable Frequency Devices (VFDs) along with Distributed Control System (DCS), dedicated automated dedicated energy meters in various high-power consuming equipment to optimize the usage.

#### (b) The steps taken by the company for utilizing alternate sources of energy

The Company has entered into a Purchase Power Agreement to avail the benefit in the form of rebate from the electricity consumed for the manufacturing facility. The service provider will produce the electricity through solar power plant installed and that will lead to redemption in the electricity bills.
The Company has ordered the execution of 15 MW Solar Power Project (Auto-Tracker Modules) under Captive Power Producer (CPP) segment of which 5MW Solar Power Plant is operational and function now.

The capital investment in energy conservation equipment (Solar Power):
The Company has, for the Solar Captive Power Agreement, invested ₹374.63 MM, up to March 31, 2024.

The efforts made towards technology absorption:
The Company has developed its own technologies for the development of various products and services, which it is selling/imparting to its various customers, all over the world.



The Company has installed an in-house Solvent Recovery Plant ('SRP') for recovering the materials from mixed solvents generated and the recovered materials are again usable for the manufacturing process. That has led to eliminate dependency on the outside job work for recovery from solvents as a cost-effective measure through reduction in job work charges, which were exorbitant till the last Fiscal Year.

#### (a) Foreign Exchange Earnings and Outgo

The Foreign Exchange earned and the Foreign Exchange outgo during the Fiscal Year 2024:
Earning: ₹ 2,300.21 MM
Outgo: ₹ 1,097.85 MM.

### Annual Return

The web-link of Annual Return as in Form No. MGT-7 is https://aether.co.in/investor-relations/#financial-performance-and-presentation, for your kind perusal and information.

### Risk Management

A formal, enterprise wide approach to Risk Management is being adopted by the Company and key risks are being managed within a unitary framework. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Policy and Guidelines, and to make use of these in the decision making. Key business risks and their mitigation are considered in the annual / strategic business plans and in periodic management reviews. The risk management process in our multi-business, multi-site operations, over the period of time have been embedded into the Company's business systems and processes, such that Company's response to risk remain current and dynamic as per conditions.

This also became helpful during the fire accident at the Manufacturing Site-2.

The Company has also formed a Risk Management Committee, details of which are mentioned in the Corporate Governance Report, as Annexure-G.

### Vigil Mechanism

The Company has established a Vigil Mechanism cum Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy has a systematic mechanism for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or policy.

This mechanism is also being reviewed by the Board of Directors every quarter in their Meeting and suggests improvements / feedback / thereon, if any.

Once again in this Fiscal Year under review as well, no such instances have been reported under unethical and prohibited context. Vigil Mechanism cum Whistle Blower Policy is placed on the website of the Company, accessible at: https://aether.co.in/wp-content/uploads/2024/09/WhistleBlowerPolicyVigilMechanism.pdf

## Regulatory action

During the year under review, the Gujarat Pollution Control Board (the GPCB) ordered a monetary fine of ₹ 5.00 MM as Interim Damage Compensation to the Company for the fire accident and temporary closure of the affected site of fire accident.

## Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules framed thereunder, M/s. Dhirren R. Dave & Company, Company Secretary in practice was appointed as the Secretarial Auditor of the Company for the Fiscal Year 2024. They undertook the Secretarial Audit activity with utmost depth and integrity. All the conducts of the Company were found in line with the stipulated norms and the compliance system was found in line with the laws and no instance of any material misconduct was found in the audit.

The Secretarial Audit Report for the Fiscal Year ended March 31, 2024, is annexed herewith as Annexure-D. The Report does not contain any qualifications, reservations, adverse remarks or disclaimers.

## Cost Audit

Maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is maintained by the Company and accordingly such accounts and records are made and maintained. For the Fiscal Year under review, M/s. Ashvin Ambaliya & Associates, Cost Accountants undertook the Cost Audit of the Company. The Board on the recommendation of the Audit Committee for the Fiscal Year 2025, have approved their remuneration, which is included in the Notice of the forthcoming Annual General Meeting of the Company, seeking ratification by the Members.

The Cost Auditor has confirmed that their appointment is within the purview of Section 143 of the Companies Act, 2013 and they confirm that they are free from any disqualification.

## Internal Audit

The Board appointed Ms. Ishita H. Rathod, Cost & Management Accountant as the Internal Auditor of the Company as per Section 138 of the Companies Act, 2013 to conduct the Internal Audit of the Company, for Fiscal Year under review.

## Employee Stock Option Scheme

Pursuant to the Resolutions of the Board of Directors dated November 18, 2021, and Shareholders' Resolution dated November 18, 2021, the Company has instituted Aether Industries Limited Employees Stock Option Plan Scheme 2021 (hereinafter "ESOS Scheme 2021"). The ESOS Scheme 2021 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, later duly ratified by the Shareholders as well in the Annual General Meeting.



The Company has introduced the Aether Industries Limited Employees Stock Option Scheme 2021 (AIL ESOS 2021) primarily with a view to attract, retain, incentivise and motivate the existing employees of the Company. The AIL ESOS 2021 contemplates grant of options to eligible employees, as may be determined in due compliance of SEBI SBEB Regulations and provisions of the AIL ESOS 2021.

After vesting of options, the Eligible Employees earn a right (but not an obligation) to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon. On November 20, 2023, the second allotment was executed of total 26,732 Options, detailed in Annexure-E.

## Secretarial Standards

The Company has duly complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and the General Meetings of the Company (SS-1 and SS-2) from time to time.

## Reporting of frauds by Auditors

There is no qualification, reservation or adverse remarks made by M/s. Birju S. Shah & Associates, Statutory Auditors in their Audit Report, M/s. Dhirren R. Dave & Company, Secretarial Auditors in their Secretarial Audit Report, and Ms. Ishita H. Rathod, Internal Auditor in her Internal Audit Report.

Apart from it, no such instance of fraud committed to Company by its employees or officers has been reported to the Audit Committee under Section 143(12) of the Companies Act, 2013.

## Remuneration detail of employees

Pursuant to Rule 5(1) of Companies (Appointment and Remuneration) Rules, 2014, a statement regarding top ten employees in terms of remuneration drawn and other details of the employees as prescribed has to be provided in the Board Report. Details regarding the same are attached as Annexure-F.

## Human Resources and Industrial Relations

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process at all locations and management development programs to upgrade the skills of managers and other employees. Objective appraisal systems based on Key Result Areas (KRAs) are in place for various employees and the system is always being implemented towards an unbiased appraisal system.

The Company is committed to nurturing, enhancing and retaining its top talent through superior learning and organizational development. This is a part of our Corporate HR function and is a critical pillar to support the organization's growth.

The Company has aligned and collaborated R&D activities with many institutions and Universities in India. Company has associated with National Chemical Laboratory (NCL, Pune), Institute of Chemical Technology (ICT, erstwhile UDCT, Mumbai), Uka Tarsadia University (UTU, Bardoli) and Sardar Vallabhbhai National Institute of Technology (SVNIT, Surat). Also, it has contributed towards the programs for chemical engineer aspirants which, includes industrial training.

The Company has its own sponsored PhD programs which are ongoing for getting PhD research and degree done for its R&D team with above named Institutes.

### Environment, Health and Safety Protection

The Company's Health and Safety Policy commits to comply with applicable legal and other requirements concerning Occupational Health, Safety and Environment matters The Company has a due system for environmental issues, health and safety issues concerned with the employees and the same is reviewed at regular intervals.

### Disruption of activities due to fire accident

On November 29, 2023, an unfortunate accident of fire break-out resulted in the loss of 11 precious lives and 23 workers were injured. The Company completely took the onus of the accident and has compensated the relatives of the deceased. The families of the deceased were compensated with ₹ 5.00 MM per family, acknowledging the tragic loss they have experienced. Additionally, the injured workers were promptly hospitalized and provided with the best treatment, with all expenses covered by the Company. In case of any permanent disabilities as a result of the accident, such employees were declared compensation with Rs. 2.5 MM each, though no permanent disabilities were reported.

Furthermore, the Company received closure notices from both the Factory Inspector and the Gujarat Pollution Control Board (GPCB), accompanied by a fine of ₹ 5.00 MM. Despite this setback, the other manufacturing facilities (1 and 3) have resumed operations. The Company is committed to ensuring sustainability in terms of the safety and welfare of its human resources and has taken utmost care ever since the accident happened.

As of March 31, 2024, the affected manufacturing facility was partially operative with permission from GPCB and the revocation order is also expected soon for the remaining area.

### Anti-Sexual Harassment Policy

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The same is mentioned in the Corporate Governance Report.



### Appreciation and Acknowledgement

The Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board places on record its appreciation for the support and cooperation, your company has been receiving from its Suppliers, Retailers, Dealers & Distributors and others associated with the Company. The Directors also take this opportunity to thank all Clients, Vendors, Banks, Regulatory Authorities, Government and every Stakeholder for their continuous support.

For Aether Industries Limited
Ashwin Desai - Managing Director DIN: 00038386
Rohan Desai - Whole Time Director DIN: 00038379
**Place:** Surat | **Date:** July 19, 2024

ANNEXURE-A

## FORM NO. AOC-1

### Statement containing salient features of the Financial Statement of Subsidiary

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

| Details | Particulars (In ₹ MM) |
|---|---|
| Name of the Subsidiary | Aether Speciality Chemicals Limited |
| Date since when subsidiary was acquired / formed | 02.09.2022 |
| Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 01.04.2023 to 31.03.2024 |
| Share capital | ₹ 0.50 |
| Reporting currency and Exchange rate as on the last date of the relevant | Indian Rupees |
| Share capital | ₹ 0.50 |
| Reserves & Surplus | (₹ 5.46) |
| Total Assets | ₹ 1546.84 |
| Total Liabilities | ₹ 1151.80 |
| Turnover | ₹ 25.08 |
| Profit /(Loss) Before Taxation | ₹ 5.60 |
| Provision for Taxation | ₹ 0.00 |
| Profit / (Loss) After Taxation | (₹ 5.43) |
| Proposed Dividend | ₹ 0.00 |
| % of Shareholding | 100.00% |
| Subsidiary which is yet to commence operations | Operational Subsidiary |

For Aether Industries Limited
Ashwin Desai - Managing Director DIN: 00038386
Rohan Desai - Whole Time Director DIN: 00038379
Place: Surat | Date: July 19, 2024



ANNEXURE-B

## FORM NO. AOC-2

### Form for disclosure of Particulars of Contracts / Arrangements entered into by the Company with Related Parties during the Fiscal Year ended on March 31, 2024

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

Details of Contracts / Arrangements or Transactions not at arm's length basis: None

Details of Contracts / Arrangements or Transactions at arm's length basis: The following Related Party Transactions were conducted at arm's length basis and in the ordinary course of business of the Company during the

| Party with which contract is entered into | Nature of Relationship | Nature of Transaction | Duration | Value of Transaction (₹ in MM) p.a. | Date of approval of Board |
|---|---|---|---|---|---|
| Kamalvijay Ramchandra Tulsian (HUF) | Karta of Director's HUF | Rental Charges for rented Property | Every month | 2.40 | 06.05.2023 |
| Pramiladevi Kamalvijay Tulsian | Spouse of the Director | Rental Charges for rented Property | Every month | 2.40 | 06.05.2023 |

For Aether Industries Limited
Ashwin Desai - Managing Director DIN: 00038386
Rohan Desai - Whole Time Director DIN: 00038379
Place: Surat | Date: July 19, 2024

## ANNEXURE-C

## ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2024

1. Brief outline on CSR Policy, program and scope of the Company

   The Company throws the light and focus on the underprivileged and marginalized area of the society, economy and the environment. It is always in the back-drop of the philosophy of the Company that what the Company has achieved so far, the Company shall pay-back the same to the society or the environment, as all are inter-related to each other and one cannot exist without any of the above.

   Accordingly, Company through 'Aether Foundation' and with any other such Organisations, strives to reach to the needy for their betterment and upliftment.

   The Company has duly formed the Policy for identification of such area and other aspects where the Company can serve to the needy. Primarily, the Company is more driven towards educational support to the rural students and health concerned area.

2. Composition of the CSR Committee

| Name of the Director | Designation / Nature of Directorship | No. of Committee Meetings Held | No. of Committee Meetings Attended |
|---|---|---|---|
| Ms. Purnima Ashwin Desai | Chairperson / Executive | 1 | 1 |
| Mr. Kamalvijay Ramchandra Tulsian | Member / Non-Executive | 1 | 1 |
| Mr. Jeevan Lal Nagori | Member / Independent | 1 | - |
| Ms. Leja Satish Hattiangadi | Member / Independent | 1 | - |
| Mr. Jitendra Popatlal Vakharia | Member / Independent | 1 | 1 |

3. Details of URL for disclosure of the composition of the CSR Committee, CSR Policy and CSR projects on the website of the Company: www.aether.co.in

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

5. CSR Obligations:
   (a) Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the amount required for set off for the financial year, if any: None
   (b) Average net profit of the Company as per Section 135(5): ₹ 1,382.33 MM
   (c) 2% of average net profit of the Company as per Section 135(5): ₹ 27.65 MM
   (d) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: None
   (e) The amount required to be set off for the financial year: None
   (f) Total CSR obligation for the financial year: ₹ 27.65 MM

6. CSR spending
   (a) Details of amount spent (ongoing and other than ongoing project) for the financial year: ₹ 27.97 MM
   (b) Administrative overhead: None
   (c) Total CSR spent and unspent for the financial year: Spent: ₹ 27.65 MM
   Unspent: None
   (d) Excess amount for set-off
   2% of average net profit of the Company as per Section 135(5): ₹ 27.65 MM
   Total amount spent for CSR: ₹ 27.97 MM
   Excess amount spent: ₹ 0.32 MM
   Surplus arising out of CSR projects of previous year: None
   Amount available for set-off: None

7. Details of unspent CSR amount for the preceding three financial years: None

8. Whether any capital asset have been created or acquired through CSR in the financial year? None

9. Details of the CSR spending:

| Nature | Entity | Spending (₹ in MM) |
|---|---|---|
| Promoting education | Ambika Education Trust | ₹ 13.90 |
| | Shivam Education Trust | ₹ 1.15 |
| | Indian Chemical Society | ₹ 1.60 |
| | Institute of Chemical Technology | ₹ 1.30 |
| | Mahla Charitable Education Trust | ₹ 0.30 |
| | Bardoli Pradesh Kelvani Mandal | ₹ 0.75 |
| Old age homes | Manav Seva Trust | ₹ 0.02 |
| Sports | Aether Education | ₹ 1.27 |

| Nature | Entity | Spending (₹ in MM) |
|---|---|---|
| Healthcare | Surat Manav Seva Sangh | ₹ 13.90 |
| | Seva Foundation | ₹ 1.15 |
| Animal welfare | Stranctuary Foundation | ₹ 1.60 |
| Removing inequalities in backward class | Shree Ramnath Ghela Smashan Bhumi Trust | ₹ 1.30 |
| Life saving measures | Surat Raktadan Kendra & Research Centre | ₹ 0.30 |
| Medical aid | Chinmay Public Charitable Trust | ₹ 0.75 |
| Total | | ₹ 27.97 |

For Aether Industries Limited
Purnima Ashwin Desai - Chairperson of CSR Committee and Whole time Director DIN: 00038399
Ashwin Desai - Managing Director DIN: 00038386
Place: Surat | Date: July 19, 2024



## ANNEXURE-D

## FORM NO. MR-3

## Secretarial Audit Report for the FY 2024

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

To,
The Members,
Aether Industries Limited

CIN: L24100GJ2013PLC073434

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Aether Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and representation provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, We hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

(a) We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

The following Regulations and Guidelines as prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
- The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2018 - Not Applicable
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - There are no events occurred during the year which attracts provisions of these regulations hence not applicable and
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; There are no events occurred during the year which attracts provisions of these regulations hence not applicable
- The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015
- Other as mentioned below:
  - The Factories Act, 1948
  - The Industrial Disputes Act, 1947
  - The payment of Wages Act, 1936
  - The Minimum Wages Act, of 1948
  - Employee State Insurance Act, 1948
  - The Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - The Payment of Bonus Act, 1965
  - The Payment of Gratuity Act, 1972
  - The Contract Labour (Regulation and Abolition) Act, 1970
  - The Maternity Benefit Act, 1961
  - The Child Labour (Prohibition and Regulation) Act, 1986
  - The Industrial Employment (Standing Orders) Act, 1946
  - The Employees Compensation Act, 1923
  - The Apprentices Act, 1961
  - The Equal Remuneration Act, 1976
  - The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
  - The Environment (Protection) Act, 1986 (read with The Environment (Protection) Rules, 1986
  - The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008
  - The Water (Prevention and Control of Pollution) Act, 1974 (read with Water (Prevention and Control of Pollution) Rules, 1975
  - The Air (Prevention and Control of Pollution) Act, 1981 (read with Air (Prevention and Control of Pollution) Rules, 1982



We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

(b) We further report that;
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No change occurred in the BoD composition during the year. Adequate Notices were issued to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, except those which were held with at a shorter notice with the consent of all the Directors. And a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

All the decisions were approved unanimously and there were no dissenting members' views as recorded as part of the Minutes.

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

(d) We further report that during the audit period following event is having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

"Fire accident was reported at Manufacturing Facility 2 of the company at Plot No. 8203, GIDC Sachin, Surat on 29.11.2023 whereby, the Gujarat Pollution Control Board ('GPCB') had ordered temporary closure of manufacturing activity vide communication dated 30.11.2023, later revoked vide communication dated 05.01.2024. Operations are normal in the unaffected area at Manufacturing Facility 2 as on date of this Report."

This Report is to be read with our letter dated July 19, 2024 which is annexed and forms an integral part of this Report.

**For Dhirren R. Dave & Co.**
Company Secretaries | PR No.: 2144/2022 | UIN: P1996GJ002900

**Pinal Kandarp Shukla - Partner**
Membership No.: A28554 | CP No.: 10265 | UDIN: A028554F000778149

**Place:** Surat | **Date:** July 19, 2024

To,
The Members,
Aether Industries Limited

CIN: L24100GJ2013PLC073434

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

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

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

(c) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

(d) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

(e) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

(f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Dhirren R. Dave & Co.
Company Secretaries | PR No.: 2144/2022 | UIN: P1996GJ002900

Pinal Kandarp Shukla - Partner
Membership No.: A28554 | CP No.: 10265 | UDIN: A028554F000778149

**Place:** Surat | **Date:** July 19, 2024



## ANNEXURE-E

## DETAILS OF AIL ESOS 2021

(a) Any material changes in the Scheme and whether the scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:

There are no material changes in the scheme. The scheme was formulated in-line with the requirement and was issued prior to the listing of the Company and hence, the scheme was placed before the Members for their ratification in line with the Regulation and the maximum vesting tenure was also increased to 15 (fifteen) years from 7 (seven) years.

(b) Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.

Kindly refer 'Annexure - Statement of Changes in Equity' of the Standalone Financial Statements.

(c) Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time:

₹ 6.74

(d) Details related to ESOS

| | |
|---|---|
| A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including: | The Company proposes to introduce the AIL ESOS 2021 primarily with a view to attract, retain, incentivise and motivate the existing employees of the Company, new employees joining the Company, that would lead to higher corporate growth. The AIL ESOS 2021 contemplates grant of options to the eligible employees, as may be determined in due compliance of SEBI SBEB Regulations and provisions of the AIL ESOS 2021. After vesting of options, the Eligible Employees earn a right (but not an obligation) to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.<br><br>The Nomination and Remuneration Committee (Committee) of the Company shall administer AIL ESOS 2021. All questions of interpretation of the AIL ESOS 2021 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in AIL ESOS 2021. |
| Date of Shareholders' approval | November 18, 2021. The scheme was approved vide the Special Resolution passed on November 18, 2021 and further ratified and modified in Annual General Meeting held on September 27, 2022. |
| Total number of options approved under ESOS | 11,00,000 Options |

| | |
|---|---|
| Vesting requirements | Options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 15 (fifteen) years from the date of grant of options as may be determined by the Committee. |
| Exercise price or pricing formula | The exercise price per option shall be at the price determined by the Board /Committee and in no case less than face value of the equity shares. |
| Maximum term of options granted | 8 years for already granted options |
| Source of shares (primary, secondary or combination) | Primary, the shares exercised will be listed on the Stock Exchanges. |
| Variation in terms of options | N.A. |
| Method used to account for ESOS | Fair Value Method |
| Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed. | N.A. |

Option movement during the year (for each ESOS)

| | |
|---|---|
| Number of options outstanding at the beginning of the period | 1,74,156 |
| Number of options granted during the year | 1,39,806 |
| Number of options forfeited/lapsed during the year | 7,998 |
| Number of options vested during the year | 26,732 |
| Number of options exercised during the year | 26,732 |
| Number of shares arising as a result of exercise of options | 26,732 |
| Money realized by exercise of options (₹), if scheme is implemented directly by the Company | ₹ 85,80,972 |
| Loan repaid by the Trust during the year from exercise price received | N.A. |
| Number of options outstanding at the end of the year | 2,79,232 |
| Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock. | ₹ 324.32 |



| | |
|---|---|
| Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to - | |
| Senior Managerial Personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; | Mr. Raymond Paul Roach, Leader - Business Development, 12,461 Options at ₹321 each<br>Dr. James Ringer, Chief Technology Officer 12,461 Options at ₹321 each<br>Mr. Norbert Flueggen, Leader - Business Development, 12,461 Options at ₹321 each |
| Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and | Same as above |
| A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: | |
| the weighted-average values of share price and exercise price, | ₹ 985.35 per Share and ₹ 597.39 per Share respectively |
| the expected volatility | 41.64%, 40.62%, 41.21%, 40.77%, 41.31%, 41.35% and 41.89% each in on every exercise date in year 2022, 2023, 2024, 2025, 2026, 2027 and 2028. |
| the expected dividends, | Considered 0% |
| the risk-free interest rate and any other inputs to the model; | 5.72%, 5.96%, 6.19%, 6.29% 6.36%, 6.37% and 6.48% each in on every exercise date in year 2022, 2023, 2024, 2025, 2026, 2027 and 2028 |
| the method used and the assumptions made to incorporate the effects of expected early exercise | Black-Scholes-Merton model are:<br>The price of underlying instrument follows geometric Brownian motion with constant drift and volatility, and price changes are log normally distributed.<br>It is possible to short sell the underlying stock.<br>There are no arbitrage opportunities.<br>Trading in stock is continuous.<br>There are no transaction costs or taxes.<br>It is possible to buy and sell any amount, even fractional, of the stock (securities are perfectly divisible).<br>It is possible to borrow and lend cash at a constant risk-free interest rate. |
| the method used and the assumptions made to incorporate the effects of expected early exercise | The volatility input, measured in % per year, is how much you generally expect the underlying Security to move during option. The measure of volatility used in Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rate of return on the stock over a period of time. |

whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.

The stock price of the Company is the price as on date of grant as per valuation report. (as the options were granted prior to the date of listing.) The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity approximately equal to the expected life of the options based on the zero-coupon yield curve for government securities. Expected dividend yield is dividend per share dividend by market price per share.

For one Grantee, to whom Options were granted at ₹ 503, is based on 51% of the closing price of last trading of securities on BSE Limited i.e. ₹ 985.15 prior to grant made on November 20, 2022.

For Aether Industries Limited
Ashwin Desai - Managing Director DIN: 00038386
Rohan Desai - Whole Time Director DIN: 00038379
Place: Surat | Date: July 19, 2024



## ANNEXURE-F

## DISCLOSURE UNDER SECTION 197(12) OF COMPANIES ACT, 2013

(a) The ratio of remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each director, for the financial year:

| Name of the Director drawing remuneration | Total Remuneration (₹) | Ratio | % Increase in Remuneration |
|---|---|---|---|
| Mr. Ashwin Jayantilal Desai | ₹ 13.65 MM | 39.71:1 | 0% |
| Ms. Purnima Ashwin Desai | ₹ 13.65 MM | 39.71:1 | 0% |
| Mr. Rohan Ashwin Desai | ₹ 19.47 MM | 56.65:1 | 0% |
| Dr. Aman Ashwinbhai Desai | ₹ 20.48 MM | 59.56:1 | 0% |

(b) The percentage increase in remuneration of CFO, CS in the Fiscal Year:

CFO: 22.89%

CS: 29.73%

(c) The percentage increase in the median remuneration of employees in the Fiscal Year:

~16 %

(d) The number of permanent employees on the rolls of Company as on March 31, 2024:

954 Employees

(e) Details of top ten highest paid employees except above is accessible at web-site of the Company, at:

https://aether.co.in/investor-relations/#financial-performance-and-presentation

(i) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and explanation if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in salary of employees was 17%, There is no exceptional reason for the increase in the managerial remuneration. It is affirmed that the remuneration paid is in adherence with the remuneration Policy applicable to Directors, Key Managerial Personnel and other employees.

## ANNEXURE-G

## CORPORATE GOVERNANCE REPORT

Corporate Governance refers to the set of systems, principles and processes by which a company is governed. They provide the guidelines as to how the company can be directed or controlled such that it can fulfil its goals and objectives in a manner that adds to the value of the company and is also beneficial for all stakeholders in the long term. Stakeholders in this case would include everyone ranging from the Board of Directors, management, shareholders to customers, employees and society at large. The management of the Company hence assumes the role of a trustee for all the others.

The Equity Shares of the Company are listed and admitted to dealings on BSE Limited and the National Stock Exchange of India Limited with effect from June 3, 2022. Pursuant to the provisions of Regulation 34 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, a report on Corporate Governance for the financial year ended March 31, 2024 is furnished herewith.

### (A) Company's philosophy on Corporate Governance

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and the report contains the details of Corporate Governance systems and processes at Aether Industries Limited. Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders We consider stakeholders as partners in our success, and we remain committed to maximising stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We believe that any business conduct can be ethical only when it rests on the core values. The Company believes that all its actions must serve the underlying goal of enhancing the overall stakeholder value over a sustained period of time.

### (B) Board of Directors

Size and composition of the Board - The Company believes that an active, well informed and independent Board of Directors is vital to achieve the apex standard of Corporate Governance. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected.

The Board of Directors of the Company comprises of an optimal combination of Executive, Non-Executive and Independent Directors so as to preserve and maintain the independence of the Board. As of March 31, 2024, the Board of Directors comprises 12 Directors, of which 6 are Independent Directors, 2 are Non-Executive Women Directors and 4 Executive Directors including, 1 Managing Director and 1 Woman Whole-time Director.



The composition of the Board of Directors as on March 31, 2024, their attendance at Board Meetings held during the year and the last Annual General Meeting, the number of Directorships and Committee Chairmanship / Memberships held by them in other Companies is given below:

| Name of the Director | Inter-se Relationship amongst Directors | Total attendance in the Board Meetings | Whether presented in the previous AGM |
|---|---|---|---|
| Mr. Ashwin Jayantilal Desai, Managing Director (Executive Promoter) | Spouse of Ms. Purnima Ashwin Desai<br>Father of Mr. Rohan Ashwin Desai<br>Father of Dr. Aman Ashwinbhai Desai<br>Father-in-law of Ms. Ishita Surendra Manjrekar | 5 | Yes |
| Ms. Purnima Ashwin Desai, Whole-time Director (Executive Promoter) | Spouse of Mr. Ashwin Jayantilal Desai<br>Mother of Mr. Rohan Ashwin Desai<br>Mother of Dr. Aman Ashwinbhai Desai<br>Mother-in-law of Ms. Ishita Surendra Manjrekar | 5 | Yes |
| Mr. Rohan Ashwin Desai, Whole-time Director (Executive Promoter) | Son of Mr. Ashwin Jayantilal Desai<br>Son of Ms. Purnima Ashwin Desai<br>Brother of Dr. Aman Ashwinbhai Desai<br>Son-in-law of Mr. Kamalvijay Ramchandra Tulsian | 6 | Yes |
| Dr. Aman Ashwinbhai Desai, Whole-time Director (Executive Promoter) | Son of Mr. Ashwin Jayantilal Desai<br>Son of Ms. Purnima Ashwin Desai<br>Brother of Mr. Rohan Ashwin Desai<br>Spouse of Ms. Ishita Surendra Manjrekar | 6 | Yes |
| Mr. Kamalvijay Tulsian, Chairman Non-Executive Non-Independent Director (Non-Executive Non-Independent) (Holding 11,690 Equity Shares) | Father-in-law of Mr. Rohan Ashwin Desai | 6 | Yes |
| Ms. Ishita Surendra Manjrekar, Non-Executive Non-Independent Director (Non-Executive Non-Independent) | Spouse of Dr. Aman Ashwinbhai Desai<br>Daughter-in-law of Mr. Ashwin Jayantilal Desai<br>Daughter-in-law of Ms. Purnima Ashwin Desai | 5 | Yes |

| Name of the Director | Inter-se Relationship amongst Directors | Total attendance in the Board Meetings | Whether presented in the previous AGM |
|---|---|---|---|
| Mr. Arun Brijmohan Kanodiya, Non-Executive Independent Director (Non-Executive Independent) | N.A. | 5 | Yes |
| Mr. Jeevan Lal Nagori, Non-Executive Independent Director (Non-Executive Independent) | N.A. | 5 | Yes |
| Ms. Leja Satish Hattiangadi, Non-Executive Independent Director (Non-Executive Independent) | N.A. | 5 | Yes |
| Dr. Amol Arvindrao Kulkarni, Non-Executive Independent Director (Non-Executive Independent) | N.A. | 4 | No |
| Mr. Rajkumar Mangilal Borana, Non-Executive Independent Director (Non-Executive Independent) | N.A. | 3 | No |

| Name of the Director | No. of Directorship (incl. AIL) | No. of membership in Committees (incl. AIL) as a | | Name of the listed entity in which directorship is held including AIL |
|---|---|---|---|---|
| | | Chairman | Member | |
| Mr. Ashwin Jayantilal Desai | 4 | 0 | 1 | Aether Industries Limited as Managing Director |
| Ms. Purnima Ashwin Desai | 3 | 1 | 1 | Aether Industries Limited as Whole-time Director |
| Mr. Rohan Ashwin Desai | 3 | 1 | 2 | Aether Industries Limited as Whole-time Director |



| Name of the Director | No. of Directorship | No. of membership in Committees (incl. AIL) as a | | Name of the listed entity in which directorship is held including AIL |
|---|---|---|---|---|
| | | Chairman | Member | |
| Dr. Aman Ashwinbhai Desai | 2 | 1 | 1 | Aether Industries Limited as Whole-time Director |
| Mr. Kamalvijay Ramchandra Tulsian | 6 | 1 | 3 | Aether Industries Limited as Chairman Non-Executive Non-Independent Director |
| Ms. Ishita Surendra Manjrekar | 5 | 0 | 1 | Aether Industries Limited as Non-Executive Non-Independent Director |
| Mr. Arun Brijmohan Kanodiya | 2 | 2 | 3 | Aether Industries Limited as Non-Executive Independent Director |
| Mr. Jeevan Lal Nagori | 6 | 0 | 2 | Aether Industries Limited as Non-Executive Independent Director |
| Ms. Leja Satish Hattiangadi | 2 | 0 | 2 | Aether Industries Limited, and Alkyl Amines Chemicals Limited As Non-Executive Independent Director |
| Mr. Jitendra Popatlal Vakharia | 4 | 0 | 1 | Aether Industries Limited as Non-Executive Independent Director |
| Dr. Amol Arvindrao Kulkarni | 1 | 0 | 2 | Aether Industries Limited as Non-Executive Independent Director |
| Mr. Rajkumar Mangilal Borana | 6 | 0 | 1 | Aether Industries Limited as Non-Executive Independent Director R&B Denims Limited as Managing Director |

### Board Meetings

During the year under review, total 6 (six) Board Meetings were conducted on

(a) May 6, 2023 (b) June 19, 2023 (c) July 26, 2023
(d) October 31, 2023 (e) January 20, 2024 (f) February 27, 2024

### Familiarisation Program for Independent Directors

The Company has a familiarisation program for the Independent Directors with regard to their roles, rights and responsibilities in the Company and provides detail regarding the nature of the industry in which the Company operates, the business models of the Company etc. which aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities. The details of the familiarization program for Independent Directors are available on the Company's website at: https://aether.co.in/wp-content/uploads/2024/08/Familiarisation%20Program%20of%20Independent%20Directors%20-%20FINAL.pdf

### Skills / Expertise / Competence of the Board of Directors

The Board has identified certain skills/expertise/competence as required to be possessed by the Board of Directors to ensure the effective functioning of the business(es) and sectors of the Company. The mapping of these skills/expertise / competence among the Directors is as given herewith:

| Skills / Expertise / Competence | Name of the Director |
|---|---|
| Science & Technology | Mr. Ashwin Jayantilal Desai<br>Dr. Aman Ashwinbhai Desai<br>Ms. Ishita Surendra Manjrekar<br>Ms. Leja Satish Hattiangadi and<br>Dr. Amol Arvindrao Kulkarni |
| Commercial | Mr. Ashwin Jayantilal Desai<br>Ms. Purnima Ashwin Desai<br>Mr. Rohan Ashwin Desai<br>Dr. Aman Ashwinbhai Desai<br>Mr. Jeevan Lal Nagori and<br>Mr. Jitendra Popatlal Vakharia |
| Finance | Ms. Purnima Ashwin Desai<br>Mr. Rohan Ashwin Desai and<br>Mr. Jeevan Lal Nagori<br>Mr. Arun Brijmohan Kanodiya |
| Sales, Marketing, Strategic Procurement and Human Resource | Mr. Rohan Ashwin Desai and<br>Mr. Jeevan Lal Nagori |
| Management / Administration | Ms. Purnima Ashwin Desai<br>Mr. Kamalvijay Ramchandra Tulsian and<br>Mr. Rajkumar Mangilal Borana |
| Domain Industry | Mr. Ashwin Jayantilal Desai and<br>Mr. Jeevan Lal Nagori |
| Legal / Corporate Governance | Mr. Jeevan Lal Nagori and<br>Mr. Arun Brijmohan Kanodiya |



### (C) Audit Committee

Terms of Reference for the Audit Committee:

The Audit Committee shall be responsible for, among other things, as may be required by the Stock Exchange(s) from time to time, the following :

#### I. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice;
- to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations

#### II. The role of the Audit Committee shall include the following:

a) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
b) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
d) formulation of a policy on related party transactions, which shall include materiality of related party transactions;
e) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
f) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;

- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions;
- Modified opinion(s) in the draft audit report;

g) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

h) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

i) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

j) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed.

k) Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.;

l) scrutiny of inter-corporate loans and investments;

m) valuation of undertakings or assets of the Company, wherever it is necessary;

n) evaluation of internal financial controls and risk management systems;

o) scrutiny of inter-corporate loans and investments;

p) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

q) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

r) discussion with internal auditors of any significant findings and follow up there on;

s) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

t) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

u) recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

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

w) reviewing the functioning of the whistle blower mechanism;

x) monitoring the end use of funds raised through public offers and related matters;

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



genuine concerns in appropriate and exceptional cases;

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

aa) reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding ₹1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing;

bb) carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;

cc) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

dd) Such roles as may be prescribed under the Companies Act, SEBI Listing Regulations and other applicable provisions and review :

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor;
- Statement of deviations in terms of the SEBI Listing Regulations:
  a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and
  b. annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of the SEBI Listing Regulations.

| Name of the Director | Position held in the Committee | Category of the Director | Number of Meetings attended |
|---|---|---|---|
| Mr. Arun Brijmohan Kanodiya | Chairman | Independent Director | 4 |
| Mr. Jitendra Popatlal Vakharia | Member | Independent Director | 3 |
| Mr. Jeevan Lal Nagori | Member | Independent Director | 4 |

During the year under review, total 4 (four) Audit Committee Meeting were held, as mentioned below :

(a) May 6, 2023
(b) July 26, 2023
(c) October 31, 2023
(d) January 20, 2024

(D) Nomination & Remuneration Committee

Terms of Reference for the Nomination & Remuneration Committee:

The Nomination & Remuneration Committee shall be responsible for, among other things, as may be required by the stock exchange(s) from time to time, the following:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors of the Company (the "Board" or "Board of Directors") a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees ("Remuneration Policy");

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
- the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

(b) Formulation of criteria for evaluation of independent directors and the Board;

(c) Devising a Policy on Board diversity;

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

(e) Analysing, monitoring and reviewing various human resource and compensation matters;

(f) Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

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

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

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

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

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

(l) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

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

(n) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
- use the services of an external agencies, if required;
- consider candidates from a wide range of backgrounds, having due regard to diversity; and
- consider the time commitments of the candidates

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

| Name of the Director | Position held in the Committee | Category of the Director | Number of Meetings attended |
|---|---|---|---|
| Mr. Arun Brijmohan Kanodiya | Chairman | Independent Director | 4 |
| Mr. Kamalvijay Ramchandra Tulsian | Member | Non-Executive Director | 4 |
| Dr. Amol Arvindrao Kulkarni | Member | Independent Director | 4 |

During the year under review, total 4 (four) Nomination & Remuneration Committee Meeting were held, as mentioned below:

(a) May 6, 2023
(b) August 18, 2023
(c) November 20, 2023
(d) January 31, 2024

Performance evaluation of the Board

A formal evaluation of the performance of the Board, its Committees and Individual Directors was carried out for Fiscal Year 2023-24. The evaluation was carried out using individual questionnaires covering, amongst others, contribution to areas impacting Company's performance, preparedness on the issues to be discussed, meaningful and constructive, contribution and inputs in Board and committee meetings. In addition to the above the Executive Directors were evaluated based on annual targets, financial and operational controls, risk management, business strategies succession planning, core governance and compliance management.

(E) Corporate Social Responsibility Committee

Terms of Reference for the CSR Committee:

The CSR Committee shall be responsible for, among other things, as follows:

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

(b) identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

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

(e) delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(f) review and monitor the implementation of corporate social responsibility programmes and issue necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

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

(h) exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act, 2013.

| Name of the Director | Position held in the Committee | Category of the Director | Number of Meetings attended |
|---|---|---|---|
| Ms. Purnima Ashwin Desai | Chairperson | Whole-time Director | 1 |
| Mr. Kamalvijay Ramchandra Tulsian | Member | Non-Executive Director | 1 |
| Mr. Jeevan Lal Nagori | Member | Independent Director | 1 |
| Ms. Leja Satish Hattiangadi | Member | Independent Director | 1 |
| Mr. Jitendra Popatlal Vakharia | Member | Independent Director | 1 |

### (F) Stakeholder's Relationship Committee

Terms of Reference for the Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required by the under applicable law, the following:

(a) To specifically look into various aspects of interests of shareholders, debentures holders and other security holders;

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

(c) Review of measures taken for effective exercise of voting rights by shareholders;

(d) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

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

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

(g) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and

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

The Company has formed Stakeholder Relationship Committee on November 18, 2021, comprising of below mentioned members;

| Name of the Director | Position held in the Committee | Category of the Director | Number of Meetings attended |
|---|---|---|---|
| Mr. Kamalvijay Ramchandra Tulsian | Chairperson | Non-Executive Director | 1 |
| Mr. Rohan Ashwin Desai | Member | Whole-time Director | 1 |
| Mr. Ishita Surendra Manjrekar | Member | Non-Executive Director | 1 |
| Ms. Leja Satish Hattiangadi | Member | Independent Director | 1 |
| Mr. Arun Brijmohan Kanodiya | Member | Independent Director | 1 |
| Mr. Rajkumar Mangilal Borana | Member | Independent Director | 1 |

Mr. Chitrarth Rajan Parghi, Company Secretary is designated as Compliance Officer of the Company.
During the year under review, 32 complaints were received from Shareholders and all were resolved in due course.

### (G) Risk Management Committee

Terms of Reference for the Risk Management Committee

The Risk Management Committee shall be responsible for, among other things, as may be required by the under applicable law, the following:

(a) To formulate a detailed risk management policy which shall include:
- A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- Measures for risk mitigation including systems and processes for internal control of identified risks.
- Business continuity plan.

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

(c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

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

(e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

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

The Company has formed Risk Management Committee on November 18, 2021, comprising of below mentioned members:

| Name of the Director | Position held in the Committee | Category of the Director | Number of Meetings attended |
|---|---|---|---|
| Mr. Ashwin Jayantilal Desai | Member | Managing Director | 3 |
| Mr. Rohan Ashwin Desai | Member | Whole-time Director | 3 |
| Dr. Aman Ashwinbhai Desai | Chairperson | Whole-time Director | 3 |
| Mr. Kamalvijay Ramchandra Tulsian | Member | Non-Executive Director | 3 |
| Mr. Arun Brijmohan Kanodiya | Member | Independent Director | 3 |

During the year under review, total total 3 (three) Risk Management Committee Meeting were held, as mentioned below:

(a) May 6, 2023 (b) October 31, 2023 (c) February 1, 2024

### (H) Remuneration of Directors

#### Pecuniary relationship or transactions

During the year under review, there was no pecuniary relationship or transactions between the Company and any of its Non-Executive Directors apart from sitting fees and reimbursement of expenses incurred by them to attend Meetings of the Company.

Related Party Transactions are mentioned in Note 40 in the Financial Statements.

#### Criteria for making payments to Non-Executive Directors

Due approval from the Audit Committee was obtained from the aforesaid transaction mentioned in Note 40, taking into consideration the requirement of availing the industrial premises on rental basis from related parties.

#### Remuneration

Apart from the sitting fee, no other remuneration was paid to the Non-Executive Directors The Board in their Meeting held on September 4, 2021, approved the sitting fee as ₹ 50,000 for attending the Board Meeting and ₹ 15,000 for attending Committee Meetings.



Details of the sitting fees paid to the Non-Executive Directors and remuneration to Executive Directors are as below:

#### Sitting fees

| Name of the Director | Category of the Director | Sitting fee (₹ in MM) |
|---|---|---|
| Mr. Kamalvijay Ramchandra Tulsian | Chairman Non-Executive Non-Independent Director | ₹ 0.44 |
| Ms. Ishita Surendra Manjrekar | Non-Executive Non-Independent Director | ₹ 0.27 |
| Mr. Arun Brijmohan Kanodiya | Non-Executive Independent Director | ₹ 0.43 |
| Mr. Jeevan Lal Nagori | Non-Executive Independent Director | ₹ 0.33 |
| Ms. Leja Satish Hattiangadi | Non-Executive Independent Director | ₹ 0.28 |
| Mr. Jitendra Popatlal Vakharia | Non-Executive Independent Director | ₹ 0.34 |
| Mr. Rajkumar Mangilal Borana | Non-Executive Independent Director | ₹ 0.17 |
| Dr. Amol Arvindrao Kulkarni | Non-Executive Independent Director | ₹ 0.28 |

#### Remuneration

| Name of the Director | Category of the Director | Remuneration (₹ in MM) |
|---|---|---|
| Mr. Ashwin Jayantilal Desai | Managing Director | ₹ 13.65 |
| Ms. Purnima Ashwin Desai | Whole-time Director | ₹ 13.65 |
| Mr. Rohan Ashwin Desai | Whole-time Director | ₹ 19.47 |
| Dr. Aman Ashwinbhai Desai | Whole-time Director | ₹ 20.48 |

The above Remuneration of Executive Directors is comprised only of basic pay (incl. annual Bonus in line with the Payment of the Bonus Act), and does not comprise of any other benefit, stock options, pension, or performance linked incentives in aforesaid amount.

### (I) General Body Meeting

Particulars of the Annual General Meetings of the Company are as below:

| Day, Date and Time and Venue | No. of Directors present | Special Resolution passed |
|---|---|---|
| Annual General Meeting held on Saturday, September 18, 2021 at Plot No. 8203, GIDC Sachin, Surat-394230, GJ. at 15:00 Hrs. | 5 | Yes |

| Day, Date and Time and Venue | No. of Directors present | Special Resolution passed |
|---|---|---|
| Annual General Meeting held on Tuesday, September 27, 2022 through VC / OAVM mode (deemed to be considered at the Registered Office) at 11:30 Hrs. | 12 | Yes |
| Annual General Meeting held on Friday, June 16, 2023 through VC / OAVM mode (deemed to be considered at the Registered Office) at 16:00 Hrs. | 10 | Yes |

No Resolution was passed through Postal Ballot.

### (J) Means of Communication

Quarterly results are published in 'Financial Express', an English newspaper with nationwide circulation and in multiple local dailies in vernacular language, having wide circulation, within the prescribed time period. Also, the same is displayed on the website of the Company as well. Investor Presentations are also submitted to Stock Exchanges and displayed on the website, upon declaring the quarterly results. Statutory communications to Board Members / Shareholders were made through e-mail and/or physical hand-delivery.

### (K) Utilisation of funds raised through QIP

On June 22, 2023, the Company raised ₹ 7,500 MM through the Qualified Institutional Placement (QIP). A total 80,12,810 Equity Shares were issued for ₹ 936 per share. The same is under the utilisation as per the approved object as stated in the Placement Document. During the year under review, object-wise utilisation is reported as below;

| Object for which the fund raised | Utilisation during the year (₹ in MM) |
|---|---|
| Funding capital expenditure for the expansion at Manufacturing Facility 3 | ₹ 293.35 |
| Funding capital expenditure for the expansion at Manufacturing Facility 5 | ₹ 134.12 |
| Funding Working Capital requirements of the Company | ₹ 450.00 |
| General Corporate Purposes | ₹ 999.70 |
| Total | ₹ 1,877.26 |



### (L) General shareholders' information

- General Information and address of correspondence

Aether Industries Limited
Corporate Identification Number: L24100GJ2013PLC073434
Reg. Office: Plot No. 8203, GIDC Sachin, Surat-394230, GJ.
ISIN: INE0BWX01014

Phone: 0261-6603000 / 3360
Fax: 0261-6603329
E-mail: compliance@aether.co.in

Hojiwala Site
Plot Nos. B-21/5, B-21/6, and B-21/7, Hojiwala Industrial Estate, Surat-394230, GJ. (R&D Units & Pilot-Plants)
Plot Nos. C-24/9, C-24/10 and C-24/23, Hojiwala Industrial Estate, Surat-394230, GJ. (Warehouses & Misc. Works)

Sachin GIDC Site
Plot Nos. 8202/1 and 8203, GIDC Sachin, Surat-394230, GJ. (Manufacturing Units)
Plot Nos. 8202/2/A and 8202/2/B, GIDC Sachin, Surat-394230, GJ. (Manufacturing Units)
Plot Nos. 452-456, 822, 6714, 8206/A and 8208/1 & 2-P, GIDC Sachin, Surat-394230, GJ. (Warehouses)

Panoli GIDC Site
Plot Nos. 14 + 15, GIDC Panoli, Bharuch-394115, GJ. (Under construction Manufacturing Units)

- Annual General Meeting

Date: Tuesday, September 10, 2024
Time: 16:00 Hrs.
Mode: Video Conference ("VC") / Other Audio Visual Means ("OAVM")

- Financial Calendar

The Company follows the financial calendar from April 1 to March 31.

- Name and Address of the Stock-Exchanges where the securities are listed

The Company is listed on two Stock Exchanges of India and the listing fee payable are duly paid.

BSE Limited (BSE Scrip Code: 543534)
Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001, MH.

National Stock Exchange of India Limited (NSE Scrip Symbol: AETHER)
Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051, MH.

- Registrar & Share Transfer Agent

M/s. LinkIntime India Private Limited
C-101, 247 Park, LBS Marg,
Vikhroli (W), Mumbai-400083, MH.
Phone: 022-49186000
Fax: 022-49186060
Email: demat@linkintime.co.in / rnt.helpdesk@linkintime.co.in

- Share Transfer System

According to the SEBI Listing Regulations, 2015, no shares can be transferred unless they are held in dematerialized mode. All the shares of the Company are in dematerialised form only and no shares are held in physical form.

- Distribution of shareholding

| | Shareholders (Numbers) | | Shareholders (Value) | |
|---|---|---|---|---|
| Shares | No. of shareholders | % of shareholders | Rupees in shares | % of shareholding |
| 1,000 and below | 79,296 | 99.37% | ₹ 3,04,97,360 | 2.30% |
| 1,001 - 10,000 | 407 | 00.51% | ₹ 42,87,280 | 0.32% |
| 10,001 and above | 96 | 00.12% | ₹ 1,29,07,18,090 | 97.38% |

- Dematerialisation of Shares and Liquidity

The company's entire shareholding is held in demat mode and fully liquid for transferability.

- Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

As on March 31, 2024, your company has not faced any foreign exchange loss and the risk management is done through various internal measures.

- Credit rating

During the year under review, the Company obtained a credit rating from M/s. ICRA Limited, as below:

Long term rating: ICRA A+
Short term rating: ICRA A1



| In ₹ MM | BSE Limited (BSE) | | National Stock Exchange of India Limited (NSE) | |
|---|---|---|---|---|
| Month | High Price ₹ | Low Price ₹ | High Price ₹ | Low Price ₹ |
| April, 2023 | 997.75 | 890.25 | 999.00 | 895.00 |
| May, 2023 | 1,005.00 | 890.00 | 1,008.95 | 895.00 |
| June, 2023 | 1,210.80 | 893.25 | 1,209.00 | 898.00 |
| July, 2023 | 1,135.95 | 1,000.75 | 1,110.00 | 1,003.35 |
| August, 2023 | 1,108.95 | 994.00 | 1,108.75 | 993.00 |
| September, 2023 | 1,035.05 | 945.35 | 1,035.60 | 948.50 |
| October, 2023 | 975.30 | 856.00 | 982.00 | 855.10 |
| November, 2023 | 933.95 | 778.00 | 930.00 | 778.00 |
| December, 2023 | 950.00 | 780.00 | 950.00 | 780.00 |
| January, 2024 | 938.00 | 840.05 | 937.80 | 842.50 |
| February, 2024 | 894.65 | 814.95 | 899.00 | 814.85 |
| March, 2024 | 880.70 | 775.00 | 882.05 | 761.55 |

- The market share price data of the Company in comparison to broad-based indices like BSE Sensex and Nifty50 are given below

| In ₹ MM | BSE Limited (BSE) | | National Stock Exchange of India Limited (NSE) | |
|---|---|---|---|---|
| Month | Closing Price ₹ | SENSEX ₹ | Closing Price ₹ | Nifty50 ₹ |
| April, 2023 | 949.50 | 61,112.44 | 947.60 | 17,710.68 |
| May, 2023 | 900.85 | 62,622.24 | 901.00 | 18,307.05 |
| June, 2023 | 1,067.65 | 64,718.56 | 1,067.90 | 18,726.77 |
| July, 2023 | 1,036.55 | 66,527.67 | 1,037.40 | 19,586.00 |
| August, 2023 | 1,032.10 | 64,831.41 | 1,026.15 | 19,438.29 |
| September, 2023 | 967.90 | 65,828.41 | 968.45 | 19,786.05 |
| October, 2023 | 874.50 | 63,874.93 | 880.30 | 19,481.67 |
| November, 2023 | 780.60 | 66,988.44 | 779.75 | 19,599.17 |
| December, 2023 | 886.70 | 72,240.26 | 887.30 | 21,165.99 |
| January, 2024 | 883.35 | 71,752.11 | 883.80 | 21,631.89 |
| February, 2024 | 878.10 | 72,500.30 | 878.00 | 21,947.28 |
| March, 2024 | 780.65 | 73,651.35 | 781.00 | 22,187.31 |

## (M) Other information

- Related Party Transactions

  None of the materially significant related party transactions were in conflict of interest with the Company.

- Declaration of compliance by the Company

  The Company has complied with the requirements of the Ministry of Corporate Affairs, Stock Exchanges, SEBI and other statutory authorities. No penalty or strictures were imposed on the Company by these authorities.

- Establishment of Vigil Mechanism, Whistle Blower Policy

  The Company has established a Vigil Mechanism cum Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy has a systematic mechanism for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Policy. None of the Directors nor any employees were denied access to the Chairman of the Audit Committee.

  Once again in this year as well, no such instances have been reported under unethical and prohibited context. Vigil Mechanism Policy is placed on the website of the Company, accessible at: https://aether.co.in/wp-content/uploads/2024/09/Whistle Blower Policy (Vigil Mechanism).pdf

- Details of compliance with mandatory requirements and adoption of the non-mandatory Requirements

  The Company is in-line with the mandatory requirements to the extent applicable for the year under review.

- Web-links

  Your Company has incorporated a Wholly Owned Subsidiary in the name of 'Aether Speciality Chemicals Limited', incorporated during the year under review and the 'Policy on Related Party Transactions and Material Subsidiary' was duly framed and approved by the Board. Web-link for Policy is accessible at: https://aether.co.in/wp-content/uploads/2022/08/RPT-Policy.pdf

- Certificate from Practicing Company Secretary pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI Listing Regulations, 2015

  The Company has obtained a certificate from M/s. Dhirren R. Dave & Company, Practicing Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority.

- Fees to the Auditor

  The same is mentioned in the Notes to the Accounts. During the year under review, ₹ 0.90 MM was paid to Statutory Auditors.



- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and other disclosures

  The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

  Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Members to note that there were no such instances reported in the Company during the period under review. All the male and female workforce in the Company works with due respect to each other.
  No Loans and advances are made to Firms / Companies by the Company or its Subsidiary in which Directors are interested.
  The Dividend Distribution Policy is accessible at: https://aether.co.in/wp-content/uploads/2022/08/Dividend-Distribution-Policy.pdf
  Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations, 2015 in best possible manner.

  The Company has followed the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with relevant rules thereunder for the preparation of Financial Statements. The Significant Accounting Policies which are consistently applied have been set out in the notes to the financial statements.

  In terms of the provisions of Regulation 17(8) of the SEBI Listing Regulations, 2015, Mr. Ashwin Jayantilal Desai, Managing Director and Mr. Faiz Arif Nagariya, Chief Financial Officer have issued a certificate, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs The said certificate is enclosed as Annexure to this report and forms part of this Report. Also, the certificate from M/s. Dhirren R. Dave & Company, Company Secretary in practice, regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of the Regulations, forms a part of this Report. In accordance with Schedule V of the Regulations with the stock exchanges, all the Directors and Senior Management Personnel have, respectively, affirmed compliance with the Code of Conduct as approved and adopted by the Board.

For Aether Industries Limited
**Ashwin Desai** - Managing Director DIN: 00038386
**Rohan Desai** - Whole Time Director DIN: 00038379
**Place:** Surat | **Date:** July 19, 2024

## CERTIFICATE OF COMPANY SECRETARY ON CORPORATE GOVERNANCE

To,
The Members,
Aether Industries Limited
Plot No. 8203,
GIDC Sachin, Surat-394230

CIN: L24100GJ2013PLC073434

We, have examined the compliance of conditions of Corporate Governance by M/s. Aether Industries Limited (the Company) for the year ended March 31, 2024, as per Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievances Committee.

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

For Dhirren R. Dave & Co.
Company Secretaries | PR No.: 2144/2022 | UIN: P1996GJ002900

Pinal Kandarp Shukla - Partner
Membership No.: A28554 | CP No.: 10265 | UDIN: A028554F000778182

Place: Surat | Date: July 19, 2024



## CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members,
Aether Industries Limited
Plot No. 8203,
GIDC Sachin, Surat-394230

CIN: L24100GJ2013PLC073434

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Aether Industries Limited, having CIN: L24100GJ2013PLC073434 and having its registered office at Plot No. 8203, GIDC Sachin, Surat-394230, Gujarat (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V-Para C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Name of Director / DIN | Date of Appointment | Name of Director / DIN | Date of Appointment |
|---|---|---|---|
| Ashwin Jayantilal Desai (00038386) | 23.01.2013 | Jeevan Lal Nagori (00017939) | 01.03.2018 |
| Purnima Ashwin Desai (00038399) | 23.01.2013 | Arun Brijmohan Kanodiya (0344900) | 01.03.2018 |
| Rohan Ashwin Desai (00038379) | 23.01.2013 | Leja Satish Hattiangadi (00198720) | 01.10.2021 |
| Aman Ashwinbhai Desai (00043633) | 25.08.2014 | Jitendra Popatlal Vakharia (00191088) | 17.11.2021 |
| Kamalvijay Ramchandra Tulsian (00190840) | 22.05.2018 | Amol Arvindrao Kulkarni (09311097) | 17.11.2021 |
| Ishita Surendra Manjrekar (06731016) | 20.06.2018 | Rajkumar Mangilal Borana (01091166) | 17.11.2021 |

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

**For Dhirren R. Dave & Co.**
Company Secretaries | PR No.: 2144/2022 | UIN: P1996GJ002900

**Pinal Kandarp Shukla - Partner**
Membership No.: A28554 | CP No.: 10265 | UDIN: A028554F000778193

**Place:** Surat | **Date:** July 19, 2024



## CERTIFICATE OF MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

(Pursuant to Regulation 17(8) and Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Aether Industries Limited
Plot No. 8203,
GIDC Sachin, Surat-394230

CIN: L24100GJ2013PLC073434

We hereby certify to the best of our knowledge and belief that:

(a) We have reviewed the financial statements including the cash flow statement (standalone and consolidated) for the financial year ended March 31, 2024 and that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are no transactions entered into by the Company during the year, which are fraudulent, illegal or violate the Company's Code of Business Conduct.

(c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.

(d) We further certify that there have been no significant changes in internal control during the aforesaid period, the Company has complied with new accounting standard, Ind-AS, there have been no instance of significant fraud of which, we have become aware and the involvement therein, if any, of management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Aether Industries Limited**
**Ashwin Jayantilal Desai** - Managing Director DIN: 00038386
**Faiz Arif Nagariya** - Chief Financial Officer PAN: ADBPN8514G
**Place:** Surat | **Date:** July 19, 2024

# Business Responsibility & Sustainability Report (BRSR)

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

### Section A: General Disclosures

(A)

| | |
|---|---|
| (a) Corporate Identity Number (CIN) of the Listed Entity | L24100GJ2013PLC073434 |
| (b) Name of the Listed Entity | Aether Industries Limited |
| (c) Year of incorporation | 2013 |
| (d) Registered office address | Aether Industries Limited, Plot No. 8203, GIDC Sachin, Surat-394230, GJ. |
| (e) Corporate address | Aether Industries Limited, Plot No. 8203, GIDC Sachin, Surat-394230, GJ. |
| (f) E-mail | compliance@aether.co.in |
| (g) Telephone | +91-261-6603360 |
| (h) Website | www.aether.co.in |
| (i) Financial year for which reporting is being done | FY 2024 |
| (j) Name of the Stock Exchange(s) where shares are listed | National Stock Exchange of India (NSE)<br>BSE Limited (BSE) |
| (k) Paid-up Capital | ₹ 1,325.50 MM |
| (l) Name and contact details (telephone, email address) of the person who may be contacted in case of any queries; | |
| Name | Chitrarth Rajan Parghi |
| Phone | +91-261-6603360 |
| Email Phone | compliance@aether.co.in |
| (m) Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together) | Standalone basis |
| (n) Turnover in (INR Crores) | ₹ 639.93 Crores |

(B) Product / services

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

| Description of Main Activity | Description of Business Activity | % of Turnover of the Entity |
|---|---|---|
| Manufacturing of chemicals (NIC: 2011) | The primary focus of the company is the production of advanced intermediates and specialty chemicals that require specialized chemistry and cutting-edge technology. | 100% |



(p) Products/Services sold by the entity (accounting for 90% of the entity's turnover):

| Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|
| 4-(2-Methoxyethyl) Phenol, | 2011 | 16.01% |
| Bifenthrin Alcohol, | | 15.18% |
| 3-Methoxy-2-Methyllenzoyl Chloride | | 10.74% |
| Others | | 48.22% |

(q) Markets served by the entity:

| Location | Number of Plants | Number of Offices | Total |
|---|---|---|---|
| National | 3* | 0 | 3 |
| International | None (Not Applicable) | None (Not Applicable) | None (Not Applicable) |

* The number of offices has been mentioned as 'Zero' since the registered office shares the same address as one of the plants.

a. Number of locations

| Locations | Number |
|---|---|
| National (No. of States) | 12 |
| International (No. of Countries) | 18 |

b. What is the contribution of exports as a percentage of total turnover of the entity? 69% (exports include deemed exports and SEZ sales within India): 43.22% (incl. sales in SEZ and Deemed Exports)

c. A brief on types of customers

Aether, operating in the B2B realm, serves a diverse clientele across numerous sectors within the chemical industry, encompassing multinational, regional, and domestic pharmaceutical, agrochemical, materials science, oil & gas, and textile companies. Our product portfolio is intricately designed to cater to the unique needs of various segments, including pharmaceuticals, agrochemicals, materials science, coatings, high-performance photography, additives, oil and gas, among others.

## (C) Employees

(r) Details as at the end of Financial Year (FY 2024):

a. Employees and workers (including differently abled):

| Emloyees | | Male | | Female | |
|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B/A) | No. (C) | % (C/A) |
| Permanent | 644 | 617 | 95.81% | 27 | 4.19% |
| Other than Permanent | | | Nil | | |
| Total employees | 644 | 617 | 95.81% | 27 | 4.19% |

| Workers | | Male | | Female | |
|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B/A) | No. (C) | % (C/A) |
| Permanent | 326 | 326 | 100% | 0 | 0 |
| Other than Permanent | 252 | 246 | 97.62% | 6 | 2.38% |
| Total employees | 578 | 572 | 98.96% | 6 | 1.04% |

b. Differently abled employees and workers:

| Employees | | Male | | Female | |
|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B/A) | No. (C) | % (C/A) |
| Permanent | 1 | 1 | 100% | 0 | 0% |
| Other than Permanent | | | Nil | | |
| Total employees | 1 | 1 | 100% | 0 | 0% |

| Workers | | Male | | Female | |
|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B/A) | No. (C) | % (C/A) |
| Permanent | 2 | 2 | 100% | 0 | 0 |
| Other than Permanent | | | Nil | | |
| Total employees | 2 | 2 | 100% | 0 | 0% |

| Particulars | No. and percentage of Females | | |
|---|---|---|---|
| | Total (A) | No. (B) | % (B/A) |
| Board of Directors | 12 | 3 | 25% |
| Key Management Personnel* | 7 | 1 | 14.29% |



(s) Turnover rate for permanent employees and workers:

| | 2024 | | | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Employees | 19.45% | 0.00% | 0.00% | 20.80% | 0.00% | 19.60% | 14.48% | 0.00% | 13.68% |
| Workers | 45.21% | 0.00% | 45.21% | 40.17% | 0.00% | 40.17% | 56.14% | 0.00% | 45.21% |

## (E) Holding, Subsidiary and Joint Ventures

(t) Names of holding/subsidiary/associate companies/joint ventures:

| Name of the holding/ subsidiary/associate companies/joint ventures (A) | Relation | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes / No) |
|---|---|---|---|
| Aether Speciality Chemicals Limited | Subsidiary | 100% | No |

## (F) Details of CSR:

a. Whether CSR is applicable as per section 135 of the Companies Act, 2013: Yes

b. Turnover (in ₹): 6,399.33 MM

c. Net worth (in ₹): 20,689.33 MM

## (G) Transparency and disclosure compliances

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

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in place (Yes/No) | Number of complaints filed during the year (previous year) | Number of pending resolution at close of the year (previous year) | Remarks |
|---|---|---|---|---|
| Communities | Yes | 0 | 0 | None |
| Investors (other than shareholders) | Yes | 0 | 0 | None |
| Shareholders | Yes | 0 | 0 | None |
| Employees | Yes | 0 | 0 | None |
| Customers | Yes | 0 | 0 | None |
| Value Chain Partners | Yes | 0 | 0 | None |
| Other (please specify) | None | None | None | None |

Aether has an internal mechanism available for grievance redressal for all of its stakeholders.

(v) Overview of the entity's material responsible business conduct issues:

| Material issues identified | Indicate whether risk or opportunity | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|
| Safety of clinical Trial Participants | Opportunity | Ensuring the safety of clinical trial participants is vital for the successful market approval of a product. Effective supervision of these trials is essential, especially considering the numerous trials managed by third-party contract research organizations. Additionally, overseeing these trials can contribute to enhancing shareholder value by generating additional revenue through the introduction of new products. | Not Applicable | Positive |
| Selling practices and product Labelling | Opportunity | Innovation and digital transformation are valuable for organizations and stakeholders alike, as they enhance operational efficiency and enable responsiveness to changing consumer demands and concerns.<br>Aether looks forward to continuously increase digital presence with innovative by exploring opportunities in unexplored markets segments and is committed to upholding standards and regulations, promoting ethical marketing practices, and ensuring transparent and accurate labelling of products and services. This includes proactive measures to prevent discriminatory or predatory selling and lending practices, thereby addressing social issues arising from potential failures in transparency, accuracy, and comprehensibility in marketing communications. | Not applicable | Positive |
| Accessibility | Opportunity | Implementing flexible pricing strategies considering diverse global economic conditions and healthcare requirements can drive growth, innovation, and strategic partnerships, enhancing shareholder value. The company's wide-ranging portfolio includes sectors like pharma, agrochemicals, material science, coatings, high-performance photography, additives, and oil and gas, all aimed at promoting widespread access to its products and services. | Not applicable | Positive |

| Material issues identified | Indicate whether risk or opportunity | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|
| Greenhouse Gases emissions | Risk | Greenhouse gas (GHG) emissions are produced by the combustion of fossil fuels in manufacturing and cogeneration processes. Operating risks and costs associated with regulatory compliance as well as GHG emissions may arise for chemical entities. | The Company is progressing towards adopting sustainable business practices and transitioning to low environmental footprint. The Company has implemented organisational-wide initiatives to cut energy use by utilising videoconferencing, energy- efficient lighting and workstations, and educating employees about energy conservation. The Company conducts energy audits to identify potential energy saving initiatives. | Negative There has been no negative impact in the reporting period. |
| Product safety | Risk | Safety concerns regarding individuals, manufacturing defects, or insufficient disclosure of product-related risks can result in substantial product liability claims, exposing companies to financial ramifications associated with adverse events and product recalls. Biotechnology and pharmaceutical companies that effectively reduce the occurrence of product recalls, safety issues, and regulatory enforcement actions are better positioned to safeguard shareholder value. | This entails rigorous testing and quality control measures to identify and mitigate any unintended characteristics that may pose health or safety risks to end-users. Furthermore, careful management of product testing, as well as monitoring and controlling chemicals, content, and ingredients in products, is essential to uphold safety standards across all sectors served by the company. | Negative There has been no negative impact in the reporting period. |
| Employee Recruitment, Development & Retention | Opportunity | Businesses face intense competition in recruiting and retaining staff. The industry relies on highly qualified workers for various tasks like developing new products and ensuring quality manufacturing processes, including product development, clinical trials, regulatory compliance, and product commercialization. The Company is dedicated to fostering a dynamic and inclusive workforce where employees' collective knowledge, mentorship, and technical skills are the cornerstone of their success, distinguishing them within the industry. Our DEI strategy focuses on employees, customers, and brand reputation, promoting equal opportunities and inclusivity across our business. Moreover, the Company prioritizes creating a safe and healthy work | Not applicable | Positive |

| Material issues identified | Indicate whether risk or opportunity | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|
| | | environment for all its committed employees. | | |
| Supply Chain Management | Opportunity | This category emphasizes how companies address environmental, social, and governance (ESG) risks throughout their supply chains, covering areas such as environmental sustainability, human rights, labor practices, and ethical conduct. Aether is committed to upholding ESG standards and promoting responsible practices to foster sustainable development in communities. This involves various management efforts, including evaluating, selecting, monitoring, and engaging with suppliers to evaluate and mitigate their environmental and social impacts. | Not applicable | Positive |
| Human rights and Community Relations | Opportunity | This management includes considerations such as community engagement, environmental justice, support for local workforces, and impact on local businesses, maintaining a license to operate, and conducting environmental | Not applicable | Human rights and Community Relations |



| Material issues identified | Indicate whether risk or opportunity | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|
| | | and social impact assessments. Overall, it evaluates how businesses interact with and contribute to the well-being of the communities where they are situated. Supporting community development programmes shall uphold the Company's brand image while promoting better quality of life for the beneficiaries. | | |
| Customer Welfare | Risk | Customer Welfare is core for business for innovating products as per consumer and market needs while resolving grievances with low turnaround time, maintaining trust, continuity and relationship. This category evaluates the company's capability to deliver manufactured products and services that meet societal expectations. It focuses on inherent qualities related to the design and delivery of products and services, where customer welfare could be at risk. | In instances of risk, the company adapt and mitigate such risks by promptly addressing customer concerns, implementing corrective measures, enhancing product safety protocols, and fostering transparent communication with customers. Additionally, conducting thorough risk assessments, investing in ongoing customer feedback mechanisms, and continuously improving processes are vital strategies to mitigate risks and safeguard customer welfare. | Negative There has been no negative impact in the reporting period. |

| Material issues identified | Indicate whether risk or opportunity | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|
| Business Ethics | Risk | Maintaining business ethics is vital to ensure that ethical conduct aligns with both local regulations and industry-specific standards, while also prioritizing the interests of all stakeholders in line with global norms. This involves adhering to human, cultural, economic, political, and social rights and conducting business transparently and accountably. Sensitivity to evolving business norms and standards across various jurisdictions and cultures is necessary. Upholding business ethics also means delivering services that uphold the highest professional and ethical industry standards, avoiding conflicts of interest, misrepresentation, bias, and negligence. Sensitivity to evolving business norms and standards across various jurisdictions and cultures is necessary. Upholding business ethics also means delivering services that uphold the highest professional and ethical industry standards, avoiding conflicts of interest, misrepresentation, bias, and negligence. | The company has adopted various policies and codes which are fundamental components of our governance structure, offering direction to employees and stakeholders across the value chain. They underscore our dedication to ethics, transparency, and sustainability. This commitment is upheld through extensive employee training and the implementation of policies and procedures to deliver our services impartially and accurately. | Negative There has been no negative impact in the reporting period. |





## Section B: Management and Process Disclosures

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

P1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparentand Accountable.

P2 Businesses should provide goods and services in a manner that is sustainable and safe.

P3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

P4 Businesses should respect the interests of and be responsive to all its stakeholders.

P5 Businesses should respect and promote human rights.

P6 Businesses should respect and make efforts to protect and restore the environment.

P7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that isresponsible and transparent.

P8 Businesses should promote inclusive growth and equitable development.

P9 Businesses should engage with and provide value to their consumers in a responsible manner.

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| Policy and management processes | | | | | | | | | |
| 1. | | | | | | | | | |
| a. Whether your Company's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | |
| c. Web-Link of the Policies, if available*** | Statutory Policies: https://aether.co.in/investor-relations/#corporate-governance | | | | | | | | |
| 2. Whether the Company has translated the policy into procedures. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | The above-mentioned policies are extended to all value chain partners. | | | | | | | | |
| 4. Name of the national and international codes/ certifications/ labels/standards (e.g., Forest Stewardship Council, Fair-trade, Rainforest Alliance, and Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your Company and mapped to each principle. | The Company has adopted various international frameworks such as:<br>1. ISO 27001:201<br>2. ISO 45001:2018<br>3. ISO 9001:2015<br>4. ISO 14001:2015<br>5. GMP<br>6. EcoVadis<br>7. UN Global Compact Membership<br>8. GRI Reporting Framework for ESG Disclosure<br>9. Membership of Indian Chemical Council | | | | | | | | |
| 5. Specific commitments, goals and targets set by the Company with defined timelines, if any. | The Company has established internal targets across various functions and regularly monitors progress towards achieving them. These targets encompass diversity and inclusion, integrating ESG principles into core business areas, community development, and operational eco-efficiency. | | | | | | | | |
| 6. Performance of the Company against the specific commitments, goals and targets along with reasons in case the same are not met. | As a company, we understand the significance of environmental, social, and governance (ESG) factors in establishing a sustainable and ethical business. We acknowledge the potential impact of our actions on the world around us and are dedicated to effecting positive change.<br>To begin our ESG journey, we started by defining our core values and how they align with ESG principles. We then conducted a materiality assessment to identify the ESG issues that are most relevant and material to our company and | | | | | | | | |



| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | |
| | stakeholders.<br>We engaged all relevant stakeholders throughout this process to ensure our strategy reflects the needs and expectations of our employees, customers, investors, and communities. | | | | | | | | |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) | At the heart of our mission for sustainable, long-term growth lies a profound commitment to ESG (Environmental, Social, and Governance) principles. Recognizing the paramount importance of ESG in today's business landscape, we are steadfast in our dedication to integrating these principles deeply into our operations. As we forge ahead, we are not merely adhering to regulatory requirements but are driven by a genuine belief in the significance of ESG for both our company and society at large.<br>To fulfil this commitment, we have implemented a series of proactive measures aimed at reducing our environmental footprint and promoting social responsibility. Our initiatives span across various fronts, ranging from adopting renewable energy sources and implementing waste reduction strategies to actively managing and mitigating our carbon emissions. Furthermore, we are actively engaged in fostering sustainable practices throughout our supply chain, thereby extending the positive impact of our efforts beyond our immediate operations.<br>Through our unwavering dedication to ESG principles, we are not only enhancing the resilience and sustainability of our business but also contributing to the broader goal of building a more sustainable future for generations to come. | | | | | | | | |

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|

**Policy and management processes**

| | |
|---|---|
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Dr. Aman Ashvin Desai<br>(Whole-time Director)<br>0261-6603360<br>compliance@aether.co.in |
| 9. Does the Company have a specified Committee of the Board/Director responsible for decision-making on Sustainability-related issues? (Yes/No). If yes, provide details. | The Board committee serves as the governing authority in charge consisting of Board members who supervise the integration of sustainability principles into the entity's strategic plans and day-to-day activities and is responsible for decision making in case there are any sustainability related issues. They guarantee that sustainability objectives are in harmony with the organization's mission and principles, track advancement towards these goals. Board supervision is pivotal in steering the entity's sustainability efforts, ensuring adherence to standards, and fostering openness in its operations. |

***The following policies are available on the Company website www.aether.co.in

- Archival Policy
- Board Evaluation Policy
- CSR Policy
- Determination of Materiality of Event Policy
- Dividend Distribution Policy
- Familiarisation Program for Independent Directors
- Materiality Policy
- Policy on appointment of Directors, KMPs and Employee
- Policy on succession of the Board
- Risk Assessment and Management Policy
- Related Party Transaction and Material Subsidiary Policy
- Terms of Appointment of Independent Directors
- Whistle Blower Policy (Vigil Mechanism)
- Code of Conduct for the Company
- Code of Conduct of Board and SMP
- Code of fair practices under the SEBI (PIT) Regulations 2015



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

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

**Monetary**

| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In ₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|---|---|---|---|---|---|
| Penalty / Fine | - | Gujarat Pollution Control Board | ₹ 5 MM | Environmental compensation for the damage caused due to fire accident on 29.11.2023 | No |
| Settlement | - | None | NIL | - | NA |
| Compounding Fee | - | None | NIL | - | NA |

**Non-Monetary**

| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|---|---|---|---|---|
| Imprisonment | - | - | - | NA |
| Punishment | - | - | - | NA |

(B) Of the instances disclosed in Question above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.: Not applicable

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

The Company has established aspects of anti-corruption and anti-bribery as part of its Code of Conduct, which is accessible on the company intranet. This unequivocally prohibits any involvement in bribery, the making or receiving of prohibited payments, or the acceptance of bribes by the company, its employees, or any intermediaries. This prohibition extends to any efforts to gain or retain business through such means. Recognizing the potential legal liabilities under local anti-corruption laws due to collaborations and relationships with third parties, the company emphasizes adherence to these laws through its Code of Conduct. The company continually updates its policies and procedures to ensure they remain in alignment with anti-corruption regulations.

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

| Case Details | 2024 | 2023 |
|---|---|---|
| Directors | None | None |
| KMPs | None | None |
| Employees | None | None |
| Workers | None | None |

(E) Details of complaints with regard to conflict of interest:

| Case Details | 2024 | 2023 |
|---|---|---|
| Directors | None | None |
| KMPs | None | None |
| Employees | None | None |
| Workers | None | None |

(F) Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.
None

(G) Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| Segment | Total Number of training and awareness programmes held | Topics/principles covered under the training and its impact | % age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | 2 | Corporate Governance and Sustainability | 100.00% |
| Key Managerial Personnel | 2 | Corporate Governance and Business Ethics | 100.00% |
| Employees other than BoD and KMPs | 17 | Business Ethics and Sustainability | 100.00% |
| Workers | 50 | Responsible handling as per their area of performance | 100.00% |



(H) Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured):
FY 2024: 107.23 days
FY 2023: 93.76 days

(I) Open-ness of Business:
Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties (Amount in MM)

| Parameter | Metrics | 2024 | 2023 |
|---|---|---|---|
| Concentration of Purchases | a. Purchases from Trading houses as % of total purchases | 0 | 0 |
| | b. Number of trading houses where purchases and made from | 0 | 0 |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | 0 | 0 |
| Concentration of Sales | a. Sales to dealers/distributors as % of total sales | 0 | 0 |
| | b. Number of dealers/distributors to whom sales are made | 0 | 0 |
| | c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors | 0 | 0 |
| Share of RPTs in | a. Purchases (Purchases with related parties/ Total Purchases) | 3.06 | 3.94 |
| | b. Sales (Sales to related parties/Total Sales) | 0 | 0 |
| | c. Loans & advances (Loans & advances given to related parties/Total loans & advances) | 98.94 | 0 |
| | d. Investments (Investments in related parties/ Total Investments made) | 19.23 | 19.23 |

## Leadership indicators

(A) Awareness programmes conducted for value chain partners on any of the principles during the financial year.
No separate Awareness programmes are conducted, however Aether actively engages with its value chain partners through E-mail, , site visit, group meetings , one on one interactions telephonic communication, SMS,  exhibitions gatherings, etc to understand their needs.

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

Yes, The Company maintains a vigorous code of conduct policy, with both Board members and senior officials committed to adhering to it to prevent conflicts of interest with the company's interests. Board members are expected to uphold professionalism, ethics, and honesty consistently. The code also delineates rules for staff and Board members to prevent and address conflicts of interest. All employees must comply with the policy to prevent any actual or perceived conflicts, as outlined in the Company's "Framework for Managing Conflict of Interest." Aether has an investigation team trained to assess violations of the code of conduct, with the responsibility of reporting such violations to the Fraud Control Unit Portal.

Web link to the Policy: https://aether.co.in/wp content/uploads/2024/09/Code%20of%20Conduct%20of%20Board%20and%20SMP.pdf

## Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

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

| | 2024 | 2023 | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D * | - | - | Non-quantifiable |
| Capex | 6.29 | 8.82 | To provide sustainable power for our operations, we have constructed a 16 MW solar power generation plant at Sarod Village, Bharuch District, Gujarat to provide electricity to our current operational three manufacturing facilities, which became operational in Fiscal 2023. This Solar Power plant will cater to the day units of our electricity for 3 of our manufacturing facilities. We have installed a Solvent Recovery Plant (SRP) to reduce waste generation. We have tied up with government affiliated agencies to dispose-off liquid/ powder chemical waste post treatment at our end. Further, order of 15 MW hybrid power plant is also awarded. |

The company consistently evaluates R&D expenditures, the R&D Expenditure is meant for the R&D side of the Company, it does not contribute to environmental and social criteria to material level. However, by integrating social and environmental considerations, the company demonstrates its commitment to sustainable practices and responsible decision-making aligned with long-term business objectives.

(B) Does the entity have procedures in place for sustainable sourcing? If yes, what percentage of inputs were sourced sustainably?

Yes. The company is dedicated to incorporating social, ethical, and environmental considerations throughout the supply chain The company sustainably sourced around 5% of inputs which include the organic chemicals used in the operations. However, the company always ensures that the inputs are obtained through sustainable means.

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

As a company operating within the chemical sector, we acknowledge the significance of minimizing waste and lessening our environmental footprint. To this end, we've instituted a comprehensive waste recycling initiative aimed at diminishing waste generation and discovering inventive methods for its reuse or recycling. Our program encompasses several key initiatives:

Waste Reduction:
We've implemented strategies to curtail waste production through more efficient production methods, reduced raw material usage, and optimized supply chain management.

Waste Segregation:
Ensuring recyclable materials are separated from non-recyclables maximizes our ability to reuse or recycle waste.

Recycling Partnerships:
Collaborating with local recycling facilities and specialists allows us to recycle waste effectively, including operating our Solvent Recovery Plant.

Education and Training:
Providing employees with education and training on waste reduction and recycling fosters awareness and participation in environmental stewardship.

Innovation:
Investing in research and development enables us to explore novel technologies and processes for repurposing waste materials into new products. Our waste recycling endeavours have not only reduced our environmental impact but also led to new business opportunities and cost savings. Embracing a circular economy model allows us to conserve resources, diminish waste, and deliver value to our customers and stakeholders.

Overall, we view our waste recycling program as integral to our sustainability commitment and responsible business conduct. We remain steadfast in our dedication to discovering fresh, innovative approaches to curbing our environmental impact and building a more sustainable future.

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

Extended Producer Responsibility (EPR) applies to Aether, and the Company adheres to all necessary steps.

## Leadership indicators

(A) Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?SMS, exhibitions gatherings, etc to understand their needs.

Currently the Company does not conduct LCA, but have made the decision to conduct Life Cycle Assessments (LCA) for all of our products wherein we will be analysing the environmental impact of our products from their initial creation all the way through their use and eventual disposal.

Conducting LCAs offers several advantages. Firstly, it allows us to identify areas where we can reduce our environmental footprint, whether it's through optimizing manufacturing processes, choosing more sustainable materials, or improving end-of-life disposal methods, it also it aligns with our vision of being a responsible corporate and creating a positive impact on the environment for future generations.

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

Not applicable

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

| Indicate input material | Recycled or re-used input material to total material | |
|---|---|---|
| | 2024 | 2023 |
| Recoveries of Chemicals/solvents | 45.00 | 69.44 |

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

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| Plastics (including packaging) | Nil | 13.58 | Nil | 47.8 | Nil | Nil |
| E-waste | Nil | Nil | Nil | Nil | Nil | Nil |
| Hazardous Waste | Nil | 1084.05 | 2766.93 | Nil | Nil | 1246.34 |
| Other waste (Paper) | Nil | Nil | 1600.90 | Nil | Nil | 1501.36 |



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

No

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

| | | Health Insurance | | Accident Insurance | | Maternity benefits | | Paternity benefits | | Daycare facilities | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B/ A) | No. (C) | % (C/ A) | No. (D) | % (D/ A) | No. (E) | % (E/ A) | No. (F) | % (F/ A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 617 | 617 | 100% | 617 | 100% | - | - | - | - | Aether has tie-ups with day-care facilities, hospitals across the locations | |
| Female | 27 | 27 | 100% | 27 | 100% | 27 | 100% | - | - | | |
| Total | 644 | 644 | 100% | 644 | 100% | 27 | 100% | - | - | | |
| **Permanent workers** | | | | | | | | | | | |
| Male | 326 | 326 | 100% | 326 | 100% | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - | - |
| Total | 326 | 326 | 100% | 326 | 100% | - | - | - | - | - | - |
| **Other than permanent workers** | | | | | | | | | | | |
| Male | 246 | 246 | 100% | - | - | - | - | - | - | - | - |
| Female | 6 | 6 | 100% | - | - | - | - | - | - | - | - |
| Total | 252 | 252 | 100% | - | - | - | - | - | - | - | - |

(B) Spending on measures towards well-being of employees and workers (including permanent and other than permanent) of the total revenue:

6.03% in FY 2024 and 5.16% in FY 2023

(C) Details of retirement benefits, for Current FY and Previous FY:

| Benefits | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
|---|---|---|---|
| PF | 100% | 100% | Y |
| Gratuity | 100% | 100% | Y |
| ESI | 100% | 100% | Y |

(D) Accessibility of workplace:

Aether offices are outfitted with accessibility for differently- abled employees in accordance with the Rights of Persons with Disabilities Act, 2016. We have lifts, illuminated corridors, automated taps, and other similar facilities for the ease of accessibility for differently- abled employees and workers.

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

The Company prides itself on being an equal opportunity employer that values diversity and adaptability among its workforce. These values are enshrined under the code of conduct of the company which is available on the intranet. Its commitment to fostering a safe and supportive workplace environment remains steadfast, as it believes this enables employees to perform optimally. The Company is dedicated to building an inclusive culture where every individual feels respected, valued, and empowered. Its policies, emphasizing transparency and consistency, are easily accessible to all employees via an online portal.

Furthermore, the Company has implemented various initiatives to support its employees, including regular training sessions, wellness programs, and fostering a culture of open communication and collaboration. Recognizing the importance of a diverse and flexible workforce, the Company actively embraces different perspectives and ideas to drive innovation and growth. Its aim is to cultivate a workplace culture that celebrates diversity and agility, offering equal opportunities for all employees.

(F) Return to work and Retention rates of permanent employees and workers that took parental leave.

| | Return to work rate | Retention rate | Return to work rate | Retention rate |
|---|---|---|---|---|
| Male | | | | |
| Female | Not Applicable, since no parental leave was taken in the reporting period by any of the employees or workers | | | |
| Total | | | | |

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

| | |
|---|---|
| Permanent Workers<br>Other than Permanent Workers<br>Permanent Employees<br>Other than Permanent Employees | Yes, the Company has implemented a comprehensive procedure to address the grievances of its employees. If an employee has a grievance, they can reach out to their immediate or skip manager as the first point of contact. If the issue remains unresolved, the respective business. HR will be the next point of contact, responsible for investigating the matter and providing a resolution based on fair and transparent dealings. For POSH (Prevention of Sexual Harassment) related matters, the employee is expected to raise the issue with the local HR team or the dedicated email ID for the IC (Internal Complaints) Committee. If necessary, the matter can be escalated to the Chairperson of the IC Committee. The final level of escalation for POSH matters will be to the Head HR of the Organisation. Overall, the Company is committed to ensuring that its employees feel heard and supported in addressing their grievances. This grievance redressal procedure is a critical component of the Company's commitment to creating a positive and respectful workplace culture. |



(H) Membership of employees and worker in association(s) or Unions recognised by the listed entity.

None. Aether recognizes the right to freedom of association and believes that all employees have the right to join or form associations encouraging collective bargaining agreements.

(I) Details of training given to employees and workers:

| | 2024 | | | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Health & safety | | Skill upgradation | | | Health & safety | | Skill upgradation | |
| | Total (A) | No. (B) | % (B/A) | No. (C) | % (C/A) | Total (D) | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Male | 617 | 617 | 100% | 617 | 100% | 518 | 518 | 100% | 518 | 100% |
| Female | 27 | 27 | 100% | 27 | 100% | 28 | 28 | 100% | 28 | 100% |
| Total | 644 | 644 | 100% | 644 | 100% | 546 | 546 | 100% | 546 | 100% |

| | 2024 | | | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Health & safety | | Skill upgradation | | | Health & safety | | Skill upgradation | |
| | Total (A) | No. (B) | % (B/A) | No. (C) | % (C/A) | Total (D) | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Workers | | | | | | | | | | |
| Male | 572 | 572 | 100% | 572 | 100% | 609 | 609 | 100% | 609 | 100% |
| Female | 6 | 6 | 100% | 6 | 100% | 3 | 3 | 100% | 3 | 100% |
| Total | 578 | 578 | 100% | 578 | 100% | 612 | 612 | 100% | 612 | 100% |

(J) Details of performance and career development reviews of employees and workers:

| Employee | Total (A) | No. (B) | % (B/A) | Total (A) | No. (B) | % (B/A) |
|---|---|---|---|---|---|---|
| Male | 617 | 617 | 100% | 518 | 518 | 100% |
| Female | 27 | 27 | 100% | 28 | 28 | 100% |
| Total | 644 | 644 | 100% | 546 | 546 | 100% |

| Workers | Total (A) | No. (B) | % (B/A) | Total (A) | No. (B) | % (B/A) |
|---|---|---|---|---|---|---|
| Male | 572 | 572 | 100% | 609 | 609 | 100% |
| Female | 6 | 6 | 100% | 3 | 3 | 100% |
| Total | 578 | 578 | 100% | 612 | 612 | 100% |

(K) Health and safety management system:

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

Yes. The Company regularly conducts fire drills and other safety exercises, ensuring full compliance with legal requirements. Additionally, it undergoes periodic third-party audits to assess the effectiveness of its safety

(E) Details on assessment of value chain partners:

Aether actively engages with its value chain partners by assessing them through a questionnaire circulated via email. We gather information based on their responses. Out of the total, Approximately 2% of the partners have been assessed, although the precise percentage by the value of business conducted with these partners is not ascertainable.

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

No such concerns reported, hence no corrective action is taken.

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

### Essential Indicators

(A) Describe the processes for identifying key stakeholder groups of the entity.

Aether's business operations are intertwined with the social and ecological surroundings that affect various stakeholder groups such as employees, customers, investors, and the community. To create value for all these stakeholder groups, the company strives to maintain their trust and continuously engages with them through various channels to promote sustainability initiatives and achieve economic and ecological sustainability goals. Aether conducts thorough stakeholder analysis research to rank risks according to their impact on business operations and influence on the company.

The company maintains strong relationships with investors who contribute to its capital and support its commitment to value creation. A customer-centric approach reflects the company's dedication to serving its customers, while sustained value creation for all stakeholders demonstrates its commitment to shareholders. In addition, Aether engages with industry experts, regulatory bodies, and academic institutions, among others, to stay informed of evolving market trends.

(B) List of stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalised Group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Customers | Yes, if they qualify based on specified criteria such as income, gender etc. Aether do not identify any marginalised segment as the customer base. | • Multi-channel engagement mechanism - phone, digital channel, trained customer relationship managers<br>• Sales, service and claims processes on digital platform<br>• Regular measurement of customer satisfaction | • Frequent and need based | • Product pricing<br>• ESG Products and Services<br>• Health and Well-Being<br>• Innovation and Digitisation<br>• Data Privacy and Security<br>• Customer Relationship Management<br>• Transparency |
| Government / Competent Authorities | No | • Directives and circulars<br>• Meetings/discussions<br>• Press Releases<br>• Written communication<br>• Presentations<br>• Workshops<br>• Submission of reports and returns<br>• Workshop by regulators | Directives and circulars | • Human Rights<br>• Public Policy Advocacy Management<br>• Climate Change Mitigation<br>• Board Composition and Processes<br>• Compliance |
| Employees | No | • Town hall meetings<br>• HR portal and intranet<br>• Performance update<br>• Workshops, learning and training interventions<br>• Wellness initiatives<br>• Internal publications, circulars, posters, videos and e-mails<br>• Surveys<br>• Live interactive sessions by the HR, Vertical Heads, Managers | • Quarterly<br>• On-going<br>• Regular<br>• Need-based<br>• Annually | • Purpose & Scope of Engagement<br>• Assessment of effectiveness of learning and development<br>• Job security<br>• Fair remuneration practices; equal employment opportunitiesFair remuneration practices; equal employment opportunities |

| Stakeholder Group | Whether identified as Vulnerable & Marginalised Group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| | | relationship managers<br>• Sales, service and claims processes on digital platform<br>• Regular measurement of customer satisfaction | | • Effective performance management and recognition<br>• Career growth<br>• Diverse, inclusive and enabling work culture<br>• Work-life balance<br>• Topics/concerns raised<br>• Fair Workplace<br>• Occupational Health, Safety and Well-being<br>• Fair pay<br>• Talent Attraction and Retention<br>• Diversity and Inclusion |
| Suppliers | No | • E-mail, telephone, site visit, group meetings , one on one interactions, telephonic communication, SMS, exhibitions gatheritings | Frequent and need-based | To understand and know the potential of participants or the business partners |
| Investors & funders | No | • Quarterly financial statements<br>• Investor presentations<br>• Annual Report<br>• Annual General Meeting<br>• Investor/Analyst meet<br>• Media releases<br>• ESG report | | • Responsible Investment<br>• Economic Performance<br>• Enterprise Risk Management<br>• Disaster Resilience and adaptation to |



| Stakeholder Group | Whether identified as Vulnerable & Marginalise Group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Othe | Frequency of engagemer (Annually/ Half yearly/ Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| | | • Announcement through stock exchanges | | • Climate Change<br>• Operational<br>• Ecoefficiency<br>• Climate Change Mitigation |
| Communities | Yes | • Directives and circulars<br>• Meetings/discussions<br>• Pressreleases<br>• Written communication<br>• Presentations<br>• Workshops<br>• Submission of reports and returns<br>• Workshop by regulators | Frequent and need-based | • Human Rights<br>• Public Policy Advocacy<br>• Climate Change Mitigation<br>• Board Composition and Processes<br>• Compliance |

## Leadership Indicators

(A) Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board. The Company engages with different stakeholder groups through various channels throughout the year to ensure effective two way communication. Employee-level committees report stakeholder feedback to the ESG Committee at the management level. The Board Committee on CSR & Sustainability oversees the effective implementation of consultation channels to facilitate active stakeholder engagement on material topics related to economic, environmental, and social aspects.

(B) Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity. Yes, Aether, guided by its principles has established channels for active engagement with all stakeholder groups, which gives the company a competitive edge and builds brand trust. We regularly interact with critical stakeholders to ensure that our business operations are aligned with their interests in a sustainable manner while also remaining profitable. Based on our discussions with the investment community, we have aligned our environmental management goals with the global transition to a low-carbon economy and have updated our policies and internal systems accordingly to reflect our commitment as a responsible business brand.

(C) Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

At Aether, we have established an active engagement channel with the community to address any grievances related to our operations and community development programs. During the fiscal year 2023-24, No grievances were reported by various stakeholder groups, which we promptly addressed through our grievance redressal mechanism.

Our Corporate Social Responsibility (CSR) efforts are geared towards creating sustainable solutions that benefit both the community and the environment. Our overarching goal is to actively contribute to the enhancement of society and the preservation of the environment within our operational sphere, thereby fostering long-term growth as a socially responsible entity.

Through our CSR initiatives, we seek to make a positive impact on people's lives and promote a healthier and happier world. Our initiatives encompass a wide range of activities, including promoting education, supporting elderly care facilities, providing training for nationally recognized and Olympic sports, offering healthcare services, reducing inequalities among socially and economically disadvantaged groups, implementing life-saving measures, and extending medical aid and support.

## Principle 5: Businesses should respect and promote human rights

### Essential Indicators

(A) Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| Employees | Total (A) | No. of Employees covered | % (B/A) | Total (C) | No. Of Employees covered | % (D/C) |
| Permanent | 644 | 644 | 100% | 546 | 546 | 100% |
| Other than permanent | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 644 | 644 | 100% | 546 | 546 | 100% |

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| Workers | Total (A) | No. of Employees covered | % (B/A) | Total (C) | No. Of Employees covered | % (D/C) |
| Permanent | 326 | 326 | 100% | 343 | 343 | 100% |
| Other than permanent | 252 | 252 | 100% | - | - | 0 |
| Total | 578 | 578 | 100% | 343 | 343 | 100% |



(B) Details of minimum wages paid to employees and workers, in the following format

| Employees | 2024 | | | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Category | Equal to Minimum Wage | | | More than Minimum Wage | | Equal to Minimum Wage | | | More than Minimum Wage | |
| | Total (A) | No. (B) | % (B/A) | No. (C) | % (C/ A) | Total (D) | No. (E) | % (E/ D) | No. (F) | % (F/ D) |
| Permanent | 644 | 0 | 0 | 644 | 100% | 546 | 0 | 0 | 546 | 100% |
| Male | 617 | 0 | 0 | 617 | 100% | 518 | 0 | 0 | 518 | 100% |
| Female | 27 | 0 | 0 | 27 | 100% | 28 | 0 | 0 | 28 | 100% |

| Workers | 2024 | | | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Category | Equal to Minimum Wage | | | More than Minimum Wage | | Equal to Minimum Wage | | | More than Minimum Wage | |
| | Total (A) | No. (B) | % (B/ A) | No. (C) | % (C/ A) | Total (D) | No. (E) | % (E/ D) | No. (F) | % (F/ D) |
| Permanent | 326 | - | - | 326 | 100% | 343 | - | - | 343 | 100% |
| Male | 326 | - | - | 326 | 100% | 343 | - | - | 343 | 100% |
| Female | 0 | - | - | - | 0% | 0 | - | - | - | 0% |

(C) Details of remuneration/salary/wages, in the following format

| | Male | | Female | |
|---|---|---|---|---|
| Category | Number | Median remuneration/ salary/wages of respective category* | Number | Median remuneration/ salary/wages of respective category* |
| Board of Directors (BoD) | 3 | 19.47 | 1 | 13.65 |
| Key Managerial Personnel | 2 | 5.60 | 0 | 0 |
| Employees other than BoD and KMP | 611 | 0.39 | 26 | 0.52 |
| Workers | 326 | 0.26 | 0 | 0 |

(D) Gross wages paid to females as % of total wages paid by the entity, in the following format:
FY 2023-24 3.00%, FY 2022-23 2.75%

(E) Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Company has Whistle Blower policy in place to encourage employees to report issues without fear of retaliation, discrimination, or disadvantage. Through designated channels, the employees may report their concerns to the Chairman, the Company's Audit Committee, or the Chief Compliance Officer. The employees may further report their grievances to the local HR team and in case of non-satisfactory resolution, may reach out to regional and also the national HR team. Additionally, POSH Members serve as the focal point for resolving issues related to discrimination and its effects. The Company's Whistle Blower policy is available on the website, accessible at: https://aether.co.in/wp-content/uploads/2022/08/Whistle-Blower-Policy-Vigil-Mechanism.pdf.

(F) Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Organisation has multiple policies and platforms to address the employee grievances related to human rights. These are as under

(a) Whistle Blower (WB) Policy

The organisation has a WB policy in place which provides all employees to an option and opportunity to raise any issues/grievances anonymously, where the identity of the whistle blower is kept confidential. A dedicated email ID has been created at an Organisational level, writing to which the employees can express their concerns. A dedicated SPOC is assigned to look into all matters independently and fairly.

(b) Prevention of Sexual Harassment Guidelines (POSH)

With an aim to provide a safe and equal opportunity to both the genders, the organisation has in place the guidelines for POSH. The Organisation aims to create awareness from time to time so that any untoward situation of harassment is witnessed, one can reach out to the IC Committee of the Organisation by writing to the dedicated email ID. Employees can also reach out to theHR team alternatively to report the matter. An IC committee is formed for each reported instance as prescribed by POSH Act to conduct investigation and take necessary action, as and when required.

(c) Fair Appeal

The Organisation provides this unique platform to all employees to raise their grievances related to fairness of performance management process. This platform provides every employee to appeal for any unfair or unjust evaluation of year end appraisals with relevant facts and evidences. All such grievances are reviewed and assessed to provide fair and transparent findings and resolutions to such employees.

(d) Appellate Authority

In case the employee having grievance is not satisfied with the outcome of any of the investigation conducted or resolution provided, then one has the option of appealing against the same to the Appellate Authority of the Organisation.

(G) Number of Complaints on the following made by employees and workers:

a. Sexual Harassment None
b. Discrimination at workplace None
c. Child Labour None
d. Forced Labour/ Involuntary Labour None
e. Wages None
f. Other human rights related issues None



(H) Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

To safeguard the complainant against any adverse consequences, Company maintains utmost confidentiality of the Complainant. All related parties against whom the Complaint has been reported are sensitised of any retaliatory action against the complainant. In case any incident of retaliation is observed or brought to notice of the management, Company takes appropriate action on the reported matter and ensures that the complainant does not undergo adverse consequences.

(I) Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, various human rights principles form a part of the Company's business agreements and contracts as and where relevant.

(J) Assessments for the year

| | % of your plants and offices that were assessed(by entity or statutory authorities or third parties) |
|---|---|
| Child labour | 100% |
| Forced/involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |
| Others – please specify | |

(K) Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question above.

Not Applicable. During the reporting period, the Company was not involved in any instances of any such risks/concerns. Consequently, no corrective action was required.

## Leadership Indicators

(A) Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

While no such incidents have occurred, the Company has established a Whistle Blower Policy to promote transparency and accountability. This policy encourages employees to report any concerns without fear of reprisal, discrimination, or disadvantage. Employees have designated channels through which they can report grievances to the Chairman, the Audit Committee, or the Chief Compliance Officer. If dissatisfied with the resolution provided by the local HR team, employees can escalate their concerns to the regional or national HR team. Additionally, issues related to discrimination and its effects are addressed by the members of the POSH committee.

(B) Details of the scope and coverage of any Human rights due diligence conducted.

All the Company's policies and processes are pre-approved by the Board/the Board Committee/the Senior Management of the Company. Internal audits and evaluations of the Company's policies and procedures are periodically conducted. The organisation ensures compliance with all relevant regulations at regular intervals through audits and due-diligence mechanism.

(C) Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The offices are fully compliant with the guidelines of the Rights of Persons with Disabilities Act. The Company is also revamping many of its other offices to make them accessible to differently abled employees in accordance with the requirements of the Rights of Persons with Disabilities Act, 2016.

(D) Details on assessment of value chain partners

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Sexual Harassment | Aether actively engages with its value chain partners by assessing them through a questionnaire circulated via email. We gather information based on their responses. Out of the total, approximately 2% of the partners have been assessed, although the precise percentage by the value of business conducted with these partners is not ascertainable. |
| Discrimination at Workplace | |
| Child Labour | |
| Forced Labour/Involuntary Labour | |
| Wages | |
| Others – please specify | |

(E) Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question above.

Not applicable



## Principle 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

(A) Number of Complaints on the following made by employees and workers

| Parameter | Unit | 2024 | 2023 |
|---|---|---|---|
| Total electricity consumption from renewable sources (A) | TJ | 57.88 | 25.70 |
| Total electricity consumption from non-renewable sources (B) | TJ | 149.75 | 107.81 |
| Total fuel consumption from non-renewable sources (C) | TJ | 866.61 | 74.91 |
| Total energy consumption (A+B+C) | TJ | 1,074.44 | 208.42 |
| Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) | Total energy consumption in TJ /turnover in rupees in Crores | 0.18 | 0.03 |
| Energy intensity per employee (Total energy consumption/ Nb of employees) | Total energy consumption in TJ / Nb of employees | 4.22 | 0.71 |

- Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
  There hasn't been an external review or analysis conducted to assess various aspects of our operations, performance, or compliance with standards or regulations.

(B) Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable.

(C) Provide details of the following disclosures related to water, in the following format

| Parameter | 2024 | 2023 |
|---|---|---|
| (i) Surface Water | - | - |
| (ii) Ground Water | - | - |
| (iii) Third Party Water | 97,594 | 2,41,821 |
| (iv) Seawater/Desalinated Water | - | - |
| (v) Others | - | - |
| Total volume of water withdrawal & consumption (in kilolitres) (i + ii + iii + iv + v) | 97,594 | 2,41,821 |
| Water intensity per rupee of turnover (Water consumed/turnover) | 16.38 | 37.14 |
| Water intensity (optional) – the relevant metric may be selected by the entity | 382.89 | 823.44 |

*Note: Water withdrawal and consumption is same as the company has a successful installation of ZLD mechanism.

**The difference in third-party water withdrawal in FY 2024 from that of FY 2023 is because the manufacturing facilities were closed from Dec 23- March 24.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

There hasn't been an external review or analysis conducted to assess various aspects of our operations, performance, or compliance with standards or regulations.

(D) Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The entity has implemented a Zero Liquid Discharge mechanism. The ZLD plant is designed to treat wastewater and minimize the amount of liquid waste produced. Here is a breakdown of the treatment process. Industrial effluent from the various stages of the process is collected and treated in an Effluent, Treatment Plant having primary treatment facility. The effluent is first collected in Collection tank. The effluent is then transferred into Equalization cum Neutralization tank and retained for enough time, where pH of the effluent is raised to 8.5 by addition of lime solution from lime dosing tank. Effluent is then pumped to primary settling tank, where suspended particles are settled. The primary treated effluent is collected into a collection tank. The settled sludge from primary settling tank is dewatered and dried in a Filter Press. The filtrate collected is returned to the neutralization tank for treatment. The dried sludge is sent to the TSDF site for secured land filling. Then the primary treated effluent is Going for stripper to Remove Low Volatile Organic and Bottom Material Is Going for Evaporation in MEE/MVR. The Condensate from Evaporation System is transfer for Secondary treatment (SBT Plant).



SBT Treatment:

SBT is based in bioconversion process where fundamental action of nature namely, respiration, Mineral weathering and photosynthesis are brought about in a controlled media containing Selected micro and macro-organisms. Accordingly in the said process three fundamental Reactions of this plant viz. 1) respiration brings about removal of organics by oxidation of the Organic molecules 2) mineral weathering brings about pH correction 3) while photosynthesis Serves to regulate the process at work.In coming pH is in range of 6-7 and has to be adjusted with lime treatment before taking to the filter (this is done in neutralization section). Advanced Oxidation is provided as treatment using ozone generator to break down molecules to smaller size and to improve BOD/COD ratio. This biological treatment is a batch processes in which wastewater is pumped and applied into the top surface of the Bioreactor as shown in Figure. The design has suitable provision for manual removal of suspended solids from the bio-filter surface. Distribution of wastewater over the media is achieved via pumping, piping and distribution arrangements. Separate distribution lines are provided for raw wastewater as well as recycle water. The suspended Water first percolates through the bioreactor media which in houses cultured media in 40-60 mm and gets collected into the collection tank. It can then be pumped on to the media again (recycling) in order to achieve maximum solid liquid contact. The recirculation mode is provided for further polishing of the effluent. Dissolved organic and inorganic are oxidized and the water is purified further. The SBT Treated Effluent is feed in to R. O. Plant. From R. O. Plant, R. O. Permeate water is recycle in to Utilities . Reject Water is subjected to Evaporation and Condensate is Recycle to Utility.

(E) Please provide details of air emissions (other than GHG emissions) by the entity.

The air emissions of the entity were not monitored for any of the financial year.

Aether, has recognized the importance of air quality and its impact on public health and the environment. To ensure that their operations are environmentally responsible, they have decided to monitor their air emissions going forward. By monitoring their air emissions, Aether can identify areas for improvement and take proactive steps to reduce their impact on the environment. This could involve implementing measures to reduce emissions from their operations, investing in renewable energy, or developing innovative solutions to address air pollution. Aether's decision to monitor their air emissions demonstrates their commitment to sustainable development and environmental stewardship. By taking responsibility for their environmental impact, they are setting an example for other companies and contributing to a more sustainable future for all. Overall, Aether's decision to monitor their air emissions is a positive step towards reducing their environmental impact and promoting sustainable development.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company did not carry out any independent assurance for above disclosures in FY 2024.

(F) Please provide details of air emissions (other than GHG emissions) by the entity,

| Parameter | Unit | 2024 | 2023 |
|---|---|---|---|
| Total Scope 1 emissions (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | Metric tonnes of $CO_2$ equivalent | 52,767.11 | 8020.07 |
| Total Scope 2 emissions (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$,$NF_3$, if available) | Metric tonnes of $CO_2$ equivalent | 1,00,751.27 | 83,320.61 |
| Total Scope 1 and Scope 2 emissions per rupee of turnover | Metric tonnes of $CO_2$ equivalent per rupees in | 25.77 | 14.03 |
| Total Scope 1 and Scope 2 emissions per rupee of turnover adjusted for Purchasing Power Parity (PPP) | Metric tonnes of $CO_2$ equivalent per employee | 602.29 | 311.03 |

- Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
  No, the Company did not carry out any independent assurance for above disclosures in FY 2023-24.

(G) Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company is progressing towards adopting sustainable business practices and transitioning to low environmental footprint. The Company adopted a ConvergeÒ platform which represents a novel and cutting-edge technology for the manufacture of more sustainable polyols that could contain up to 40% of carbon dioxide by weight, thus reducing overall $CO_2$ emissions. These are a differentiated series of polyols with promising applications in the CASE (coatings, adhesives, sealants, elastomers) industry. The commercialization and revenue potential of these novel polyols is significant, with a targeted market of 850 KTA (850,000 MT per year) and a CAGR of 5%, out of the overall CASE industry polyol market size of more than 10,000 KTA.

(H) Provide details related to waste management by the entity, in the following format

| Parameter | 2024 | 2023 |
|---|---|---|
| Plastic waste (A) | 695.20 | 1,092.0 |
| Other hazardoous waste (B) | 4,039.33 | 2,786.30 |
| Total (A+B) | 4,734.53 | 3,878.30 |
| Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) Metric tonnes/MM | 0.79 | 0.60 |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) | 18.58 | 13.21 |



For each category of waste generated, total waste recovered through recycling, re-using or others recovery operations (in metric tonnes)

| Category of Waste | 2024 | 2023 |
|---|---|---|
| (i) Recycled | 772.01 | 1,130.60 |
| Total | 772.01 | 1,130.60 |

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

| Category of Waste | 2024 | 2023 |
|---|---|---|
| (i) Incineration | 2,819.98 | 1,501.36 |
| (i) Landfilling | 1,128.66 | 1,246.34 |
| Total | 772.01 | 1,130.60 |

(I) Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

By adopting certain best waste management practices, we are able to reduce our environmental impact, conserve valuable resources, and promote sustainability in our operations. We are committed to continuing to improve our waste management practices and exploring new opportunities to reduce our environmental footprint. The waste management practices adopted are as follows

- 100 KL Zero Liquid Discharge Plant for effluent treatment
- Using renewable energy (equity based and through purchase power agreement based solar energy), covering our 100% energy requirement of all the units
- Using of the bio-diesel
- Use of 100 TR Brine Chiller and 75 HP cooling tower
- Discontinued the use of ground-water
- No direct air emissions
- In-house Solvent Recovery Plant (SRP) towards solvent recovery and its captive use makes the process more efficient
- Recently maintaining a premises as a small tree-scape in industrial area (named as 'Aether Van')
- Using services of community effluent treatment plant
- Using services of community boiler for steam requirements, instead setting up our own boiler..

(J) If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required.

The company refrains from conducting its operations in environmentally fragile or ecologically sensitive regions. This strategic decision underscores the company's commitment to responsible business practices and environmental stewardship, avoiding potential harm to delicate ecosystems. By deliberately choosing locations that are not ecologically sensitive, the company aims to minimize its environmental impact and contribute to the preservation of biodiversity and natural habitats.

(K) Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

Not applicable

(L) Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format

Yes, Aether ensures that it complies with all applicable environmental laws, rules, and guidelines in India, including the Environment Protection Act and Rules, the Air (Prevention and Control of Pollution) Act, and the Water (Prevention and Control of Pollution) Act, However in the FY 23-24 a fire incident occurred which is mentioned below:

| Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective taken, if any action |
|---|---|---|---|
| The Air (Prevention and control of pollution) Act, 1981 | According to DISH Authority report dated: 29/11/2023, Fire Incident occurred on 29/11/2023, @1:50 AM due to leakage of solvent (i.e. Tetra Hydro Furan, Toluene) & water mixer in solvent recovery tank located at ground floor of Plant No. 2, and 26 workers are injured & it might be due to leakage of the gasket of of THF (Tetra Hydro Furan) storage tank capacity 25 KL. Both plant i.e. tank farm and plant number 2 are affected hence | A Penalty of Rs. 50 Lakh was imposed by Gujarat Pollution Control Board as Environmental | The specified amount was paid as stipulated within the designated time. |



| Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective taken, if any action |
|---|---|---|---|
| | source of fire/blast could not be verified. During rescue 07 dead bodies were found within the affected area. During visit, VOC-398 PPM and NO,-0.3 PPM is measured @50 meter away from incident site.<br>Due to high VOC level other information could not be verified.<br>Heavy dense smoke emission occurred at the time of fire incident and ambient air quality was very poor. | Damage Compensation | |

## Leadership Indicators

(A) Water withdrawal, consumption and discharge in areas of water stress (in kilolitres)

Our plants are situated in regions where water stress is not a concern. This deliberate choice of locations is part of our commitment to responsible resource management, ensuring that our operations have minimal impact on water-stressed areas.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

There hasn't been an external review or analysis conducted to assess various aspects of our operations, performance, or compliance with standards or regulations.

(B) Please provide details of total Scope 3 emissions & its intensity, in the following format

| Parameter | Unit | 2024 | 2023 |
|---|---|---|---|
| Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3,if available) | Metric tonnes of CO2 equivalent | 66,34,783.50 | Not assessed |
| Total Scope 3 emissions per rupee of turnover | Metric tonnes of CO2 equivalent | 1,113.84 | Not assessed |

(C) With respect to the ecologically sensitive areas reported at Question of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The company refrains from conducting its operations in environmentally fragile or ecologically sensitive regions. This strategic decision underscores the company's commitment to responsible business practices and environmental stewardship, avoiding potential harm to delicate ecosystems. By deliberately choosing locations that are not ecologically sensitive, the company aims to minimize its environmental impact and contribute to the preservation of biodiversity and natural habitats.

(D) If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format

| Sl. No. | Intiatives undertaken | Details of initiative | Outcome of the initiative |
|---|---|---|---|
| 1 | Aether Industries partnered with Novoloop on the sustainable plastic management project. | Novoloop's Lifecycling™ technology. This breakthrough technology transforms post-consumer plastic waste into virgin-quality monomers for the synthesis of virgin-quality, high performance materials such as the company's Lifecycled™ thermoplastic polyurethane.<br>This pilot plant is a testament to the commitment of the Novoloop team and for both of the company to tackle the global plastic crisis. By scaling this technology, a pathway is being created towards a truly circular world, where plastic waste becomes a valuable resource. | To be monitored |
| 2 | First commercialization of the sustainable Converge polyols technology in conjunction with H.B. Fuller and Saudi Aramco Technologies Company | The ConvergeÒ platform represents a novel and cutting-edge technology for the manufacture of more sustainable polyols that could contain up to 40% of carbon dioxide by weight, thus reducing overall CO2 emissions. These are a differentiated series of polyols with promising applications in the CASE (coatings, adhesives, sealants, elastomers) industry. The commercialization and revenue potential of these novel polyols is significant, with a targeted market of 850 KTA (850,000 MT per year) and a CAGR of 5%, out of the overall CASE industry polyol market size of more than 10,000 KTA. | To be monitored |



(E) Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, Aether has a comprehensive Business Continuity Management (BCM) policy and a strong BCM plan to mitigate the impact of unforeseen events or uncertainties. The Board-approved policy outlines the general guidelines for recovering and restoring information, resuming operations, and maintaining business continuity during various incidents caused by natural disasters, technological issues, human error, and pandemics. As disruptions can happen at any moment, the Company has developed a BCM plan to mitigate the adverse effects of operational risks, including business disruption and system failures.

(E) Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Given the nature of business, there were no reported negative impacts from the Company's activities on the environmental resources.

(F) Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

The Company actively engages with the value-chain partners for communicating the sustainability goals. In addition, the Company has also aligned its sustainability objectives in line with the interest of the critical stakeholder groups. The Company did not take up any assessments for evaluating the environmental impacts of the value chain partners. However, Aether has expressly stated the compliance to the statutory laws and regulations in business contracts/agreements.

## Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### Essential Indicators

(A) a. Number of affiliations with trade and industry chambers/associations. 3

b. List the top 10 trade and industry chambers/associations

| Name of the trade and industry chambers/associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|
| Chemexil | National |
| Indian Chemical Council | National |
| The South Gujarat chamber of Commerce | State / Local |

(B) Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

No adverse order was received by the company from regulatory authorities. Hence, no corrective action was required to be taken.

### Leadership Indicators

(A) Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.
Aether is actively involved in advocating for public policies that enhance the governance framework within its sector. Additionally, the company provides its expertise to tackle social and regulatory challenges. It collaborates with trade organizations and associations to shape public policies across various domains such as governance, finance, and social development. Through its involvement in industry associations, Aether actively promotes initiatives aimed at advancing the industry and serving the public good. The company adheres to a strict Code of Conduct Policy to uphold the highest standards of business ethics when engaging with these trade associations and industry bodies.

## Principle 8: Businesses should promote inclusive growth and equitable development

### Essential Indicators

(A) Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not conducted. In the context of Corporate Social Responsibility (CSR) projects, we understand that SIA plays a critical role in ensuring that the intended benefits are delivered to the targeted communities and that any potential negative impacts are identified and addressed. Though we have did not undertake such project in current fiscal, we shall consider to conduct in the near future.

(B) Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.
Not applicable.

(C) Describe the mechanisms to receive and redress grievances of the community.

| | 2024 | 2023 |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 40% | 40% |
| Sourced directly from India | 70% | 70% |

(C) Describe the mechanisms to receive and redress grievances of the community.
Aether has established a clear and effective grievance mechanism to address and resolve complaints from all stakeholders. We actively encourage community members to voice their grievances or concerns through our NGO partners. Working closely with these partners, we collaboratively address grievances and take appropriate actions to resolve them.

(D) Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

| Location | 2024 | 2023 |
|---|---|---|
| Rural | 0 | 0 |
| Semi Urban | 0 | 0 |
| Urban | 100% | 100% |
| Metropolitan | 0 | 0 |

### Leadership Indicators

(A) Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question of Essential Indicators above).
Not applicable.

(B) Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.
Aether's CSR initiatives are focused on education and skill development and healthcare for our staff and local community. For example, we make contributions towards educational fees for all our workers and staff. We engage in community welfare through our associated Aether Foundation, to assist with the needs of our staff and local community including education for kids, opening of schools in remote places medical assistance, blood donations and eye checking camps, however no CSR project has been taken in the designated aspirational district in the reporting period.

(C) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?
The Company maintains a procurement policy that ensures impartiality and fairness in the selection and procurement processes of its suppliers. It is driven by the Company's procurement policy/SOP, supplier code of conduct, and practices, does not specifically mentions about marginalized or vulnerable groups, but ensures that all suppliers are evaluated equally without bias.

(D) Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.
Not applicable.

(E) Details of beneficiaries of CSR Projects

| Sl. No. | CSR Project | No. of persons benefitted from CSR projects | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|---|
| 1 | Promoting education | 894 | 100% |
| 2 | Facilities to old age homes / Sr. Citizens | 75 | Not Applicable |
| 3 | Training to nationally recognized and olympic sport | 2 | Not Applicable |
| 4 | Providing healthcare | 120 | Not Quantifiable since it includes wide array of beneficiaries. |
| 5 | Reducing inequalities to socially and economically backward groups | 100 | 100.00 |
| 6 | Life saving measures | 100 | Not Applicable |
| 7 | Medical aid / support | 100 | Not Quantifiable since it includes wide array of beneficiaries. |

## Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

(A) Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
Aether has implemented a comprehensive escalation process for customer complaints, which is also outlined on the Company's website for easy access. Clients can follow a three-step procedure to address their concerns:

Customers can submit their grievances through various channels such as email, toll-free phone numbers, or complaint letters. If dissatisfied with the initial resolution, customers have the option to directly email the Deputy Vice President of Customer Support. If still unsatisfied, customers can escalate their concern by sending an email directly to the head of customer support.

The Company's continuous efforts to streamline operations, introduce relevant products and digital technologies, and advance digital solutions have significantly enhanced customer experience and satisfaction.



(B) Turnover of products and/services as a percentage of turnover from all products/service that carry information about

| | As a % of total turnover |
|---|---|
| Environmental and social parameters relevant to the product | 100% |
| Safe and responsible usage | 100% |
| Safe and responsible usage | 100% |
| Recycling and/or safe disposal | 100% |

(C) Number of consumer complaints in respect of the following

| | 2024 | 2023 |
|---|---|---|
| Data privacy | None | None |
| Advertising | None | None |
| Cyber-security | None | None |
| Delivery of essential services | None | None |
| Restrictive Trade Practices | None | None |
| Unfair Trade Practices | None | None |
| Other | None | None |

(D) Number of consumer complaints in respect of the following
None

(E) Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.
Yes, Aether has a structured information and cyber security framework which ensures security and data privacy by establishing thorough management processes throughout the organisation. The Company has a strong Information and Cyber-Security (ICS) policy that has been authorised by the Board and is in accordance with the IRDAI cyber-security requirements and international ISO standards.

These systems and procedures and the security standard for cloud computing adhere to ISO 27001:2013, the information security management system. This assists the business in identifying and quickly eliminating any threats to its network, application, and infrastructure.

Technological and process controls are implemented to ensure protection from and response to potential cyber risks in line with the leading cyber security guidelines and IRDAI mandate. Aether evaluates and implements various security technologies and solutions to help address cyber risks through a risk-based approach.

The administration, application, and efficacy of the cyber-security policy are all monitored by a team of independent internal auditors.

Additionally, a competent third-party performs an Independent Assurance Audit each year to assess if these policies are adequate in light of regulatory bodies' requirements.

(F) Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.
Aether being a responsible brand has all the systems and processes in place to adhere to the fair trade practices. The IT infrastructure is extremely strong and is continuously updated to ensure highest level of data security. No complaints regarding advertising, the provision of essential services, cyber security and customer data privacy, the recurrence of product recalls, or penalties or actions taken by regulatory authorities over the safety of goods or services were received during the reporting period.

(G) Provide the following information relating to data breaches
Nil

### Leadership Indicators

(A) Channels/platforms where information on products and services of the entity can be accessed (provide web-link, if available).
We, at Aether, strive to provide a holistic & uniform service experience across all touch points/life cycle stages to our customers. While we are transforming our business to paperless operations, we have also introduced innovative channels for our customers to reach out to us through website.for our customers to reach out to us through website.

(B) Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
Aether takes huge steps to engage with its customers to appropriately inform them regarding the product. The awareness policy that the Company has implemented outlines the customer rights.

(C) Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
Owing to our robust business continuity plans, we, at Aether, strive to avoid any major disruption in our business. Also, the Company notifies consumers of any potential interruption or discontinuance of critical services in writing, along with any connected justification. When a product or service is discontinued, the Company makes sure that its customers are informed through a variety of channels.



(D) Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, we, at Aether, have always believed in being transparent with our stakeholders by providing all the relevant details and necessary information. We also display important Circulars and GRO contact details in each office. Also all product related details, features, FAQs along with Grievance mechanism is displayed on our website. Customers can get help from the Company on how to take advantage of specific risk-minimisation measures.

Yes, we also continuously conduct satisfaction surveys to seek feedback from our customers at various stages starting from the time of purchasing product. This feedback is used to improve systems, processes and enable us to better focus on training and development and also enhance customer experience.

# Management Discussion & Analysis Report (MDAR)

## Summary of the primary business of the Company

Aether Industries Limited specializes in researching, developing, manufacturing, and marketing specialty chemicals and advanced intermediates, leveraging complex and innovative chemistry and technology. Established in India in 2013 with a vision to carve out a global niche, the company focused on research & development, team building and infrastructure during its initial phase through FY 2017. Revenue generation began in FY 2018, and the company has consistently grown since, achieving a CAGR of 28.74% from FY 2018 to FY 2024.

## Market Concentration & Characteristics

The specialty chemicals market is experiencing robust growth, with an accelerating pace. This sector is characterized by substantial investment in research and development, leading to a high level of innovation as companies continuously develop new products. Specialty chemicals, being function-specific, demand ongoing innovation.

The industry is heavily regulated by various governmental bodies, with environmental and safety concerns driving the shift towards more eco-friendly and user-safe products. As a result, traditional chemical manufacturers are increasingly focusing on developing products with reduced environmental impact.

The threat of substitutes remains minimal, as specialty chemicals are tailored to specific performance and application needs, making them difficult to replace with conventional chemicals or alternative products.

Market concentration among end-users is significant, spanning diverse sectors such as automotive, electrical and electronics, oil and gas, and others. Product prices are closely linked to raw material costs, making them susceptible to market volatility. Consequently, customers have limited to moderate bargaining power.

## Market Dynamics

Specialty chemicals are integral to nearly every industrial sector. Of the global production, over half is utilized in four primary end-use industries: food and beverages; soap, cleaning products, and cosmetics; construction; and electrical and electronics. Emerging markets are anticipated to experience significant growth in this sector due to ongoing industrialization and expanding consumer-driven economies. Certain categories of specialty chemicals—such as specialty coatings, electronic chemicals, nutraceuticals, flavours and fragrances, and organic personal care products—are expected to see rapid expansion, driven by favourable conditions in their respective end-use markets.

In the oil and gas industry, technological advancements are marked by intensive research and development from major multinationals like Royal Dutch Shell, British Petroleum, and Total SA. These companies are focused on providing high-performance chemicals for applications such as oil field operations and chemical processing, aimed at improving oil recovery and maximizing reserves. However, fluctuations in global crude oil prices and availability present ongoing challenges for formulators worldwide.

| Market | CY 2020 | CY 2025 | CAGR (2020-25) |
|---|---|---|---|
| Global Chemical Market | $5,027 billion | $6,780 billion | 6.2% |
| Global Speciality chemical Market | $847 billion | $1,090 billion | 5.2% |
| India Speciality Chemical Market | $87 billion | $148 billion | 11.2% |

## India Specialty Chemicals Market

India stands as the second-largest market for specialty and fine chemicals in the Asia Pacific region. This growth is driven by substantial domestic manufacturing capabilities and the mature end-use industries within the country. For example, India's status as a leading automotive manufacturing hub significantly boosts demand for specialty chemicals like fibers, sealants, paints, and adhesives, propelling the market's expansion in the coming years (Source: Specialty Chemicals Market Size & Share Report, 2030 - Grand View Research).

The Indian chemical industry is a vital contributor to



the national economy, representing approximately 7% of GDP, with expectations to reach USD 304 billion by 2025, up from USD 178 billion in 2021 (Source: Chemical Sector in India Grows by Leaps and Bounds, Livemint, June 2022). The sector remains a lucrative opportunity for both domestic and international manufacturers. The specialty chemicals segment is a significant component of this industry, driven by increasing demand for value-added products across various sectors including food, automotive, real estate, apparel, and cosmetics. The Indian specialty chemicals industry is poised to surpass China, Japan, and other global markets in growth.

In recent years, the Indian specialty chemicals sector has expanded rapidly, now constituting 22% of the nation's total chemicals and petrochemicals market, valued at $32 billion. Projections indicate it will reach USD 64 billion by 2025, with a CAGR of 12.4% (Source: Indian Specialty Chemicals, Yes Securities, January 2022).

This growth is fuelled by India's robust process engineering expertise, cost-effective manufacturing, and abundant labor force. Government initiatives, such as the Petroleum, Chemicals, and Petrochemicals Investment Region (PCPIR) policy and Production-Linked Incentive (PLI) schemes, have bolstered investor confidence and encouraged domestic and international investments.

As global pollution control regulations tighten and labor costs rise elsewhere, manufacturers are seeking alternatives. India's favourable business environment positions it as a promising option for substantial and swift market growth.

The evolving market will be influenced by investor confidence, corporate expenditure, strategic portfolio decisions, and budget allocations. Key factors such as research and development, capital investments, acquisitions, economies of scale, and domestic market expansion will be crucial in driving sustainable growth in India's specialty chemicals industry.

| India Speciality Chemical Segments (IN US $ BILLIONS) | CY 2020 | CY 2025 (forecast) |
|---|---|---|
| Agrochemicals & Fertilisers | 32.90 | 53.30 |
| Pharmaceuticals (API) | 16.60 | 28.50 |
| DGVCL | 8.70 | 14.90 |
| Paints & Coatings Additives | 6.40 | 10.70 |
| Home Care Ingredients | 3.80 | 6.50 |
| Personal Care Ingredients | 1.30 | 2.20 |
| Textile Chemicals | 2.20 | 3.50 |
| Water Treatment Chemicals | 2.10 | 3.10 |
| Flavours & Fragrances Ingredients | 2.00 | 3.70 |
| Construction/Infratech Chemicals | 1.20 | 1.90 |
| Others | 9.90 | 19.50 |
| Total | 87.00 | 148.00 |

## Overview of Aether Industries

We are a leading specialty chemical manufacturer in India, specializing in advanced intermediates and specialty chemicals through sophisticated and differentiated chemistry and technology. Founded in 2013, our vision was to carve out a unique position in the global chemical industry by integrating innovative approaches in chemistry, technology, and systems to foster sustainable growth.

During our initial phase, through Fiscal Year 2017, we concentrated on building our team and infrastructure, alongside developing our R&D capabilities to establish our core competencies. Our revenue generation began in Fiscal Year 2018, marking the start of our second phase. Since then, the company has achieved consistent growth, with a CAGR of 28.74% in revenues from Fiscal Year 2018 to Fiscal Year 2024.

Our approach is centered on leveraging a comprehensive model of chemistry and technology competencies. Unlike many chemical companies that rely on one or a few chemistry competencies, we utilize eight distinct competencies across our diverse product range. This strategic advantage allows us to meet the specialized and advanced intermediate needs of various end-products and applications. These competencies, all developed in-house, are a testament to the strength and innovation of our R&D team.

We operate under three distinct business models: (i) Large Scale Manufacturing (LSM) of our own intermediates and specialty chemicals; (ii) Contract Research and Manufacturing Services (CRAMS); and (iii) Contract/Exclusive Manufacturing (C/EM). We are among the few Indian specialty chemical companies to have successfully established these three separate business models within just five years of commencing commercial manufacturing. Our product selection is guided by criteria such as chemical complexity, niche applications, limited competition, scalability, and commercial viability.

Applying these criteria, we develop and continue to create advanced intermediates and specialty chemicals with applications across various sectors, including pharmaceuticals, agrochemicals, materials science, coatings, high-performance photography, additives, and oil and gas.

As of March 31, 2024, our portfolio includes over 29 products, all of which are being manufactured for the first time in India by Aether Industries Limited.

We specialize in products that integrate complex chemistries with advanced technology core competencies. Our chemistry competencies encompass Grignards, organolithium and other organometallic chemistry, ethylene oxide and isobutylene chemistry, hydrogenation, catalysis (both homogeneous and heterogeneous), cross-coupling chemistry, and metathesis/polymerization chemistry. Our technology competencies include continuous reaction technology, high-pressure reaction technology, fixed bed reaction technology, distributed control system (DCS) process automation, and high vacuum distillation technology (wiped film/short path). By focusing on core competencies, we have adopted a chemistry and technology-oriented sales vision, distinct from a traditional product and industry-oriented approach.

Our portfolio comprises advanced intermediates and specialty chemicals that bridge the gap between commodity chemicals and final actives and formulations. Our products are positioned closer to the higher value range, situated further from commodities and nearer to the final active components in the chemical industry value chain. In Fiscal Year 2024, the average selling price of our products was ₹1,306.89 per kg. We emphasize the development of high-value products that serve a range of therapeutic areas within the pharmaceutical industry, including hypertension, anti-platelet, anti-psychotic, anti-histamine, NSAIDs, antiretrovirals for HIV/AIDS, anti-epileptics, and anti-convulsants, among others.

Beyond pharmaceuticals, our products are utilized in various sectors such as agrochemicals, material science, coatings, high-performance photography, additives, and oil and gas. Most of our advanced intermediates and specialty chemicals were introduced for the first time in India and serve as 100% import substitutes, supporting the Government of India's "Make in India" and "Atma-Nirbharta" initiatives. For instance, products like 4MEP, T2E, MMBC, NODG, BFA, OTBN, and DVL, which were previously imported from China, are now produced and exported by us, even reaching Chinese customers.

Our sales model primarily involves business-to-business transactions both domestically and internationally. We export a significant portion of our products to 19 countries, including Italy, Spain, Germany, the United States, India, the Netherlands, and other regions worldwide.

The cornerstone of our company is our robust in-house research and development capabilities. Our chemistry and technology core competencies, along with all our products, are developed by our dedicated R&D team, scaled up in our Pilot Plant, and brought to market using our own design and engineering expertise. We operate advanced R&D facilities and a Pilot Plant at our Manufacturing Facility 1 in Sachin, Surat, Gujarat. These facilities focus on developing our product pipeline, next-generation solutions, and catering to our CRAMS customers.



As of March 31, 2024, our specialized R&D team comprises 276 scientists and engineers (up from 233 on March 31, 2023), including 148 scientists with PhDs or Master's degrees (up from 111) and 128 chemical engineers (up from 122). Our R&D Facilities are equipped with laboratories dedicated to process development, innovation, and technology advancement, enabling us to optimize efficiencies from initial conceptualization through to product commercialization. Our strategic investments in R&D have been pivotal to our success, distinguishing us in the market and securing leading positions for several products. In Fiscal Year 2023, we tripled the size of our R&D facilities, increasing our fume hoods from 17 to 55, thereby boosting our capacity to conduct over 110 experiments and reactions per day.

Our state-of-the-art Pilot Plant serves as a critical link between R&D and large-scale production. It is one of the largest pilot plants globally, featuring over 100 reactors for both batch and continuous reaction technologies. The Pilot Plant plays dual roles: generating essential scale-up data for the transition from R&D to full production, and serving as a stand-alone facility for low-volume, high-value products for our CRAMS clients. It includes a wide array of reactor and downstream equipment for both continuous and batch processes, across diverse scale-up volumes and process parameters, all automated via DCS process automation. Notably, our Pilot Plant also houses a dedicated section for continuous reaction and flow technology, featuring pilot-scale equipment for continuous reactors and downstream processes. Like our R&D expansion, we had also tripled the capacity of our Pilot Plant in Fiscal Year 2023.

We operate three facilities in Sachin, Surat, Gujarat, India:
Manufacturing Facility 1 covers approximately 3,500 square meters and includes our R&D labs, analytical sciences laboratories, Pilot Plant, CRAMS facility, and hydrogenation unit.

Manufacturing Facility 2 spans around 10,500 square meters and serves as a large-scale manufacturing hub with an installed capacity of 6,096 MT per annum. It includes a solvent recovery plant (SRP Plant) with a capacity of 13,140 MT, distributed across three buildings hosting 16 production streams and one SRP Plant stream. In Fiscal Year 2024, our capacity utilization was 72% (compared to 70.98% on March 31, 2023), with the SRP Plant at 48% (compared to 69.44% on March 31, 2023). The capacity utilisation would have been more but the same was derailed due to the fire accident in November 2023, wherein the site was closed for few months in the Fiscal Year 2024.

Manufacturing Facility 3, commissioned in January 2023 and funded by our IPO (June 2022), covers approximately 5,250 square meters. It has an installed capacity of 2,400 MT per annum and achieved a capacity utilization of 62% in Fiscal Year 2024.

All three facilities are equipped with DCS process automation and adhere to high standards of technology, engineering, and automation. They are strategically located near Hazira Port and JNPT Port, optimizing freight costs for exports.

Both Manufacturing Facility 2 and Facility 3 hold ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISMS 27001:2013, and Indian GMP certifications.

For future expansion, we have acquired lands for Manufacturing Facility 4 and Manufacturing Facility 5. Facility 4, developed and commissioned in our wholly owned subsidiary, Aether Speciality Chemicals Limited (established September 2022), spans 18,000 square meters. It houses a new plant dedicated to manufacturing six products for Baker Hughes (oil & gas drilling industry), with a letter of intent signed in March 2023 and a recent SSA execution. Facility 4 is situated close to Manufacturing Facility 2.

Additionally, in Fiscal Year 2022, we acquired a 125,000 square meter plot at Panoli GIDC, Bharuch District, Gujarat, for future expansion. Regulatory approvals for this site's expansion have been obtained, and initial phase work has commenced. We have also secured additional land near Manufacturing Facility 3, referred to as 3+/3++, for future expansion. The funding for Manufacturing Facility 3+/3++ and Manufacturing Facility 5 is sourced from a QIP of ₹7,500 MM, completed in June 2023.

Manufacturing Facility 3+/3++ is anticipated to be operational by the end of Fiscal Year 2025, while the first phase of Manufacturing Facility 5 is projected to commence operations by the end of Fiscal Year 2026.

In addition to our core R&D and manufacturing operations (our first business model), we also engage in Contract Research and Manufacturing Services (CRAMS), which represents our second business model. This involves providing outsourced research and technology services, including contract research, pilot scale-up, contract manufacturing, FTE services, technology development, and process optimization. Our CRAMS clients collaborate closely with our scientists and engineers, utilizing our R&D Facilities, analytical laboratories, and Pilot Plant. Molecules developed through CRAMS for our clients have the potential to transition into regular commercial supplies and become products for large-scale manufacturing within our company. This model also fosters engagement with top technical teams and leadership—such as CTOs, technical directors, and VPs—of our clients, paving the way for future contract manufacturing opportunities.

## Summary of Contingent Liabilities and Related Party Transactions

| Nature of Transactions (in ₹ MM) | 2024 | 2023 |
|---|---|---|
| Rent Paid | ₹ 6.60 | ₹ 6.00 |
| Loans Accepted | ₹ 0.00 | (₹ 149.20) |
| Managerial Remuneration | ₹ 67.25 | ₹ 67.25 |
| Purchase of Consumables | ₹ 27.93 | ₹ 0.06 |
| Purchase of Material for Building & Structure | ₹ 0.00 | ₹ 14.81 |
| ETP Expenses | ₹ 87.06 | ₹ 47.23 |
| Salary | ₹ 1.27 | ₹ 5.41 |
| CSR Activities | ₹ 6.64 | ₹ 2.10 |
| Sitting Fees | ₹ 2.54 | ₹ 3.04 |
| Unsecured Loan | ₹ 1,045.55 | ₹ 0.50 |
| Charitable Trust | ₹ 0.00 | ₹ 0.60 |
| Total | ₹ 1,244.84 | -₹ 2.21 |

Note:
For details of the related party transactions and as reported in the Financial Statements, please see the section entitled “Financial Reports”.

| In ₹ MM | As of March 31, 2024 | As of March 31, 2023 |
|---|---|---|
| Bank Guarantees Issued for: | | |
| Customs | ₹ 8.89 | ₹ 8.89 |
| Gujarat Gas Ltd. | ₹ 20.71 | ₹ 20.71 |
| DGVCL | ₹ 54.55 | ₹ 47.40 |
| NHI | ₹ 0.25 | ₹ 0.00 |
| GPCB | ₹ 0.75 | ₹ 0.00 |
| Total Margin for above items | ₹ 11.83 | ₹ 14.37 |
| Raw Material FLC (in US $ MM) | $ 0.06 | $ 1.10 |
| Total Margin for above items | ₹ 0.62 | ₹ 8.94 |
| Income Tax Demands: | | |
| AY 2017-18 (PY 2016-17) | ₹ 0.15 | ₹ 0.15 |
| AY 2018-19 (PY 2017-18) | ₹ 0.94 | ₹ 0.94 |
| AY 2020-21 (PY 2019-20) | ₹ 1.00 | ₹ 1.00 |

Note
All the Contingent Liabilities, except Income Tax Demands, listed above, which are outstanding as on current Balance Sheet date are not 100% secured through cash margins placed with the banks. Company is enjoying Bank Guarantee and LC Limit facilities from the banks, which require 15% Margin Money on Bank Guarantees and 15% Margin Money on LC Facilities. Margin reduced to maximum 2.5% in FY 2023-24 on BG and LC.

The Income Tax Demands are under CIT appeal by the Company and the outcome of the same is not known and hence the demand amount has been considered as contingent liability.

## Issue of Equity Shares for consideration other than cash

Except for the bonus allotment made on November 17, 2021, our Company has not issued any Equity Shares, for consideration other than cash.

## Split / Consolidation of Equity Shares

Our Company has not undertaken a split or consolidation of the Equity Shares.

## Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not made any application under Regulation 300(1)(c) of the SEBI ICDR Regulations for seeking exemption from complying with any provisions of securities laws.

## Our Market Opportunity

### Growth in Speciality Chemical Market
The specialty chemicals market, valued at $285.40 billion in 2023, is projected to grow to approximately $364.80 billion by 2028, reflecting a compound annual growth rate (CAGR) of 5% over this period.

India’s chemicals market, currently valued at $220 billion in 2023, is expected to surge to $383 billion by 2030, driven by a robust CAGR of 8.1% from 2021 to 2030.

Aether Industries is well-positioned to capitalize on the expanding specialty chemicals market both in India and globally, thanks to our core competencies in chemistry and technology. Our enhanced R&D efforts will further leverage our existing assets and support our expansion initiatives across various manufacturing sites.

## Factors driving the growth in the Indian Speciality Chemicals market

The following factors are driving growth in the India Speciality Chemicals market

### Growth in End Use Segments
The speciality chemicals industry in India is driven by both domestic consumption and exports.

### Supply chain de-risking driven by China downturn
China’s chemicals market has seen a downturn in recent years due to various factors:

### Stringent environmental norms
The tightening of environmental protection norms in China since January 2015 resulting in increase in operating costs, closure and relocation of India. manufacturing facilities. (Source: F&S Report, May 2022, Prospectus of Aether Industries Limited).

### Rising cost of labour
Until 2007, labor costs in China were lower than in India. However, from 2005 to 2015, China experienced an average labor cost increase of nearly 19-20% CAGR, compared to a more modest 4-5% CAGR in India.

In Fiscal Year 2024, following China’s reopening post-COVID-19, there has been a surge in material dumping in export markets, including India. China has benefited from various government export incentives and a significant depreciation of its currency by approximately 8.50%, which has considerably boosted its growth during this period.

Additional factors influencing and driving the Indian specialty chemicals market include the following:

### Accelerated R&D and capital expenditure
India’s R&D capabilities and the enduring relationships that domestic chemical companies have established with their customers are pivotal to the growth of the Indian chemical sector. The industry is experiencing heightened capital expenditure and investment in R&D to enhance product development capabilities. The expansion of the specialty chemicals segment is driven by robust domestic demand and increased interest from international markets, further bolstered by the adoption of the China +1 policy by major global economies. While many companies are experiencing significant growth, margin pressures have led to disappointing results, causing stock values to decline (Source: Smallcase Technologies Private Limited, March 23, 2023).

### GoI support and “Make in India” campaign
The Government of India is offering substantial support through the Production Linked Incentive (PLI) scheme and other initiatives, alongside competitive tax rates. Additionally, the "Make in India" campaign is anticipated to further accelerate India’s rise as a prominent manufacturing hub for the chemicals industry in the medium term. By providing incentives, subsidies, and grants, this campaign aims to bolster Indian companies, as businesses seek to minimize their reliance on China following the COVID-19 pandemic and reconfigure their supply chains.

### Availability of feedstock
The GoI has encouraged companies to set up

capacities in petroleum, chemicals, and petroleum investment regions (PCPIR) by demarcating special zones to aggregate feedstock demand.

### Improved safety, health and environment compliance and "Green chemistry"

Like China, India also contends with environmental concerns and increasingly stringent regulations. Over time, Indian chemical companies have made substantial investments in safety, health, and environmental (SH&E) measures to promote plant sustainability. Additionally, the field of Green Chemistry is progressively developing in India. Growing pollution and the detrimental impact of harmful chemical effluents on water bodies are heightening concerns about sustainability. The pharmaceutical industry was an early adopter of Green Chemistry, recognizing its considerable potential to lower costs and mitigate risks.

## Our (Aether Industries Limited's) strengths

We believe that we possess a number of competitive strengths, which enable us to successfully execute our business strategies, including the following:

### Focus on R&D to leverage our core competencies of chemistry and technology

Our Company is fundamentally anchored in our robust in-house research and development capabilities. Strategic investments in R&D have been pivotal to our success, setting us apart and enabling us to secure leading market positions for various products. Leveraging the technical expertise we've cultivated over the years, we execute innovative processes on a global scale that are challenging to replicate, thus establishing significant barriers for new entrants.

Our core competencies in chemistry and technology, as well as all our products, have been developed exclusively by our in-house R&D team. These innovations are scaled up in our Pilot Plant and launched into production through in-house design and engineering. This independent development, unassisted by client R&D, underscores our strength in innovation and research. Our expertise spans a wide array of chemistries and technologies, supporting numerous end-use industries. Notable examples of our chemistry core competencies include Grignards, organolithium and other organometallic chemistries, ethylene oxide and isobutylene chemistry, hydrogenation, catalysis (both homogeneous and heterogeneous), cross-coupling chemistry, and metathesis/polymerization chemistry. We are a pioneer in the Indian specialty chemicals market for tandem Grignard and ethylene oxide chemistry, with only a few competitors in these areas.

In Fiscal Year 2023, we tripled the size of our R&D Facility, increasing the number of fume hoods to 55, which allows us to conduct over 110 reactions and experiments daily. Additionally, our R&D personnel increased from 233 as of March 31, 2023, to 276 as of March 31, 2024, reflecting significant growth in our research capabilities.

We are committed to the continual enhancement and expansion of our R&D and Pilot Plant facilities, recognizing them as essential drivers for product development. In Fiscal Year 2024, our total capital expenditure, including investment in the Pilot Plant, was approximately ₹300 MM.

### Long standing relationships with a diversified customer base

Our customer base includes over 290 multinational, regional, and local companies. As of March 31, 2024, our products are supplied to more than 50 global customers across 18 countries and over 240 domestic clients.

We are committed to delivering high-quality products consistently, which builds long-term relationships and reduces customer inclination to seek alternative suppliers. This creates a competitive advantage for us, as new entrants face significant investment and lengthy approval processes.

In Fiscal Year 2024, our facilities were audited 29 times by various customers or their external auditors. Our CRAMS model facilitates valuable interactions with top technical leaders, leading to further project opportunities.

We provide a comprehensive supply chain solution—from initial research and development through to commercial-scale manufacturing—while maintaining transparent communication and straightforward payment terms.



### Aetherians

We possess a highly skilled team in essential scientific and engineering fields. Our dynamic, ambitious "start-up" culture is reflected in our average staff age of 29 years as of March 31, 2024. Our core and senior management team consists of technical experts specializing in organic chemistry and chemical engineering.

### QEHS

We emphasize safe processes and inherently safe manufacturing, and sound QEHS principles.

### Synergistic Business Models focused on Large Scale Manufacturing, CRAMS and Contract Manufacturing

We operate under three distinct business models: (i) large-scale manufacturing of our own intermediates and specialty chemicals; (ii) Contract Research and Manufacturing Services (CRAMS); and (iii) contract/exclusive manufacturing. According to F&S, we are among the few Indian specialty chemical companies to have successfully launched all three models into commercial production within just five years.

These business models are mutually reinforcing. For instance, customers for our own intermediates and specialty chemicals are often the same targets for our CRAMS and contract manufacturing services. Our CRAMS business enables collaboration with innovative firms on new products, enhancing our R&D capabilities and supporting the development of our own offerings. Additionally, increasing production through contract manufacturing allows us to achieve economies of scale and negotiate better pricing with suppliers.

### Automated manufacturing facilities utilizing advanced technologies and systems

Our manufacturing infrastructure, cutting-edge technologies, and automation are crucial to our growth in intermediates and specialty chemicals. We have pioneered innovative manufacturing processes and product recipes, establishing leadership in many of our product categories.

We operate two sites in Sachin, Surat. Manufacturing Facility 1, spanning approximately 3,500 square meters, houses our R&D, analytical labs, Pilot Plant, CRAMS, and hydrogenation facilities. Manufacturing Facility 2, covering about 10,500 square meters, serves as a large-scale manufacturing hub with a capacity of 6,096 MT per annum (and 13,140 MT for the SRP Plant) across 16 production streams and one SRP Plant Stream as of March 31, 2024. Manufacturing Facility 3, covering 5,250 square meters, has a capacity of 2,400 MT per annum as of March 31, 2024. Each facility operates independently, with dedicated quality departments, effluent treatment plants, and warehouses. Their proximity to Hazira and JNPT Ports helps reduce export freight costs.

In March 2024, Manufacturing Facility 4 was commissioned and production commenced at our wholly-owned subsidiary, Aether Speciality Chemicals Limited. This facility, designed for six products under the Contract/Exclusive Manufacturing model for Baker Hughes, will also provide a 7% income tax benefit.

We acquired a 125,000 square meter plot at Panoli GIDC, Bharuch District, Gujarat, in Fiscal Year 2022 for future expansion. In Fiscal Year 2024, we received regulatory approvals and began the first phase of development. Additionally, we acquired land near Manufacturing Facility 3 for further expansion, termed 3+/3++, funded by a ₹7,500 MM QIP in June 2023. Manufacturing Facility 3+/3++ is projected to be operational by the end of Fiscal Year 2025, with the first phase of Manufacturing Facility 5 expected to come online by the end of Fiscal Year 2026.

Our facilities employ advanced technologies and systems such as:

- Continuous Reaction Technology
- Advanced Batch Reaction Technology
- High Pressure Reaction Technology
- Fixed Bed Reaction Technology (Liquid / Gas Phase)
- Cryogenic Reaction Technology
- Distillation Technology (wiped film and short path)
- Distillation Technology (high vacuum and fractional)

We employ Distributed Control Systems (DCS) for process automation: Siemens PCS7 DCS in our Pilot Plant and CRAMS operations, and Yokogawa Centum VP DCS in our manufacturing facilities. These systems enhance reliability, ensure consistent product quality, reduce overhead costs, and improve safety by minimizing human error and industrial accidents. Our operations are certified under ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISMS 27001:2013, and

Indian GMP.

### Contract Research and Manufacturing Services (CRAMS)

Our CRAMS business are the services that our customers outsource to us and include:

- Contract research;
- Pilot scale-up services;
- Contract manufacturing;
- Full time equivalent (FTE) services;
- Technology development; and
- Process development and optimisation

Our state-of-the-art Pilot Plant provides a significant competitive edge in attracting CRAMS customers. It serves a dual purpose: generating crucial scale-up data to address potential issues before full-scale production and operating as a standalone facility for low-volume, high-value products for CRAMS clients. The Pilot Plant features a diverse array of reactors and downstream equipment, accommodating both continuous and batch processes across various scales, metallurgies, and parameters, all managed through DCS automation.

CRAMS customers collaborate closely with our scientists and engineers, leveraging our R&D Facilities, analytical labs, and Pilot Plant. Molecules developed through CRAMS can transition into large-scale commercial production for our company. The CRAMS model also fosters high-level discussions with technical leaders (CTOs, technical directors, VPs), paving the way for future contract manufacturing opportunities.

In Fiscal Year 2023, we had tripled the capacity of our R&D and Pilot Plant from March 31, 2022, expanding the number of fume hoods from 17 to 55 for increased experimentation and adding more reactors to the Pilot Plant.

### Contract Manufacturing / Exclusive Manufacturing

We also manufacture our customers' products under a contractual supply agreement based model. These customer contracts are both short-term and long-term and involve both exclusive and non-exclusive arrangements.

### Focus on Quality, Environment, Health and Safety (QEHS)

Our business is dedicated to sustainability, prioritizing quality, environment, health, and safety.

We recognize that upholding superior product quality is crucial to our brand and growth. To ensure consistent quality, efficacy, and safety, we have implemented rigorous quality systems across all our manufacturing processes, from production to delivery. Our products meet global quality standards and undergo thorough quality checks, including random sampling and internal inspections. Numerous key customers have audited and approved our facilities, validating the continued excellence of our operations. In Fiscal Year 2024, we underwent 29 audits by customers or their external auditors. Additionally, we hold ISO 14001 (Environment), ISO 45001 (Occupational Safety), and ISO 27000 certifications. As of March 31, 2024, our environmental and safety teams consist of 50 (March 31, 2023: 46) and 45 (March 31, 2023: 38) employees, respectively, which is 5.22% and 4.70% (March 31, 2024: 5.20% and 4.30%) respectively of our total work force, reflecting our commitment to maintaining a safe and sustainable operation.

We are committed to minimizing our environmental impact by adhering to stringent standards that not only meet but often surpass regulatory requirements. Our manufacturing practices embody the principles of green chemistry, focusing on energy efficiency, atom economy, and the 4R strategy (reduce, recover, recycle, reuse). We utilize cleaner chemistries, advanced reaction technologies, and automation to optimize the use of non-toxic materials and reduce effluent generation.

Our sustainability efforts include a 100 KLPD in-house zero liquid discharge (ZLD) plant, featuring comprehensive treatment technologies such as chemical neutralization, multiple effect evaporators, mechanical vapour recompression, reverse osmosis, and a soil biotechnology platform with ozonation. Additionally, in July 2022, we commissioned a 16 MW solar power plant at Sarod Village, Gujarat, funded by internal accruals, to power our current facilities and Greenfield project. We are further investing in a 15 MW solar plant with auto-tracker modules, scheduled for phased commissioning in Fiscal Year 2025, to reduce operational electricity costs.



We also prioritize employee health and safety, ensuring a safe and supportive work environment. This includes hazard and operability studies for new products, an in-house mobile app for resource coordination, and comprehensive safety equipment including firefighting and safety systems including 700 m3 fire hydrant water storage, 271 m3 main electrical pump and diesel pump, automated foam monitors and water sprinklers, and Pulse Position Modulation (PPM) detection for gas and solvent leakage. Our plant wide DCS automation system allows us to control our safety systems and processes..Our safety infrastructure includes advanced firefighting systems and a collaborative fire hydrant water reserve (over 2,000 m3 capacity) with neighbouring chemical companies, enhancing overall safety and response capabilities.

### Strong and consistent financial performance

In just 11 years of operation and 7 years of commercial manufacturing, we achieved revenues exceeding ₹6,399 MM in Fiscal Year 2024, despite a significant fire at Manufacturing Facility 2 in November 2023, which severely damaged Plant 2 and the Tank Farm, and moderately affected Plant 1. Our growth has been organic, marked by consistent revenue and profitability increases.

Between Fiscal Year 2018 and Fiscal Year 2024, we experienced a CAGR of approximately 28.74%. Revenue from operations grew at a CAGR of 27.54%, rising from ₹1,085 MM in Fiscal Year 2018 to ₹5,957 MM in Fiscal Year 2024. Our export revenue, including deemed exports, surged at a CAGR of 30.91%, from ₹391 MM in Fiscal Year 2018 to ₹2,575 MM in Fiscal Year 2024.

In Fiscal Year 2024, our EBITDA was ₹1,619 MM (down from ₹2,028 MM in Fiscal Year 2023), with EBITDA margins decreasing to 25.31% from 30.38% the previous year. Profit after tax was ₹881 MM (compared to ₹1,304 MM in Fiscal Year 2023), resulting in a PAT margin of 13.77% (down from 19.53%). These declines are largely due to the fire incident at Manufacturing Facility 2, which caused a temporary halt in operations and exceptional expenses of ₹277 MM, including ₹139 MM in stock damage.

For the year ended March 31, 2024, our ROCE was 4.77% (down from 14.28% the previous year), and ROE was 4.26% (compared to 10.48% in Fiscal Year 2023). The fire's impact on these ratios is significant, with Manufacturing Facility 2 being out of operation for at least three months. Partial recovery began in January 2024, but full operational capacity is expected to be restored by Q2 of Fiscal Year 2025.

### Experienced Promoters and Senior Management with extensive domain knowledge

Our leadership comprises our Promoters: Managing Director Ashwin Jayantilal Desai, and Executive Directors Purnima Ashwin Desai, Rohan Ashwin Desai, and Dr. Aman Ashwin Desai, who collectively bring over 125 years of expertise in the chemical industry. Each Promoter is actively engaged in key areas such as R&D, process and plant engineering, finance, and marketing, and they oversee daily operations.

Additionally benefit from the industry experience of Kamalvijay Ramchandra Tulsian, Non-Executive Director, Chairman of our Board, bringing experience in the chemicals business; Jeevan Lal Nagori, Non-Executive Independent Director, bringing experience in the pharmaceutical business; Arun Brijmohan Kanodiya (qualified Chartered Accountant), Non-Executive Independent Director; Leja Satish Hattiangadi, Non-Executive Independent Director, bringing experience in project implementation; Ishita Surendra Manjrekar, Non-Executive Director bringing extensive knowledge about construction and related chemical industries; Dr. Amol Arvindrao Kulkarni, Non-Executive Independent Director, bringing extensive knowledge about continuous reaction technologies; Rajkumar Mangilal Borana, Non-Executive Independent Director; and Jitendra Popatlal Vakharia, Non-Executive Independent Director, bringing their experience in textile industry and chemical industry, respectively.

In February 2024, Dr. James (Jim) W. Ringer was appointed Chief Technology Officer, effective March 1, 2024. Dr. Ringer, who has been with Aether for three years as Business Development/Technology Leader (Americas), previously had a distinguished 30-year career at Dow Chemical Company and Corteva AgriScience, and holds 22 USA patents. Dr. James (Jim) W. Ringer is a dynamic leader recognized for creating innovation and personnel strategies. Demonstrated ability to generate significant value through building exceptional teamwork and organizational culture with strong personnel development, technical excellence, and project portfolio.

Our senior management team is also experienced in the chemicals industry. The majority of our management team have spent more than 5 years each with our Company. Our senior management personnel include career-technocrats such as Raymond Paul Roach and Dr. Norbert Flüggen.

Additionally, in June 2024, Dr. Ron Valente was appointed Business Development Leader (Speciality Polyols). Dr. Valente, with a PhD in Organic Chemistry from the University of Rochester, has over 20 years of experience with Eastman Kodak, Novomer, Inc., and Saudi Aramco.

The depth and breadth of our directors, management team, and Promoters equip us to be a leading specialty chemical manufacturer in India. Their combined experience helps us navigate market trends, manage operations, and enhance customer relationships.

## Our (Aether Industries Limited's) strategies

Our key business strategies are set forth below:

### Leverage our strong position in the speciality chemicals industry to capitalize on industry opportunities

From CY 2020 to CY 2025, the global chemicals market is anticipated to grow at a CAGR of 6.2%, while the Indian specialty chemicals market is projected to expand at a CAGR of 11.2%, according to Frost & Sullivan. This growth is driven by robust demand in key end-use segments for our intermediate and specialty chemicals, which are experiencing strong consumption growth in India and other major global markets. For instance, the agrochemicals and fertilizers segment in India is expected to increase from $32.9 billion in CY 2020 to $53.3 billion by CY 2025, and the pharmaceuticals specialty chemicals segment is forecasted to grow from $16.6 billion to $28.5 billion during the same period.

In contrast, China's specialty chemicals sector has faced challenges due to recent stringent environmental regulations, leading to plant closures and increased operating costs. This situation has resulted in higher production costs and may offer Indian manufacturers a significant opportunity to strengthen their position in the global supply chain. This downturn in China presented a chance for Indian firms to gain a competitive edge by offering a cost-effective alternative.

Leveraging our leadership in various specialty chemical segments, we are well-positioned to seize these market opportunities. Our revenue growth for key products has outpaced industry averages, reflecting our success in capturing market share from competitors, particularly in China. We plan to introduce new products, enhance our R&D capabilities, explore strategic acquisitions, and expand our manufacturing capacities and sales networks. Our strategy includes increasing our global presence through advisors, international events, and local representatives, while focusing on high-growth sectors and emerging trends. Despite the recent competitive pressures from Chinese manufacturers benefiting from government incentives and currency depreciation, we are confident in our ability to capitalize on the evolving market landscape.

### Expand Manufacturing, R&D and Pilot Plant Capacities

To address the growing demand from existing and new customers, we are expanding our manufacturing capacities across various sectors, including Pharma, Agro, Oil & Gas, Material Sciences, Renewables & Sustainability, and Electric Vehicles. We are also scaling up facilities for our new product lines currently under development and commercialization.

In January 2023, we began operations at a new facility at our third site near Sachin, which is dedicated to producing specialty chemicals and intermediates for pharmaceuticals, agrochemicals, and material sciences. This facility was utilized at approximately 40% capacity in Fiscal Year 2024.

In March 2024, we launched Manufacturing Facility 4 through our wholly owned subsidiary, Aether Speciality Chemicals Limited, which will provide a 7% income tax benefit. This facility is tailored to manufacture six products under the Contract/Exclusive Manufacturing (C/E M) model for Baker Hughes.

Additionally, in Fiscal Year 2022, we acquired over



125,000 square meters of land at Panoli GIDC, Bharuch District, Gujarat for future expansion. We received regulatory approvals in Fiscal Year 2024 and have begun the first phase of development. We have also acquired additional land near Manufacturing Facility 3 for further expansion. Funding for Manufacturing Facility 3+/3++ and Manufacturing Facility 5 is sourced from a ₹7,500 MM Qualified Institutional Placement (QIP) completed in June 2023. Manufacturing Facility 3+/3++ is expected to be operational by the end of Fiscal Year 2025, with the first phase of Manufacturing Facility 5 scheduled to come online by the end of Fiscal Year 2026.

We are also forming strategic alliances with innovator companies across various end-user industries. These partnerships are anticipated to evolve from CRAMS projects into strategic commercial manufacturing ventures, potentially necessitating additional manufacturing capacity.

In Fiscal Year 2024, we expanded our R&D laboratories by increasing the number of fume hoods to 55, with new facilities dedicated to organic synthesis. Our R&D center has undergone a significant upgrade, including new laboratory furniture, HVAC systems, and a complete architectural redesign. It now features a library, scientist lounges, cafeteria, coffee house, modern offices, conference rooms, gymnasium, and outdoor meeting areas.

Furthermore, we have tripled the capacity of our Pilot Plant by installing additional pilot-scale equipment. The expanded plant includes state-of-the-art reaction technology, advanced instrumentation, engineering, and safety systems, all automated via a DCS platform. The facility now boasts 26 reactors ranging from 250 L to 4000 L, supported by 16 best-in-class utility equipment. A Siemens PCS7 DCS platform operates in a hot redundant configuration, with comprehensive fire safety measures including fire curtains, water sprinklers, foam monitors, and a robust pump and water reservoir system.

### Continue to strengthen our presence in India and expand our sales and distribution network in international markets

As of March 31, 2024, our diverse product portfolio serves over 50 global clients across 18 countries and more than 240 domestic customers. We maintain enduring relationships with eight of our top ten clients for over five years, reflecting our status as a preferred supplier, particularly compared to our competitors primarily based in China. This longstanding client loyalty, evidenced by repeat and increased orders, underscores our competitive edge.

Our dedicated international sales and marketing team is pivotal in managing new orders, rate quotations, and understanding client needs. This team comprises seasoned industry professionals: Raymond Paul Roach (Business Development Leader – Americas), Dr. James Ringer (Chief Technology Officer), Dr. Norbert Flüggen (Business Development Leader – Europe), and Dr. Ron Valente (Business Development Leader – Speciality Polyols). Our business development and marketing efforts are strategically conducted across three continents—Asia/India, Europe/Germany, and North America/USA—ensuring robust market presence.

We are committed to enhancing our share of business with existing customers through strategic initiatives aimed at cross-selling our diverse product range. Additionally, we plan to leverage our established sales and marketing network and industry reputation to forge new relationships with multinational, regional, and local clients.

Our global expansion strategy focuses on serving current end-use clients and attracting new ones, thereby broadening our market reach. We are reinforcing our global presence by strengthening sales and marketing teams, particularly in North America, South America, and Europe. This includes increasing our stock points worldwide to ensure prompt product delivery and responsiveness to market demands.

### Continue to focus on contract manufacturing / exclusive manufacturing by developing innovative processes and value engineering

We aim to transform R&D (CRAMS) opportunities into large-scale contract manufacturing projects by leveraging our expertise in value engineering, innovative process development, and core competency chemistries. By offering unique value propositions, we seek to secure long-term contracts with customers that ensure consistent product off-take and improved margins, thereby enhancing our profitability. Our strategy involves differentiating our operations from other CRAMS providers by developing proprietary, innovative processes, which affords us better pricing leverage with clients.

We are committed to advancing in-house innovations for complex chemistries, including glove box chemistries, Nobel Prize-winning metathesis chemistry, and organo-silicon chemistry. Additionally, we continuously assess which of our existing products or processes can be further innovated to add value.

We also aim to deepen our existing customer relationships by undertaking CRAMS projects for new molecules. Our focus on value engineering allows us to extend our process and chemistry expertise into new value chains, replacing lower-value products with higher-value alternatives. By leveraging our established relationships and repeat orders, we intend to capitalize on significant cross-selling opportunities for high-value products. Our strategy includes emphasizing early-stage process innovation and development to capture the complete lifecycle of these products, positioning ourselves as initial suppliers of specialized chemicals and strengthening our partnerships with multinational corporations.

### Growth through strategic acquisitions and alliances

We will look for strategic acquisition targets in the United States and the EU for R&D and manufacturing assets that are in line with our existing or desired competencies. We also will look for opportunities to acquire businesses to add additional chemistry or technology competencies (for example, photochemistry) or to add business segments where we are currently not present (for example, cytotoxic compounds, advanced silicone products or active pharmaceutical ingredients and formulations). We are focused on identifying acquisition targets that will benefit from our management expertise, our core competencies and the scale of our operations.

### Our Products and Services

Our business is structured around three distinct models: (i) Large-Scale Manufacturing (LSM) of our proprietary specialty chemicals and intermediates, (ii) Contract Research and Manufacturing Services (CRAMS), and (iii) Contract and Exclusive Manufacturing (C/E M).

### Speciality Chemicals and Intermediates

We specialize in specialty chemicals and advanced intermediates through a sophisticated integration of complex chemistry and technological core competencies. Our chemistry expertise encompasses areas such as Grignard reactions, organolithium and other organometallic chemistry, ethylene oxide and isobutylene chemistry, hydrogenation, catalysis (both homogeneous and heterogeneous), cross-coupling chemistry, and metathesis/polymerization chemistry. Our technological proficiencies include continuous reaction technology, high-pressure reaction technology, fixed-bed reaction technology, DCS process automation, and high-vacuum distillation technology (wiped film/short path).

By concentrating on these core competencies, we have crafted a sales vision oriented around chemistry and technology rather than specific products or industries. This approach not only differentiates us but also mitigates risks, as our strategy and R&D efforts are not confined to any particular product, customer, region, or industry.

Our product selection process is both simple and rigorous. We focus on products that align with our core competencies and meet several criteria: (i) the product should be infrastructure-oriented and belong to a specialty chemical field with a minimum of four synthetic steps; (ii) it should not be actively produced by any company in India; (iii) it should offer substantial revenue potential upon maturity; and (iv) we should be able to achieve a market-leading position at its maturity. Products that meet these criteria undergo R&D, are scaled up in our Pilot Plant, validated, and then commercialized.

As of March 31, 2024, our portfolio includes over 29 products, all developed and brought to market using these stringent criteria over the 11 years since our inception. Our advanced intermediates and specialty chemicals bridge the gap between commodity chemicals and final actives and formulations. They are utilized across various therapeutic areas in the pharmaceutical industry, including hypertension, anti-platelet, anti-psychotic, anti-histamine, and non-steroidal anti-inflammatory drugs (NSAIDs).



Additionally, our products serve multiple industries such as agrochemicals, material science, coatings, high-performance photography, additives, and oil & gas.

### Customer Segments

The table set forth below provides customer segment split of revenue from operations and as a percentage of revenue from operations in Fiscal Year 2024 and Fiscal Year 2023:

| | Fiscal Year 2024 | | Fiscal Year 2023 | |
|---|---|---|---|---|
| Country | ₹ MM | % of revenue | ₹ MM | % of revenue |
| Pharmaceuticals | ₹ 3,038.54 | 51.01% | ₹ 2,744.05 | 42.15% |
| Agrochemicals | ₹ 1,629.51 | 27.36% | ₹ 2,261.72 | 34.74% |
| High Performance Photo | ₹ 222.94 | 3.74% | ₹ 371.85 | 5.71% |
| Material Science | ₹ 473.00 | 7.94% | ₹ 319.33 | 4.90% |
| Coatings | ₹ 288.19 | 4.84% | ₹ 218.35 | 3.35% |
| Oil & Gas | ₹ 68.03 | 1.14% | ₹ 24.26 | 0.37% |
| Food Additives | ₹ 28.33 | 0.48% | ₹ 3.55 | 0.05% |
| Textiles | ₹ 53.23 | 0.89% | ₹ 0.00 | 0.00% |
| Other / Multiple Use | ₹ 154.91 | 2.60% | ₹ 567.62 | 8.72% |
| Total | ₹ 5,956.69 | 100.00% | ₹ 6,510.74 | 100.00% |

### Contract Research and Manufacturing Services (CRAMS)

Our facilities employ advanced technologies and systems such as:

Contract research;
Pilot scale-up services;
Contract manufacturing;
Full time equivalent (FTE) services, where one or more of our employees work full time on the project;
Technology development; and
Process development and optimisation

Our CRAMS customers work jointly with our scientists and engineers, and we execute their projects in our R&D Facilities, analytical sciences laboratories, and our Pilot Plant. Molecules developed in our CRAMS business for our customers have the potential to convert into regular commercial supplies and become large scale manufacturing products for our Company.

### Contract Manufacturing / Exclusive Manufacturing

We also manufacture our customers products under a contractual supply agreement based model. These customer contracts are both short-term and long-term and involve both exclusive and non-exclusive arrangements. In the Fiscal Year 2024 and Fiscal Year 2023, revenues from our contract manufacturing business constituted 25.76% and 34.317%, respectively, of our revenues from operations.

### Our Customers

Our customer base comprises over 290 multinational, global, regional, and local companies. As of March 31, 2024, our products are supplied to more than 50 global customers across 18 countries and over 240 domestic customers. This diverse clientele includes a distinguished array of leading domestic and international multinational firms.

We maintain several supply contracts with durations ranging from three to five years, structured around formula-based pricing mechanisms. These contracts may be terminated either upon their expiration or through notice provided by the customer. Such terminations are typically negotiated mutually between us and our customers. Nevertheless, the termination of supply contracts could have potential adverse effects on our business, financial health, and operational outcomes.

For other customers, we rely on purchase orders to manage the volume and terms of our product sales. These purchase orders often outline unit prices and delivery schedules. However, amendments or cancellations of these orders before finalization could disrupt our production schedules and impact inventory levels.

Exports

We export our products to 18 countries, with notable markets including Italy, Spain, Germany, the United States, and the Netherlands, among others. In Fiscal Year 2024 and Fiscal Year 2023, export sales (excluding deemed exports) accounted for 33.81% and 40.52% of our revenue from operations, respectively.
Our export revenues are predominantly in foreign currencies, primarily U.S. Dollars. Consequently, fluctuations in exchange rates can influence the reported value of our sales in Indian Rupees on our

financial statements. Although we hedge a minimal portion of our net foreign exchange position, we remain susceptible to variations in exchange rates between the U.S. Dollar and the Indian Rupee.

### Geographic Split of Revenue from Operations

The table set forth below provides geographic split of revenue from operations and as a percentage of revenue from operations in the Fiscal Year 2024 and Fiscal Year 2023:

| | Fiscal Year 2024 | | Fiscal Year 2023 | |
|---|---|---|---|---|
| Country | ₹ MM | % of revenue | ₹ MM | % of revenue |
| India (including Deemed Exports) | ₹ 3,458.59 | 58.06% | ₹ 3,590.36 | 55.15% |
| India (SEZ) | ₹ 347.59 | 5.84% | ₹ 281.07 | 4.32% |
| Italy | ₹ 644.75 | 10.82% | ₹ 976.57 | 15.00% |
| Germany | ₹ 432.86 | 7.27% | ₹ 266.57 | 4.09% |
| USA | ₹ 342.98 | 5.76% | ₹ 519.38 | 7.98% |
| Spain | ₹ 232.41 | 3.90% | ₹ 120.00 | 1.84% |
| Japan | ₹ 210.49 | 3.53% | ₹ 67.70 | 1.04% |
| Israel | ₹ 58.45 | 0.98% | ₹ 59.33 | 0.91% |
| Mexico | ₹ 57.53 | 0.97% | ₹ 51.42 | 0.79% |
| Netherlands | ₹ 55.76 | 0.94% | ₹ 358.20 | 5.50% |
| China | ₹ 44.91 | 0.75% | ₹ 105.16 | 1.62% |
| Hungary | ₹ 21.83 | 0.37% | ₹ 0.00 | 0.00% |
| Romania | ₹ 14.94 | 0.25% | ₹ 5.24 | 0.08% |
| Sweden | ₹ 12.76 | 0.21% | ₹ 13.45 | 0.21% |
| United Kingdom | ₹ 9.11 | 0.15% | ₹ 16.70 | 0.26% |
| Switzerland | ₹ 6.56 | 0.11% | ₹ 41.50 | 0.64% |
| Others - Asia | ₹ 4.00 | 0.07% | ₹ 13.55 | 0.21% |
| Others - Europe | ₹ 1.17 | 0.02% | ₹ 24.52 | 0.38% |
| Total | ₹ 5,956.69 | 100.00% | ₹ 6,510.74 | 100.00% |

Note

"Deemed Exports" refer to those transactions in which the goods supplied do not leave the country, and the payment for such supplies is received either in Indian rupees or in free foreign exchange. We have started business in one new country in Fiscal Year 2024, Hungary, which depicts the growth of Company's business geographically.

### Automation

Our manufacturing facilities utilize DCS that use geographically distributed control loops throughout our facilities to control our systems and processes to increase their safety, cost-effectiveness and reliability. Our Pilot Plant and CRAMS operations use a Siemens PCS7 DCS and our manufacturing facilities use a Yokogawa Centum VP DCS.

### Manufacturing Process

Our facilities have been meticulously designed and developed around a chemistry and technology-centric model, where each product is strategically allocated to a specific production stream. This approach grants us the agility to switch from one product to another seamlessly, without any gestation period and with minimal costs. The flexible design of our plants allows us to operate multiple streams within our intermediate product buildings, thereby mitigating contagion risks and ensuring consistent fulfilment of product demand.

All our manufacturing units are multipurpose plants with the capability to handle multiple streams, accommodating the broad range of products in our portfolio. We do not have dedicated plants or streams; instead, each stream is versatile enough to be utilized for various products, providing the flexibility to swiftly adapt the production mix in response to shifting demand. Every product is the outcome of a combination of specialized chemistries and processes tailored to achieve the desired results.

### Our products can be broadly classified under eight different chemistry bifurcations:

- Grignards and Organolithiations
- Ethylene Oxide Chemistry / Tandem Grignard /
- Ethylene Oxide Isobutylene Chemistry
- Hydrogenation / catalysis chemistry
- Heterogeneous Catalysis
- Exothermic Chemistry
- Cross Coupling Chemistry
- Olefin Metathesis / Polymerisation

The raw materials are charged continuously / batch-wise in reactors of suitable capacity and design based on the type of reaction. Other technical parameters such as temperature, pressure and reaction time are maintained based on the type of reaction to be carried out.



When the reaction is complete, the product is analyzed and subjected to further processing, which includes filtration, continuous/ batch distillations, purification processes to get the required quality product. The product is ultimately tested to ensure it meets the applicable specifications before it is supplied to the customer.

### Research & Development (R&D)

The cornerstone of our company lies in our in-house research and development, a key driver of our success and a significant differentiator in achieving leading market positions for select products.

Over the years, our deep technical expertise has enabled us to execute innovative processes on a global scale, creating substantial barriers for potential competitors and making replication exceedingly difficult.

Our dedicated R&D facilities and Pilot Plant, located at Manufacturing Facility 1 in Sachin, are at the heart of our operations. Every one of our products has been meticulously developed by our in-house R&D team, scaled up in our Pilot Plant, and transitioned into production with in-house design and engineering. This independent innovation (without external R&D support) underscores our research capabilities. Our core competencies in chemistry include Grignards, organolithium and other organometallic chemistry, ethylene oxide and isobutylene chemistry, hydrogenation, catalysis (homogeneous/ heterogeneous), cross-coupling chemistry, and metathesis/polymerization chemistry. Our technology competencies encompass continuous reaction technology, high-pressure reaction technology, fixed-bed reaction technology, DCS process automation, and high vacuum distillation technology (wiped film/ short path).

Our R&D facilities are dedicated to both the development of our own pipeline and next-generation products, as well as serving our CRAMS clients. As of March 31, 2024, our specialized R&D team comprised 276 scientists and engineers, including 148 (March 31, 2023: 111) with PhDs or Master's degrees, and 128 (March 31, 2023: 122) chemical engineers. To further enhance our R&D capabilities, we continuously recruit and appoint scientists with diverse experience and expertise, aligning with our strategy of early identification of development and manufacturing opportunities.

Our R&D laboratories are outfitted with modern synthesis equipment, including fume hoods, lab-scale continuous and flow reactors, and advanced separation tools. These labs are supported by state-of-the-art analytical method development (ADL) and quality control (QC) laboratories, equipped with essential instruments for advanced organic chemistry research, such as Liquid Chromatography Mass Spectrometry, Gas Chromatography Mass Spectrometry, and High-Pressure Liquid Chromatography, among others.

Our R&D facilities focus on process development, innovation, new chemical screening, and engineering, enabling us to drive efficiencies from the initial conceptualization to the commercialization of a product. Our R&D team has successfully executed multi-step synthesis and scale-up for several new molecules in specialty chemicals and intermediates, significantly expanding our commercialized product portfolio. In Fiscal Year 2023, we had tripled our R&D capacity by increasing the number of fume hoods to 55.

We also maintain strong collaborations with numerous universities and research institutions across India, including the National Chemical Laboratory (NCL, Pune), the Institute of Chemical Technology (ICT, Mumbai), Uka Tarsadia University (UTU, Bardoli), and Sardar Vallabhbhai National Institute of Technology (SVNIT, Surat). Our sponsored PhD programs, conducted in partnership with these institutions, further strengthen our R&D capabilities.

Our R&D facilities are recognized by the Department of Scientific & Industrial Research (DSIR), New Delhi, for in-house R&D excellence.

In addition, we have expanded our R&D laboratories by adding more fume hoods, creating four new organic synthesis labs on a separate floor, fully equipped with modern amenities. The architectural and interior design of our R&D facilities has undergone a complete transformation, evolving into a world-class center featuring a library, scientist lounges, a cafeteria, a coffee house for scientists, modern offices, conference rooms, a gymnasium, and outdoor meeting areas. As part of this expansion, we have recruited additional R&D scientists and engineers, focusing on those with

PhDs or Master's degrees.

Furthermore, our Pilot Plant has been significantly expanded with the installation of additional pilot-scale equipment, tripling its current capacity. The upgraded plant features cutting-edge reaction technology in both batch and continuous regimes, world-class instrumentation, engineering and safety systems, all fully automated with DCS process automation.

### Pilot Plant

We have a state-of-art Pilot Plant, which is a vital link between R&D and large scale production. Our Pilot Plant has a dual functionality; it functions to generate critical scale-up data in the transition from R&D to production to help eliminate issues at full production scale; and it also functions as a stand-alone manufacturing facility for low volume, high value products for our CRAMS customers Our Pilot Plant encompasses a wide range of reactor and downstream equipment, in both continuous and batch regimes, across the entire range of scale-up volumes, metallurgy, and process parameters and is automated through DCS process automation. We have tripled our Pilot Plant facility in the Fiscal Year 2023, by increasing the number of reactors.

### Upcoming projects

In March 2024, the Manufacturing Facility 4 has been commissioned and production started in our 100% Wholly Owned Subsidiary - Aether Speciality Chemicals Limited, which will help us save Income Tax by 7% (basic rate). This facility is currently equipped specifically for 6 Products to be manufactured under Contract / Exclusive Manufacturing (C/E M) model for Baker Hughes.

We have also in Fiscal Year 2022, procured plot of land at Panoli GIDC, Bharuch District, Gujarat, which is approximately 1,25,000 plus Sq. Mtrs. and will be utilised for future expansion by the Company. During the Fiscal Year 2024, we have received the regulatory and other approvals for the expansion of this site and first phase work has started. We have also procured extra lands near the Manufacturing Facility 3, which we term as 3+/3++ and the same will be used for the expansion at Manufacturing Facility 3. The funding of the Manufacturing Facility 3+/3++ and Manufacturing Facility 5 are being done from QIP of Rs. 7,500 MM, which was done in June 2023.

The Manufacturing Facility 3+/3++ is expected to be online and working by end of Fiscal Year 2025. And the first phase of Manufacturing Facility 5 is expected be online and working by end of Fiscal Year 2026.

### Raw Materials

The raw materials utilized in our manufacturing processes are predominantly sourced from third-party suppliers both globally and within India.

In Fiscal Year 2024, our cost of goods sold (which includes the cost of materials consumed and changes in inventories of finished goods and work-in-progress) amounted to ₹3,193.45 MM (Fiscal Year 2023: ₹3,173.39 MM), with the cost of materials consumed representing 53.61% of our revenue from operations (Fiscal Year 2023: 48.74%). Our raw materials encompass crude oil derivatives such as phenol, as well as other essential commodities including hydrogen, ethylene oxide, and isobutylene gas. Key raw materials also include chlorobenzonitrile, methanol, toluene, methylene dichloride, tetrahydrofuran, dichlorotoluene, and thiophene, among others. The increase in cost of goods sold can be attributed to reduced sales and a decrease in finished goods inventory due to the fire incident at Manufacturing Facility 2 in November 2023.

The pricing of our raw materials is generally based on or linked to international market prices, and fluctuations are typically passed on to our customers. We do not typically engage in long-term supply contracts with our raw material suppliers; instead, we source these materials through shorter-term contracts or from the open market. The prices of our key raw materials have been volatile on a global scale, and increases in these prices directly impact our production costs.

During Fiscal Year 2024, we observed a decline in raw material prices, with some reaching historically low levels. However, we do not anticipate further reductions. Most prices have since stabilized and are within a manageable range.

### Inventory Management



Our finished products are stored on-site at our manufacturing facilities, while raw materials are housed in nearby warehouses procured by the Company on leased premises. Ready-to-use raw materials for production are stored in on-site warehouses. To mitigate the risk of raw material price fluctuations, we typically maintain at least five months of inventory across raw materials, work-in-progress, and recoveries. Specifically, we hold 15 to 30 days of inventory in Work-in-Progress (semi-finished goods), and we maintain minimal inventory of finished goods due to the demand-driven nature of our production process. We usually manufacture finished goods based on orders received, ensuring that they are not held in inventory for more than a week.

We employ a lead-time material requirement planning system and utilize ERP software to manage our inventory levels in real-time. As of March 31, 2024, our inventory in work-in-progress had increased to over 210 days due to the fire accident at Manufacturing Facility 2, which led to its closure for several months. Partial operations resumed in January 2024, and production restarted in February 2024, leading to an increase in work-in-progress as we prioritized manufacturing key products.

### Sales and Marketing

Our business primarily operates on a business-to-business model, with a strong emphasis on maintaining continuous engagement with customers and ensuring timely deliveries. Additionally, we have an exclusive distributor for the Telangana region of India. Our sales, marketing, and business development teams are dedicated to securing new orders, providing accurate pricing, and thoroughly understanding customer needs. These teams are led by industry veterans, including Raymond Paul Roach (Business Development Leader – Americas), Dr. James Ringer (Chief Technology Officer), and Dr. Norbert Flüggen (Business Development Leader – Europe).

We actively participate in prominent trade shows and exhibitions, such as CPHI in India, Europe, Japan, China, and the USA; Chemical Outsourcing in the USA; and Chemspec in India and Europe. Furthermore, our sales team members are frequently invited to speak at various industry forums, showcasing our expertise and thought leadership.

To better serve our existing direct end-use customers, acquire new ones, and extend our product reach into new markets, we are pursuing a global expansion strategy. This includes the establishment of dedicated teams focused on business development in key international markets, particularly in Europe and the Americas.

Our strategic priorities include increasing the number of global stock points and strengthening our sales teams in India, the Americas, and Europe to ensure timely product delivery and enhanced customer service.

### Information Technology

Our IT systems are critical to the seamless operation of our business, and we have implemented comprehensive IT policies to support our operations effectively. Our IT team's primary responsibilities include establishing and maintaining enterprise information systems, delivering infrastructure services to meet our business needs, and ensuring the security of our enterprise operations.

We leverage SAP, an enterprise resource planning (ERP) solution, which supports a wide array of business functions, including sales distribution, materials management, warehouse management, production planning, quality management, plant maintenance, finance and controlling, environment, health and safety, and human resources across all our offices, R&D facilities, and manufacturing plants.

Our information security strategy is focused on protecting data and assuring our customers of the security of their intellectual property (IP). To this end, we have implemented a robust data management facility, access restriction systems, and other advanced security measures.

We are committed to maintaining confidentiality, ensuring the integrity and availability of all physical and electronic information assets across our facilities, and meeting legal, regulatory, and operational requirements.

We believe our disaster recovery, business continuity, and backup policies are strong and effective. We employ a VMware Virtualisation System in redundant mode, with centralized storage and thin client systems, alongside a redundant firewall. All users access our systems exclusively through VPN, and for data security, we utilize a Remote Desktop Protocol (RDP) system with thin clients.

In Fiscal Year 2024, we initiated the implementation of SAP S/4HANA, an advanced version of our current SAP-B1 system. We anticipate this new system will go live in the second half of FY25, enhancing our day-to-day operations and facilitating the integration of various departmental workflows.

### Risk Management

We believe that risk management is an integral part of our operations. We believe that it is essential to identify and manage risks in order to reduce uncertainties and ensure continuity of business. We have a risk management framework and risk management team that implements the processes specified in the framework.

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 machineries and also undertake periodic maintenance checks on other equipment in order to ensure they meet safety requirements.

### Insurance

We maintain comprehensive insurance coverage that we deem essential for the protection of our business operations. Our insurance portfolio includes a policy that provides coverage against material damage to buildings, facilities, machinery, furniture, fixtures, fittings, stocks, and machinery breakdown. Additionally, we hold a cargo insurance policy that covers consignments of goods during transit by sea, air, and courier services, extending until delivery to the customer's warehouse, as well as inland bulk cargo movement via road tanker.

Moreover, we maintain a commercial general liability insurance policy that safeguards against liabilities arising from bodily injury (including medical payments), property damage, and personal and advertising injury claims. To address specific IT and system-related risks, we have secured a cyber insurance policy. We also offer our employees COVID-19 insurance, covering pre- and post-hospitalization expenses and emergency road ambulance costs. For our Directors and Senior Management, we have a Directors' and Officers' liability insurance policy, and for our employees, we provide Group Medical Insurance, Group Term Insurance, and Group Personal Accident coverage.

During Fiscal Year 2024, a fire incident occurred at our Manufacturing Facility 2, resulting in the complete destruction of Plant 2 and its Tank Farms, as well as minor damage to Plant 1 and other parts of the facility.

The damages sustained to plants, machinery, equipment, furniture, stocks, and the resulting loss of profit are comprehensively covered under our Industrial All Risk (IAR) Insurance Policy. We have submitted a total claim of approximately ₹1,000 MM, which has been accepted by our insurer, IFFCO Tokio General Insurance Company.

### Competition

The speciality 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 primarily from international manufacturers especially Chinese companies. We compete primarily on the basis of product quality, technology, cost, delivery and service, as well as quality and depth of senior level relationships.

### Human Resources

We place significant emphasis on the development of our human resources. As of March 31, 2024, our workforce comprised 954 employees (excluding trainees), compared to 889 as of March 31, 2023, along with 187 contract workers and trainees. The strategic blend of full-time employees and contract personnel allows us the flexibility to operate our business efficiently. During Fiscal Year 2024, our attrition rate was 4.08%, primarily influenced by the fire incident at



Manufacturing Facility 2, which led to the departure of several employees. In contrast, our attrition rate in Fiscal Year 2023 was 1.83%. The average age of our workforce as of March 31, 2024, was 29 years.
As of the same date, we employed 148 scientists holding either a PhD or Master of Science degree (constituting 11.64% of our workforce), an increase from 111 scientists in the previous year. Additionally, we had 128 chemical engineers, representing 13.42% of our workforce, up from 122 engineers as of March 31, 2023.

Our employees are not affiliated with any unions, and we have not encountered any significant work stoppages due to labor disputes or cessation of work over the past three years.

Our workforce plays a pivotal role in maintaining our standards of quality, productivity, and safety, which in turn bolsters our competitive advantage. The following table provides details of our employee count as of March 31, 2024:

| Departments / Teams | No. of employees |
|---|---|
| Management and administration | 4 |
| Human Resource (HR) & Admin | 29 |
| Computer Information System (CIS) | 15 |
| Finance & Accounts | 12 |
| Logistics & EXIM | 5 |
| Procurement | 3 |
| Sales | 3 |
| Stores / Warehouse | 71 |
| Quality Control / Analytical Lab / Quality Assurance (CQ/ADL/QA) | 70 |
| Research & Development (R&D) | 107 |
| Control & Instrumentation (C&I) | 38 |
| Environment Health & Safety (EHS) | 45 |
| Effluent Treatment (ETP) | 50 |
| Maintenance | 137 |
| Electrical | 42 |
| Production | 308 |
| Process & Project | 12 |
| Creative Team | 3 |
| Total | 954 |

Our goal is to cultivate a culture grounded in fairness and respect, ensuring adherence to our Code of Conduct while safeguarding employees against discrimination, harassment, and retaliation. We are committed to regularly evaluating and enhancing our human resource initiatives to make them more inclusive, engaging, and focused on skill development. We place a strong emphasis on fostering and maintaining a superior organizational climate centered on human performance. Additionally, we provide our employees with a broad array of training opportunities and have established a comprehensive learning and development policy to support these training initiatives.

### Intellectual Property

We have applied for various trademark registration for our corporate logo under various classes of the Trademark Act, 1999, and Trade Rules, 2002, before the Registrar of Trademarks. The application has been made in the name of the Company. The table below sets forth our trademarks applications which are either approved or accepted, as of March 31, 2024:

| Country | Name of IPR - TM / C | Class | Status |
|---|---|---|---|
| USA | Aether, with logo and elementally innovative | Int - 1 | ® Approved |
| India | Aether, with logo and elementally innovative | Logo | © Approved |
| India | Wordmark "Aether Industries Limited" - TM | 35 | Accepted |
| India | Wordmark "elementally innovative" - TM | 35 | Accepted |
| India | Wordmark "elementally innovative" - TM | 1 | ® Approved |
| India | Wordmark "elementally innovative" - TM | 5 | ® Approved |
| India | Aether, with logo and elementally innovative | 35 | Accepted |
| India | Aether, with logo and elementally innovative | 1 | ® Approved |
| India | Aether, with logo and elementally innovative | 5 | ® Approved |
| India | Aether "Arrow" (symbol only) - Logo | 1 | ® Approved |
| India | Aether "Arrow" (symbol only) - Logo | 5 | ® Approved |
| India | Aether "Arrow" (symbol only) - Logo | 35 | Accepted |

| Country | Name of IPR - TM / C | Class | Status |
|---|---|---|---|
| India | Device “ એથર “ - TM | 2 | Accepted |
| India | Device “ એથર “ - TM | 4 | Accepted |
| India | Device “ એથર “ - TM | 5 | Accepted |
| India | Device “ એથર “ - TM | 2 | Accepted |
| India | Device “ એથર “ - TM | 4 | Accepted |
| India | Device “ એથર “ - TM | 5 | Accepted |
| India | Wordmark "aether" - TM | 2 | ® Approved |
| India | Wordmark "aether" - TM | 4 | Accepted |
| India | Wordmark "aether" - TM | 5 | ® Approved |
| India | Wordmark "aether" - TM | 7 | ® Approved |
| India | Wordmark "aether" - TM | 8 | Accepted |
| India | Wordmark "aether" - TM | 13 | ® Approved |
| India | Wordmark "aether" - TM | 15 | ® Approved |
| India | Wordmark "aether" - TM | 17 | ® Approved |
| India | Wordmark "aether" - TM | 18 | ® Approved |
| India | Wordmark "aether" - TM | 19 | ® Approved |
| India | Wordmark "aether" - TM | 22 | ® Approved |
| India | Wordmark "aether" - TM | 23 | ® Approved |
| India | Wordmark "aether" - TM | 24 | ® Approved |
| India | Wordmark "aether" - TM | 26 | ® Approved |
| India | Wordmark "aether" - TM | 27 | ® Approved |
| India | Wordmark "aether" - TM | 28 | ® Approved |
| India | Wordmark "aether" - TM | 29 | ® Approved |
| India | Wordmark "aether" - TM | 31 | ® Approved |
| India | Wordmark "aether" - TM | 33 | ® Approved |
| India | Wordmark "aether" - TM | 36 | Accepted |
| India | Wordmark "aether" - TM | 37 | ® Approved |
| India | Wordmark "aether" - TM | 38 | ® Approved |
| India | Wordmark "aether" - TM | 39 | ® Approved |
| India | Wordmark "aether" - TM | 40 | ® Approved |
| India | Wordmark "aether" - TM | 43 | ® Approved |
| India | Wordmark "aether" - TM | 44 | ® Approved |
| India | Wordmark "aether" - TM | 45 | ® Approved |

We also have registered the domain names aether.co.in, which is renewable periodically.

We also rely on a combination of trade secret, and copyright law and contractual restrictions to protect our intellectual property. We do not own any patents. We have agreements with our employees and consultants which include confidentiality provisions and provisions on ownership of intellectual property developed during employment or specific assignments, as applicable.

Our Company has received the following key awards, accreditation and recognition:

| Year | Certifications / Accreditations / Awards |
|---|---|
| 2015 | Awarded with ISO 9001:2015 (Manufacturing Facility 1 – Hojiwala Unit) |
| 2017 | Awarded with ISO 9001:2015 |
| 2017 | Awarded with GMP – (ICH Q7 Revision 1) |
| 2018 | Awarded with ISO 14001:2015 |
| 2021 | Awarded with ISO 27001:2013 |
| 2021 | Awarded with ISO 45001:2018 |
| 2022 | Silver rating from EcoVadis (Sustainability Rating) |
| 2022 | Membership to UN Global Compact (Network India) |
| 2023 | Membership of Indian Chemical Council (ICC) |
| 2024 | Award from Dun & Bradstreet / SBI Business Enterprise of tomorrow for Champions of the Year under Atmanirbhar Abhiyan |
| 2024 | Award from Dun & Bradstreet / SBI Business Enterprise of tomorrow for Chemicals & Pharma (Mid-Corporate) |
| 2024 | Awarded with ISO 9001: 2015 - 8202 site |
| 2024 | Awarded with ISO 14001:2015 & ISO 45001 : 2018 - Hojiwala site |



## Principal Factors affecting our Results of Operations

Our financial performance and results of operations are influenced by a variety of factors, including without limitation, global and domestic competition, conditions in the markets of our end-user products, general economic conditions, changes in costs of raw materials and government regulations and policies.

### Raw materials price fluctuations and availability

Our cost of goods sold, which encompasses the cost of materials consumed and changes in inventories of finished goods and work-in-progress, constitutes a significant portion of our operating expenses. In Fiscal Year 2024, our cost of goods sold amounted to ₹3,193.45 MM (Fiscal Year 2023: ₹3,173.39 MM), representing 53.61% of our revenue from operations (Fiscal Year 2023: 48.74%). We primarily procure raw materials from third-party suppliers, including imports. These materials include crude oil derivatives, such as phenol, and other key commodities like hydrogen, ethylene oxide, and isobutylene gas. Additional critical raw materials include chlorobenzonitrile, methanol, toluene, methylene dichloride, tetrahydrofuran, dichlorotoluene, and thiophene, among others.

Typically, we do not engage in long-term supply contracts with our raw material suppliers; instead, we source materials through shorter-term contracts or on the open market. The prices of our key raw materials are generally linked to international markets and have exhibited volatility, which can impact our production costs. While fluctuations in crude oil prices may influence our revenues, our profitability tends to be less affected as these price variations are usually passed on to our customers.

In Fiscal Year 2024, our cost of materials as a percentage of total revenue increased, primarily due to reduced production and sales resulting from lower pricing and the adverse effects of the fire accident at Manufacturing Facility 2. Looking ahead, we anticipate that prices will stabilize and eventually increase, which should help us lower our cost of goods sold in the future.

### Foreign exchange rate risk

Our financial statements are prepared in Indian Rupees. However, a significant portion of our revenue from exports and raw material expenditures are denominated in foreign currencies, predominantly the U.S. Dollar. As a result, we are exposed to currency fluctuations related to transactions in currencies other than Indian Rupees, especially the U.S. Dollar.

In Fiscal Year 2024, 33.81% of our revenue from operations was derived from exports (excluding Deemed Exports), compared to 44.85% in Fiscal Year 2023. Our net foreign currency-denominated sales (calculated as sales in foreign currency minus expenses related to these sales, excluding Deemed Exports) totalled ₹2,014 MM in Fiscal Year 2024, down from ₹2,920.37 MM in the previous fiscal year. Additionally, 24.57% of our raw materials were imported in Fiscal Year 2024, a decrease from 38.60% in Fiscal Year 2023. This reduction is largely due to a strategic buildup of inventory in response to falling international prices and increased availability of raw materials domestically.

Exchange rate fluctuations also impact our ability to meet debt obligations denominated in foreign currencies, such as our Packing Credit Loans in Foreign Currencies. We do not engage in hedging activities to mitigate our foreign currency exposure. Consequently, we are subject to fluctuations in exchange rates among the U.S. Dollar, Indian Rupee, and other currencies. In Fiscal Year 2024, we recorded a gain of ₹35.43 MM from these currency fluctuations, compared to ₹36.65 MM in Fiscal Year 2023.

### Capital expenditure

We require substantial capital for the upkeep and expansion of our facilities. In Fiscal Year 2024, our capital expenditure was ₹3,185.77 MM, compared to ₹3,915.11 MM in Fiscal Year 2023. This expenditure focused on constructing and enhancing manufacturing facilities and diversifying our product range.

As of March 31, 2024, our operations span three sites in India: Manufacturing Facility 1 (3,500 sq. m) for R&D and other activities; Manufacturing Facility 2 (10,500 sq. m) with a production capacity of 6,096 MTPA and a solvent recovery plant; and Site 3 (5,250 sq. m) for new product launches. In March 2024, Manufacturing Facility 4 was commissioned for contract

manufacturing with Baker Hughes, offering tax benefits.
Additionally, we acquired over 125,000 sq. m in Panoli GIDC for future expansion and have begun the first phase of development. Expansion plans for Manufacturing Facility 3+/3++ and Manufacturing Facility 5 are funded by a ₹7,500 million QIP from June 2023. We anticipate Manufacturing Facility 3+/3++ will be operational by the end of Fiscal Year 2025, with Manufacturing Facility 5's first phase expected by the end of Fiscal Year 2026.

### Dependence of demand from pharmaceutical and agrochemical industries

As of March 31, 2024, we had over twenty-nine (29) commercial products including twenty (26) pharmaceutical, one (1) coating and two (2) agrochemical intermediates and specialty chemicals. Our products find applications across a number of therapeutic segments in the pharmaceuticals industry, including hypertension, anti-platelet, anti-psychotic, anti-histamine and non-steroidal anti-inflammatory drugs (“NSAIDs”). We also have products across other customer segments, such as agrochemicals, material science, coatings, multiple-use, high performance photography, food additives and oil and gas. In the Fiscal Year 2024, revenues from our pharmaceutical products were ₹ 3,038.54 MM (Fiscal Year 2023: ₹ 2,744.05 MM), which represented 51.01% (Fiscal Year 2023: 42.15%) of our operating revenue; and revenues from agrochemical products were ₹ 1,629.51 MM (Fiscal Year 2023: ₹ 2,261.72 MM), which represented 27.36% (Fiscal Year 2023: 34.74%), of our revenue from operations. Consequently, our revenues are dependent on the pharmaceutical and agrochemical industries that use our products as an input. We have other segments, which have shown an upward trend in Fiscal Year 2024, which include High Performance Photography, Material Science, Coatings and Multiple Applications.

### Reliance on major customers and relatively few products

Our customer base includes numerous multinational and domestic companies. In Fiscal Year 2024, our largest customer contributed approximately 10.71% of revenue (down from 14.01% in Fiscal Year 2023). Our top 10 customers accounted for about 50.51% of revenue (compared to 54.94% in Fiscal Year 2023), while our top 20 customers contributed 64.63% (down from 69.92% in Fiscal Year 2023). This indicates a reduced dependence on major customers and an expanded client base.

For Fiscal Year 2024, our top five specialty chemical products (4MEP, MMBC, T2E, BFA, and NODG) represented 50.82% of gross revenue, showing a decline from 54.50% in the previous fiscal year, reflecting a broader product portfolio.

We maintain several supply contracts, ranging from one to five years, primarily with multinational clients for our CRAMS and contract manufacturing services.

### Competition

Our products are used in end-user industries, such as pharmaceuticals, agrochemicals, amongst other industries. The broad-spectrum application of our products in the chemical industry is for advanced intermediates and significantly higher value specialty chemicals, which we believe is a unique position in the Indian chemical industry.

Moreover, whatever new products that we are developing in our R&D Facility are also such products which will be the first of its kind in India and we would be dominating the Indian market with the new products as well.

### Costs of power and fuel

Power and fuel are essential for the uninterrupted operation of our manufacturing facilities. In Fiscal Year 2024, electricity charges represented 2.26% of our revenue from operations (down from 2.94% in Fiscal Year 2023). Overall power and fuel costs, including gas, steam, and diesel, accounted for 4.51% of revenue (a decrease from 5.59% in Fiscal Year 2023).

Between Fiscal Year 2023 and Fiscal Year 2024:
- Steam charges decreased from ₹230.23 MM to ₹202.03 MM, driven by lower coal and crude oil prices and reduced production activities following the fire at Manufacturing Facility 2.
- Electricity expenses fell from ₹191.45 MM to ₹134.47 MM, largely due to the commissioning of a 16 MW Solar Power Plant in July 2022, which has lowered our electricity costs.



The reduction in power and fuel costs as a percentage of revenue in Fiscal Year 2024 is attributed to decreased production activities and lower coal, oil, and gas prices.

### Non-GAAP Financial Measures

Alongside our results prepared in accordance with Ind AS, we believe that the following non-GAAP measures provide valuable insights for assessing our performance and for investor evaluation: EBITDA, EBITDA Margin, PAT Margin, ROE, Capital Employed, ROCE, Debt, Net Debt, Debt-Equity Ratio, Net Debt-EBITDA Ratio, Net Worth, Return on Net Worth, Net Asset Value per Equity Share, Pre-Tax Operating Profit, Net Tangible Assets, Monetary Assets, and the percentage of Monetary Assets to Net Tangible Assets. These non-GAAP metrics are used internally for ongoing operational assessment, planning, and forecasting.

We believe that non-GAAP financial information, when considered alongside Ind AS-compliant measures, offers additional tools for investors to evaluate our operating results, trends, and for comparative analysis within our industry. They provide consistency and comparability with historical performance. However, our management does not view these non-GAAP measures in isolation or as substitutes for Ind AS financial measures.

It is important to note that non-GAAP financial information is supplementary and has limitations as an analytical tool. It should not be considered in isolation or as a replacement for financial information prepared under Ind AS. These measures are not recognized under Ind AS and lack standardized definitions, which may vary from those used by other companies. The main limitation of these non-GAAP measures is their exclusion of significant expenses and income required by Ind AS to be recorded in our financial statements. Moreover, they reflect management’s judgment regarding which items are included or excluded. Reconciliations of non-GAAP measures to their closest Ind AS-compliant counterparts are provided below. Investors are encouraged to review these reconciliations and not rely solely on any single financial measure for evaluating our business.

| Particulars | As at, or for the year ended March 31, | |
|---|---|---|
| In ₹ MM | 2024 | 2023 |
| EBITDA (1) | ₹ 1,176.84 | ₹ 1,862.51 |
| EBITDA Margin (2) | 19.76% | 28.61% |
| PAT Margin (3) | 13.77% | 19.53% |
| ROE (4) | 4.26% | 10.48% |
| Capital Employed (5) | ₹ 16,425.17 | ₹ 11,414.69 |
| ROCE (6) | 4.77% | 14.28% |
| Debt (7) | ₹ 1,292.03 | ₹ 1.06 |
| Net Debt (8) | -₹ 2,688.23 | ₹ 330.62 |
| Debt-Equity Ratio (9) | 0.06 | 0.00 |
| Net Debt-EBITDA Ratio (10) | -2.28 | 0.18 |
| Net Tangible Assets (11) | ₹ 19,306.93 | ₹ 11,317.69 |
| Monetary Assets (12) | ₹ 53.54 | ₹ 708.64 |
| % of Monetary Assets to Net Tangible Assets (13) | 0.28% | 6.26% |
| Net Worth (14) | ₹ 20,689.33 | ₹ 12,446.09 |
| Return on Net Worth (15) | 4.26% | 10.48% |
| Pre-Tax Operating Profit (16) | ₹ 782.70 | ₹ 1,630.06 |
| Net Asset Value per Equity Share (17) | ₹ 156.09 | ₹ 99.96 |

Notes
(1) EBITDA is calculated as the sum of (i) profit before tax and prior period items for the period/year, (ii) depreciation and amortization expenses, and (iii) finance costs less (iv) other income.
(2) EBITDA Margin is calculated as EBITDA divided by revenue from operations.
(3) PAT Margin is calculated as profit for the period/year divided by total income.
(4) ROE is calculated as profit for the period/year divided by total equity.
(5) Capital Employed is calculated as total equity, plus non-current borrowings, plus current borrowings, less current investments, less cash & cash equivalents, less bank balances other than cash & cash equivalents.

(6) ROCE is calculated as earnings before interest and taxes divided by Capital Employed.
(7) Debt is calculated as the sum of current borrowings and non-current borrowings.
(8) Net Debt is calculated as total liabilities less cash & cash equivalents and bank balances.
(9) Debt-Equity Ratio is calculated as Debt divided by total equity.
(10)Net Debt-EBITDA Ratio is calculated as Net Debt divided by EBITDA.
(11)Net Tangible Assets is calculated as the sum of all the assets of our Company excluding, right of use assets and other intangible assets as reduced by total liabilities of our Company.
(12)Monetary Assets is calculated as cash and cash equivalents and bank balances and excluding bank deposits with remaining maturity of more than twelve months and fixed deposits held as margin money.
(13)Percentage of Monetary Assets to Net Tangible Assets is calculated as Monetary Assets divided by Net Tangible Assets, expressed as a percentage.
(14)Net Worth is calculated as the aggregate value of the paid-up share capital and all reserves created out of the profits (inclusive of net gain consequent to fair valuation of certain assets on transition to Ind AS) and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
(15)Return on Net Worth is calculated as profit for the period/year divided by Net Worth.
(16)Pre-Tax Operating Profit is calculated as profit before tax and prior period items for the period/year, excluding other income, finance costs and other comprehensive income.
(17)Net Asset Value per Equity Share is calculated as Net Worth divided by the weighted average number of equity shares for the period/year as adjusted for bonus issue. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year/period adjusted by the number of equity shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year/period.

### EBITDA, EBITDA Margin, PAT Margin and ROE

The following table sets forth our EBITDA, EBITDA Margin, PAT Margin and ROE, in each of the Fiscal Year 2024 and Fiscal Year 2023

| Particulars | For the year ended March 31, | |
|---|---|---|
| In ₹ MM | 2024 | 2023 |
| Total income (A) | ₹ 6,399.33 | ₹ 6,676.39 |
| Revenue from operations (B) | ₹ 5,956.69 | ₹ 6,510.74 |
| Profit before tax and prior period items (C) | ₹ 1,140.17 | ₹ 1,744.79 |
| Add: Finance costs (D) | ₹ 85.17 | ₹ 50.93 |
| Add: Depreciation and amortization expenses (E) | ₹ 394.15 | ₹ 232.45 |
| Less: Other income (F) | ₹ 442.64 | ₹ 165.65 |
| EBITDA (G=C+D+E-F) | ₹ 1,176.84 | ₹ 1,862.51 |
| EBITDA Margin (H=G/B) | 19.76% | 28.61% |
| Profit for the period (I) | ₹ 880.98 | ₹ 1,304.17 |
| Total equity (J) | ₹ 20,689.33 | ₹ 12,446.09 |
| PAT Margin (I/A) | 13.77% | 19.53% |
| Return on Equity - ROE (I/J) | 4.26% | 10.48% |

### Capital Employed and Return on Capital Employed (ROCE)

The following table sets forth our Capital Employed and Return on Capital Employed (ROCE), including a reconciliation of ROCE to our profits/losses before tax and prior period items in each of the Fiscal Year 2024 and Fiscal Year 2023.

| Particulars | As at, or for the year ended March 31, | |
|---|---|---|
| In ₹ MM | 2024 | 2023 |
| Profit before tax and prior period items (A) | ₹ 1,140.17 | ₹ 1,744.79 |
| Add: Finance costs (B) | ₹ 85.17 | ₹ 50.93 |
| Less: Other income (C) | ₹ 442.64 | ₹ 165.65 |
| EBIT (D=A+B-C) | ₹ 782.69 | ₹ 1,630.06 |
| Total equity (E) | ₹ 20,689.33 | ₹ 12,446.09 |
| Non-current borrowings (F) | ₹ 0.00 | ₹ 0.00 |
| Current borrowings (G) | ₹ 1,292.03 | ₹ 1.06 |
| Current investments (H) | ₹ 0.00 | ₹ 10.01 |
| Cash & cash equivalents (I) | ₹ 53.54 | ₹ 708.64 |
| Bank balance other than cash & cash equivalents (J) | ₹ 5,502.65 | ₹ 313.81 |
| Capital Employed (K=E+F+G-H-I-J) | ₹ 16,425.17 | ₹ 11,414.69 |
| ROCE (L=D/K) | 4.77% | 14.28% |

### Debt, Net Debt, Debt-Equity Ratio and Net Debt-EBITDA Ratio

The following table sets forth our Debt, Net Debt, Debt-Equity Ratio and Net Debt-EBITDA Ratio as at March 31, 2024 and March 31, 2023

| Particulars | As at, or for the year ended March 31, | |
|---|---|---|
| In ₹ MM | 2024 | 2023 |
| Non-current borrowings (A) | ₹ 0.00 | ₹ 0.00 |
| Current borrowings (B) | ₹ 1,292.03 | ₹ 1.06 |
| Debt (C=A+B) | ₹ 1,292.03 | ₹ 1.06 |
| Total equity (D) | ₹ 20,689.33 | ₹ 12,446.09 |
| Debt-Equity Ratio (E=C/D) | 0.06 | 0.00 |
| Total liabilities (G) | ₹ 2,867.96 | ₹ 1,353.08 |
| Less: cash and cash equivalents and bank balances (H) | ₹ 5,556.19 | ₹ 1,022.45 |
| Net Debt (I=G-H) | -₹ 2,688.23 | ₹ 330.63 |
| EBITDA (J) | ₹ 1,176.84 | ₹ 1,862.51 |
| Net Debt-EBITDA Ratio (K=I/J) | -2.28 | 0.18 |

### Overview of Revenue and Expenditure

The following descriptions set forth information with respect to key components of our income statement.

| Particulars | As at, or for the year ended March 31, | |
|---|---|---|
| In ₹ MM | 2024 | 2023 |
| Total income (A) | ₹ 6,399.33 | ₹ 6,676.39 |
| Revenue from operations (B) | ₹ 5,956.69 | ₹ 6,510.74 |
| Profit before tax and prior period items (C) | ₹ 1,140.17 | ₹ 1,744.79 |
| Add: Finance costs (D) | ₹ 85.17 | ₹ 50.93 |
| Add: Depreciation and amortization expenses (E) | ₹ 394.15 | ₹ 232.45 |
| Less: Other income (F) | ₹ 442.64 | ₹ 165.65 |
| EBITDA (G=C+D+E-F) | ₹ 1,176.84 | ₹ 1,862.51 |
| EBITDA Margin (H=G/B) | 19.76% | 28.61% |
| Profit for the period (I) | ₹ 880.98 | ₹ 1,304.17 |
| Total equity (J) | ₹ 20,689.33 | ₹ 12,446.09 |
| PAT Margin (I/A) | 13.77% | 19.53% |

Sale of products manufactured are done under our three business models, namely (i) Large-Scale Manufacturing of Specialty Chemicals, (ii) Contract Manufacturing, and (iii) Contract Research and Manufacturing Services ("CRAMS"). Such sales of products can be divided into (i) local sales, (ii) export sales (including sales to SEZ units within India), (iii) deemed exports (representing sales to Indian companies under an advance authorization license) and (iv) export sales under our CRAMS business model.

Sale of services are done under our CRAMS business model. Such sales can be divided into services provided to (i) overseas customers and (ii) customers in India.

### Other income

Other income primarily comprises interest income, income from foreign exchange fluctuation, MEIS Duty Credit, SEIS Duty Credit, exports duty drawback, interest accrued on loans to employees, interest on income tax refund, interest subsidy amongst others.

### Expenditure

Our expenditure comprises the following:

### Cost of materials consumed

Cost of materials consumed comprises (i) the cost of raw materials used in the manufacture of our products; (ii) the cost of packing materials; (iii) the cost of stores and spares; and (iv) the cost of other materials. Our raw materials include crude oil derivatives such as phenol and other commodities such as hydrogen, ethylene oxide and Isobutylene gas.

Other important raw materials include chlorobenzonitrile methanol, toluene, methylene dichloride tetrahydrofuran, dichlorotoluene and thiophene.

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

Expenses accounted for pursuant to an (increase)/ decrease in inventories of work-in-progress.

### Employee benefit expenses

Employee benefit expenses comprises salaries, wages and bonus, contribution to provident and other funds, gratuity, staff welfare expenses, leave encashment expenses, employee medical insurance expenses, value of discount in ESOPs and other employee related expenses.

### Finance costs

Finance costs comprises interest expenses on term loan, cash credit, Packing Credit Loan in Foreign Currency (PCFC), bill discounting, Stand by Letter of Credit (SLC), car loans and other unsecured loans.

### Depreciation and amortization expenses

Depreciation and amortization expenses comprises depreciation of tangible assets including our plant and machinery, building, factory equipment, computer equipment, office and other equipment, furniture and fixture, amongst others; and amortization of intangible assets including computer software and others; and amortization of leasehold land.

### Other expenses

Other expenses comprise primarily of (a) manufacturing expenses, such as gas expenses, steam charges, diesel expenses, water, fees paid to third party workers for solvent recovery services (classified as 'job work charges' in our Financial Statements), effluent disposal, and fees paid to contract works (classified as 'manpower supply expenses' in our Financial Statements), amongst others; (b) administrative and general expenses, such as rents, salaries to directors, repairs and maintenance expenses, electricity expenses, legal and professional charges, amongst others; (c) selling and distribution expenses, such as freight and selling expenses and commissions paid to selling agents, amongst others; and (d) other expenses, such as loan processing fees and other documentation charges and bank charges, amongst others.

### Operating Segment and Business Models

Our Company is exclusively engaged in the business of manufacturing of organic chemicals. As such, in accordance with Ind AS, our Company's business is considered to constitute one single primary segment.

### Geographic information

The geographic information analyses our revenues by our country of domicile and other countries for the periods/years indicated. In presenting geographic information, revenue has been based on the location of the customers.

| Particulars | For the year ended March 31, | |
|---|---|---|
| In ₹ MM | 2024 | 2023 |
| India (including deemed exports) | ₹ 3,458.59 | ₹ 3,590.36 |
| Rest of the world (including SEZ) | ₹ 2,498.10 | ₹ 2,920.38 |
| Total | ₹ 5,956.69 | ₹ 6,510.74 |

The following table sets out the total carrying amount of assets as at March 31, 2024 and March 31, 2023, broken down by location of the assets.

| Particulars | As atMarch 31, | |
|---|---|---|
| In ₹ MM | 2024 | 2023 |
| India | ₹ 921.68 | ₹ 1,066.06 |
| Rest of the World | ₹ 1,377.54 | ₹ 1,523.75 |
| Total | ₹ 2,299.22 | ₹ 2,589.81 |

### Business models

We have three broad business models within our primary operating segment, which are (a) Large-Scale Manufacturing of Specialty Chemicals, (b) Contract Manufacturing, and (c) Contract Research and Manufacturing Services ("CRAMS"), and our geographical segments: The following table sets out our revenue for each of the periods/fiscal years mentioned, broken down by our three (3) business models.

| Particulars | For the year ended March 31, | |
|---|---|---|
| In ₹ MM | 2024 | 2023 |
| Large Scale Manufacturing | ₹ 3,539.49 | ₹ 3,356.91 |
| Contract Manufacturing | ₹ 1,534.53 | ₹ 2,233.79 |
| CRAMS | ₹ 826.61 | ₹ 816.59 |
| Others* | ₹ 56.06 | ₹ 103.45 |
| Total Revenue from Operations | ₹ 5,956.69 | ₹ 6,510.74 |

*Others represents sale of wastage material, as well as packing material and certain raw material no longer required in our production activities.

### Results of Operations

The following table sets forth our income statement data, the components of which are expressed as a percentage of total income for the periods indicated, for our operations for Fiscal Year 2024 and Fiscal Year 2023.

| Particulars | As at March 31, 2024 | | As atMarch 31, 2023 | |
|---|---|---|---|---|
| | In ₹ MM | % | In ₹ MM | % |
| Income | | | | |
| Revenue from operations | ₹ 5,956.69 | 93.08% | ₹ 6,510.74 | 97.52% |
| Other income | ₹ 442.64 | 6.92% | ₹ 165.65 | 2.48% |
| Total income | ₹ 6,399.33 | 100.00% | ₹ 6,676.39 | 100.00% |
| Expenses | | | | |
| Cost of materials consumed | ₹ 3,757.87 | 63.09% | ₹ 3,796.14 | 58.31% |
| Changes in inventories of finished goods and work-in-progress | ₹ (564.42) | (9.48%) | ₹ (622.76) | (9.57%) |
| Employee benefits expense | ₹ 386.11 | 6.03% | ₹ 344.57 | 5.16% |
| Finance costs | ₹ 85.17 | 1.33% | ₹ 50.93 | 0.76% |
| Depreciation and amortization expenses | ₹ 394.15 | 6.16% | ₹ 232.45 | 3.48% |
| Other expenses | ₹ 1,062.66 | 16.61% | ₹ 1,130.27 | 16.93% |
| Total expenses | ₹ 1,928.09 | 80.03% | ₹ 1,758.22 | 73.87% |
| Profit before tax before exceptional items | ₹ 1,277.78 | 19.97% | ₹ 1,744.79 | 26.13% |
| Exceptional items | ₹ 137.62 | 2.15% | ₹ 0.00 | 0.00% |
| Profit before tax | ₹ 1,140.17 | 17.82% | ₹ 1,744.79 | 26.13% |
| Tax Expenses | | | | |
| Current tax | ₹ 172.90 | 2.70% | ₹ 311.22 | 4.66% |
| Deferred tax | ₹ 86.29 | 1.35% | ₹ 129.39 | 1.94% |
| Total tax expenses | ₹ 259.19 | 4.05% | ₹ 440.61 | 6.60% |
| Profit for the year | ₹ 880.98 | 13.77% | ₹ 1,304.17 | 19.53% |

### Net Assets Value (NAV)

The following table sets forth the Net Assets Value (NAV) per share for Fiscal Year 2024 and Fiscal Year 2023.

| Particulars | As at March 31, | |
|---|---|---|
| In ₹ MM | 2024 | 2023 |
| Total assets (A) | ₹ 23,557.29 | ₹ 13,799.16 |
| Less: Other intangible assets (B) | ₹ 55.69 | ₹ 5.83 |
| Less: Right of use assets (C) | ₹ 1,326.71 | ₹ 1,122.55 |
| Less: Total liabilities (D) | ₹ 2,867.96 | ₹ 1,353.08 |
| Net Tangible Assets (F=A-B-C-D) | ₹ 19,306.92 | ₹ 11,317.69 |
| Cash and cash equivalents and bank balances (G) | ₹ 5,556.19 | ₹ 1,022.45 |

| Particulars | As at March 31, | |
|---|---|---|
| In ₹ MM | 2024 | 2023 |
| Less: Bank deposits with remaining maturity of more than 12 months (H) | ₹ 0.00 | ₹ 0.00 |
| Less: Fixed deposits held as margin money (I) | ₹ 5,502.65 | ₹ 313.81 |
| Monetary Assets (J=G-H-I) | ₹ 53.54 | ₹ 708.64 |
| % of Monetary Assets to Net Tangible Assets (K=(J/F)*100)) (in %) | 0.28% | 6.26% |
| Net Worth (L=(1+2+3+4+5)) | ₹ 20,689.33 | ₹ 12,446.09 |
| Issued subscribed and fully paid-up equity share capital (1) | ₹ 1,325.50 | ₹ 1,245.11 |
| General reserve (2) | ₹ 0.00 | ₹ 0.00 |
| Securities premium reserve (3) | ₹ 15,416.17 | ₹ 8,162.55 |
| Retained earnings (4) | ₹ 3,901.41 | ₹ 3,022.88 |
| Employees share options reserve (5) | ₹ 46.24 | ₹ 15.56 |
| Profit for the year/period (M) | ₹ 880.98 | ₹ 1,304.17 |
| Return on Net Worth (N=M/L) (in %) | ₹ 0.04 | ₹ 0.10 |
| Profit before tax and prior period items (O) | ₹ 1,140.17 | ₹ 1,744.79 |
| Less: Other income (P) | ₹ 442.64 | ₹ 165.65 |
| Add: Finance costs (Q) | ₹ 85.17 | ₹ 50.93 |
| Pre-Tax Operating Profit (R=O-P+Q) | ₹ 782.70 | ₹ 1,630.07 |
| Number of equity shares outstanding at the end of the period / year, after adjustment of bonus issue (S) (number in MM) | ₹ 132.55 | ₹ 124.51 |
| Effect of dilutive potential equity shares | ₹ 0.00 | ₹ 0.00 |
| Number of equity shares outstanding at the end of the period / year, after adjustment of bonus issue (T) (number in MM) | ₹ 132.55 | ₹ 124.51 |
| Net Asset Value per Equity Share (basic) (U=L/S) (in ₹) | ₹ 156.09 | ₹ 99.96 |
| Net Asset Value per Equity Share (diluted) (V=L/T) (in ₹) | ₹ 156.09 | ₹ 99.96 |

The following table sets out the comparison of the revenues and expenses for the Fiscal Year 2024 and Fiscal Year 2023.

| Particulars | For the year ended March 31, | | Change |
|---|---|---|---|
| In ₹ MM | 2024 | 2023 | % |
| Income | | | |
| Revenue from operations | ₹ 5,956.69 | ₹ 6,510.74 | (8.51%) |
| Other income | ₹ 442.64 | ₹ 165.65 | 167.21% |
| Total revenue | ₹ 6,399.33 | ₹ 6,676.39 | (4.15%) |
| Expenses | | | |
| Cost of materials consumed | ₹ 3,757.87 | ₹ 3,796.14 | (1.01%) |
| Changes in inventories of finished goods and work-in-progress | ₹ (564.42) | (₹ 622.76) | (9.37%) |
| Employee benefits expenses | ₹ 386.11 | ₹ 344.57 | 12.06% |
| Finance costs | ₹ 85.17 | ₹ 50.93 | 67.23% |
| Depreciation and amortization expenses | ₹ 394.15 | ₹ 232.45 | 69.56% |
| Other expenses | ₹ 1,062.66 | ₹ 1,130.27 | (5.98%) |
| Total expenses | ₹ 5,121.54 | ₹ 4,931.60 | 3.85% |
| Profit before tax before exceptional items and tax | ₹ 1,277.78 | ₹ 1,744.79 | (26.77%) |
| Exceptional times | ₹ 137.62 | ₹ 0.00 | 100.00% |
| Profit before tax | ₹ 1,140.17 | ₹ 1,744.79 | (34.65%) |
| Tax expenses: | | | |
| Current tax | ₹ 172.90 | ₹ 311.22 | (44.44%) |
| Deferred tax | ₹ 86.29 | ₹ 129.39 | (33.31%) |
| Total tax expenses | ₹ 259.19 | ₹ 440.61 | (41.17%) |
| Profit for the year | ₹ 880.98 | ₹ 1,304.17 | (32.45%) |

### Revenue from operations

The revenue from operations in Fiscal Year 2024 amounted to ₹5,956.59 MM, as against ₹6,510.74 MM, a reduction of 8.51% in the comparative periods. The main reasons for the reduction in the revenue from operations was due to:

- China dumping of the various products manufactured by us and thus lowering the realisation per KG, which has been on going since February 2023, but the impact of which was immense in the Fiscal Year 2024, in the first half to be precise. The prices of the products had corrected down side and were at the lowest of all time in these many years, since Aether Industries Limited started its commercial business.
- Fire accident at Manufacturing Facility 2 on November 29, 2023, impacting the Plant 2 and Tank Farm majorly and Plant 1, Plant 3 and other parts partially. This haunted the manufacturing of the entire Manufacturing Facility 2 for at least 3 months, till the first partial revocation was received for 50% of the Manufacturing Facility 2 in January 2023. The 50% facility started its production in mid February 2024, after all regulatory approvals and changes in the equipment etc. and hence the Company did not get the last 5 months to manufacture and sell the desired products.

### Other Income

Our other income increased by 167.21% from ₹165.65 MM in Fiscal Year 2023 to ₹442.64 MM in Fiscal Year 2024. Such increase was primarily due to (i) interest on FDs created out of Idle IPO / QIP funds, which helped us earn ₹335.19 MM in Fiscal Year 2024, which was ₹74.23 MM only in Fiscal Year 2023 on FDs created from IPO funds and normal FDs created for margin monies, (ii) duty drawback earned on exports done by the Company in Fiscal Year 2024 amounted to ₹11.35 MM as against ₹8.84 MM in Fiscal Year 2023 and (iv) MEIS duty credit which amounted to ₹2.09 MM in Fiscal Year 2024 as against ₹1.32 MM in Fiscal Year 2023.

### Cost of Materials Consumed

Our cost of materials consumed reduced marginally by 1.01% from ₹3,796.14 MM in Fiscal Year 2023 to ₹3,757.87 MM in Fiscal Year 2024, primarily due to an reduction in the volume of products manufactured (mainly due to the fire accident at Manufacturing Facility 2) and also the reduction in the prices of Raw Materials.

### Change in inventories of finished goods and work-in-progress

Our opening stock of (i) finished goods was ₹536.19 MM as at April 1, 2024, while it was ₹549.57 MM as at April 1, 2023 and (ii) work-in-progress was ₹1,062.81 MM as at April 1, 2024, while it was ₹ 426.68 MM as at April 1, 2023.

Our closing stock of (i) finished goods was ₹492.61 MM as at March 31, 2024, while it was ₹ 536.19 MM as at March 31, 2023 and (ii) work-in-progress was ₹1,809.78 MM as at March 31, 2024, while it was ₹1,062.81 MM as at March 31, 2023.

The reduction in our change in inventories of finished goods and work-in-progress to ₹564.42 MM in Fiscal Year 2024 from ₹622.76 MM in Fiscal Year 2023 was primarily as result of a increase in closing stock of work-in-progress by ₹746.97 MM and reduction in closing inventory of finished goods by ₹43.58 MM as at March 31, 2024, respectively. The main reason in the increase in the stock of work-in-progress was due to the fact that the fire accident affected Manufacturing Facility 2, started production after 3 months of stoppage from November 2023 end till January 2024 end and thus most of the finished goods being in production stage.

Moreover, we have also written off stock worth of ₹138.97 MM, which was destroyed during the fire accident in November 2023. The same is fully insured with the Insurance Company and the claim for the same is submitted already.

### Finance Costs

Our finance costs reduced by 67.23% from ₹50.93 MM in Fiscal Year 2023 to ₹85.17 MM in Fiscal Year 2024, primarily because the Company, after its IPO proceeds used to pay off all the debts, had to start with fresh working capital facilities from the banks for the ever increasing business needs. This was also increased due to the rates of interest which increased in Fiscal Year 2024 as compared to Fiscal Year 2023.

### Depreciation and Amortization Expense

Our depreciation and amortization expense increased by 69.56% from ₹232.45 MM in Fiscal Year 2023 to ₹394.15 MM in Fiscal Year 2024, primarily due to an increase in depreciation on plant and machinery installed in our new manufacturing unit/plant constructed on our second manufacturing facility (Manufacturing Facility-2), which is in line with the increased operations. The increase is also attributable to the 16MW Solar Power Plant, which was commissioned in July 2022 and the Greenfield

Manufacturing Unit (Site 3), which was operational from Q4 of F23. Further the Manufacturing Facility 3 and the revamped and expanded R&D Unit and Pilot Plants have also lead to increase in the deprecation costs. All these are attributable to the expansion plans of the Company.

### Other expenses

Our other expenses reduced by 5.98% from ₹1,130.27 MM in Fiscal 2023 to ₹1,062.66 MM in Fiscal Year 2024. The reduction, was though not as much, just ₹67.61 MM, mainly because of (i) reduction in electricity charges, which was due to the 16MW Solar Power Plant, which was commissioned in July 2022 and which helped the Company lower this cost, (ii) reduced operations due to the fire accident at Manufacturing Facility 2, (iii) reduction in the steam prices, attributable to the reduction in the prices of the coals and crude and (iv) other cost saving initiatives undertaken by the Company.

### Exceptional items

During the Fiscal Year 2024, there was a fire accident at our Manufacturing Facility 2 in November 2023, which lead to some one time and exceptional expenses, which amount to ₹137.62 MM. these mainly included the compensations paid to the families of the deceased employees and contract workers, who died in this fire accident, hospitalisation and medical treatment of the employees and contract workers, who were injured in the fire accident, penalty paid to the GPCB, increased insurance premium due to the claim submitted to the insurance company and other miscellaneous expenses connected with the fire accident.

### Profit before tax

As a result of the foregoing, we recorded an reduction of 26.77% in our profit before tax before exceptional items and reduction of 34.65% in our profit before tax after exceptional items, which amounted to ₹1,277.78 MM in Fiscal Year 2024, as compared to ₹1,744.79 MM in Fiscal Year 2023, before exceptional items and ₹1,140.17 MM in Fiscal Year 2024, as compared to ₹1,744.79 MM in Fiscal Year 2023, after exceptional items.

### Tax expenses

Our tax expenses (current and deferred) reduced by 41.17% from ₹ 440.61 MM in Fiscal Year 2023 to ₹259.19 MM in Fiscal Year 2024. Our effective tax rate in Fiscal Year 2024 and Fiscal Year 2023 was 22.73% and 25.25%, respectively. The reduced tax rate and taxation was due to the revenues which were reduced due to the fire accident at Manufacturing Facility 2.

### Profit for the period

As a result of the foregoing, we recorded a reduction of 32.45% in our profit for the year from ₹1,304.17 MM in Fiscal Year 2023 to ₹880.98 MM in Fiscal Year 2024.

## Liquidity and Capital Resources

### Capital Requirements

Our principal capital requirements are for payment for the various capex expansions on going at Site 3, Site 3++, Site 4 and 1st Phase of Site 5 along with principal and interest on our borrowings, capital expenditure and working capital.

Our principal source of funding has been and is expected to continue to be, cash generated from our operations, supplemented by borrowings from banks and financial institutions and optimization of operating working capital. In Fiscal Year 2023, Initial Public Offering (IPO) done in June 2022, has also been a source of funding for the Company. For the Fiscal Year 2023 and Fiscal Year 2022, we met our funding requirements, including satisfaction of debt obligations, capital expenditure, investments, other working capital requirements, payouts to shareholders and other cash outlays, principally with funds generated from operations, optimization of operating working capital with the balance met from external borrowings, borrowings from Promoters and a fundraising by way of issuance of equity shares by way of Preferential Allotment of Shares and also Initial Public Offering (IPO).

For the expansion projects that we intend to undertake, we will be utilizing a portion of the funds generated from this Issue along with a mix of debt, fund raising from the public by means permitted by the regulators and internal accruals.

## Liquidity

Our liquidity requirements arise principally from our operating activities, capital expenditures for construction of new facilities and undertaking of new projects, the repayment of borrowings and debt service obligations. Historically, our principal sources of funding have included cash from operations, short-term and long-term borrowings from banks, overdraft facilities that are repayable on demand, cash and cash equivalents and equity and financing provided by our shareholders We have also entered into various revolving credit and other working capital facilities, which provides sufficient liquidity for our requirements. In Fiscal Year 2023, Initial Public Offering (IPO) done in June 2022, has also been a source of funding for the Company, along with Qualified Institutional Placement (QIP) done during Fiscal Year 2024 during June 2023.

## Cash Flows

Our cash flows from operations have been slightly negative on account of increase in the debtor days and inventory days, mainly on account of various customers delaying the payments especially at quarter ends and releasing the same in the next month along with the inventory increase due, mainly in work-in-progress (semi finished goods) as we had restarted our Manufacturing facility 2 (50%) after the fire accident, in February 2024, wherein various products were in manufacturing and thus the increase.

Our Cash Flows for the Fiscal Year 2024 and Fiscal Year 2023 have been as depicted in the below table:

| Particulars | For the year ended March 31, | |
|---|---|---|
| In ₹ MM | 2024 | 2023 |
| Net Cash generated from Operating Activities | (₹ 19.60) | (₹ 65.52) |
| Net Cash (Used in) Investing Activities | (₹ 3,988.69) | (₹ 3,484.14) |
| Net Cash from/(Used in) Financing Activities | ₹ 8,542.03 | ₹ 4,391.95 |
| Net Increase / (Decrease) in Cash and Cash Equivalents | ₹ 4,533.74 | ₹ 842.29 |
| Cash and Cash Equivalents at the beginning of the year | ₹ 1,022.45 | ₹ 180.16 |
| Cash and Cash Equivalents at the end of the year | ₹ 5,556.20 | ₹ 1,022.45 |

### Cash flows generated from operating activities

We had negative ₹19.60 MM net cash from operating activities during the Fiscal Year 2024. While our net profit before tax was ₹1,140.17 MM, we had an operating profit before working capital changes of ₹1,271.77 MM, primarily due to adjustments for depreciation and amortization expenses of ₹394.15 MM, finance costs of ₹85.17 MM and foreign exchange loss of ₹6.91 MM, which were partially offset by interest income and income from mutual funds amounting to ₹335.39 MM and ₹5.38 MM, respectively. Our adjustments for working capital changes for the Fiscal Year 2024 primarily consisted of decrease in trade receivables by ₹290.60 MM, increase in inventories by ₹942.73 MM and increase in other current assets by ₹517.67 MM, which were partially offset by a decrease in current investments by ₹10.01 MM and an increase in trade payables by ₹123.06 MM. Our cash generated from operating activities was ₹153.30 MM, adjusted by tax paid (net of refund) of ₹172.90 MM.

We had negative ₹65.52 MM net cash from operating activities during the Fiscal Year 2023. While our net profit before tax was ₹1,744.79 MM, we had an operating profit before working capital changes of ₹1,949.15 MM, primarily due to adjustments for depreciation and amortization expenses of ₹232.45 MM and finance costs of ₹50.93 MM, which were partially offset by net unrealized foreign exchange loss, interest income and income from mutual funds amounting to ₹3.85 MM, ₹74.31 MM and ₹8.55 MM, respectively. Our adjustments for working capital changes for the Fiscal Year 2023 primarily consisted of increases in trade receivables by ₹955.02 MM, inventories by ₹860.22 MM and other current assets by ₹152.35 MM, which were partially offset by a decrease in current investments by ₹160.10 MM and an increase in trade payables by ₹116.64 MM. Our cash generated from operating activities was ₹252.31 MM, adjusted by tax paid (net of refund) of ₹317.84 MM.

### Cash flows used in investing activities

Net cash used in investing activities was ₹3,988.69 MM in Fiscal Year 2024, primarily on account of ₹1,374.33 MM used for purchase of fixed assets principally for Manufacturing Facility - 1 (R&D and Pilot Plant expansion to three times), Manufacturing Facility – 2 (normal CAPEX), Manufacturing Facility – 3 (New Greenfield Production unit commissioned in January

2023), further investments in expansion of ₹1,657.52 towards the apex towards Manufacturing Facility 3+/ 3++ and Phase One of Manufacturing Facility 5 (at Panoli) and advance payment for new Solar Power Plant of 15MW (Auto-Tracker) still in Capital Work in Progress, which will be capitalised in future years. There was also investment of ₹994.94 MM in the 100% Wholly Owned Subsidiary (Aether Speciality Chemicals Limited for Manufacturing Facility 4) in form of unsecured loans. These were partially offsetting by ₹38.10 due to income from Mutual Fund investments.

Net cash used in investing activities was ₹ 3,484.14 MM in Fiscal Year 2023, primarily on account of ₹ 4,014.20 MM used for purchase of fixed assets principally for Manufacturing Facility - 1 (R&D and Pilot Plant expansion to three times), Manufacturing Facility – 2 (normal CAPEX), Manufacturing Facility – 3 (New Greenfield Production unit commissioned in January 2023) and for the 16MW Solar Power Plant installed and commissioned rom July 2022, offset by ₹ 447.72 reduced from Capital Work in Progress, which were capitalised in Fiscal Year 2023 and ₹ 82.86 due to income from Mutual Fund investments.

### Cash flows generated from / (used in) financing activities

Net cash used in financing activities in the Fiscal Year 2024 amounted to ₹8,542.03 MM, which primarily consisted of proceeds from allotment of shares in QIP amounting to ₹7,500.00 MM, proceeds from allotments or vesting of ESOPs to employees amounting to ₹8.58 MM and new working capital limits utilised of ₹1,292.03 MM, which were offset by interest paid in the amount of ₹69.49 MM and QIP expense amounting to ₹180.63 MM.

Net cash used in financing activities in the Fiscal Year 2023 amounted to ₹ 4,391.95 MM, which primarily consisted of proceeds from Preferential allotment of shares in Pre-IPO phase amounting to ₹ 1,300.00 MM, proceeds from Initial Public Offering (IPO) amounting to ₹ 6,270.00 MM, proceeds from allotments or vesting of ESOPs to employees amounting to ₹ 9.00 MM, which were offset by interest paid in the amount of ₹ 50.93 MM, repayment of term loans to the banks amounting to ₹ 1,510.33 MM, zero down of working capital facilities amounting to ₹ 890.16 MM, repayment of unsecured loans from the promoters amounting to ₹ 449.20 MM.

### Capital and Other Commitments

As of March 31, 2024 and March 31, 2023, the estimated amount of contracts remaining to be executed on capital account not provided for was ₹21.07 MM and ₹184.68 MM, respectively.

### Capital Expenditure

Capital expenditures consist primarily of investments in new manufacturing facilities and equipment. We also make investments at our manufacturing facilities to add new technologies, modernise facilities and expand our product lines. Capital expenditure will vary from year to year depending upon a number of factors, including the need to replace equipment and the timing of certain projects, such as investment in new technologies. In the Fiscal Year 2024, we incurred capital expenditure of ₹3,185.57 MM (Fiscal Year 2023: ₹3,915.11 MM). A significant amount of our capital expenditure was aimed at constructing manufacturing and other facilities, increasing our manufacturing capacities and diversifying our product base, along with the construction of the Greenfield Project at site 3+/3++, first phase of expansion at Manufacturing Facility 5.

### Contingent Liabilities

Contingent liabilities, to the extent not provided for, as of March 31, 2024 and March 31, 2023, as determined in accordance with Ind AS 37, are described below:

| In ₹ MM | As of March 31, 2024 | As of March 31, 2023 |
|---|---|---|
| Bank Guarantees Issued for: | | |
| Customs | ₹ 8.89 | ₹ 8.89 |
| Gujarat Gas Ltd. | ₹ 20.71 | ₹ 20.71 |
| DGVCL | ₹ 54.55 | ₹ 47.40 |
| NHI | ₹ 0.25 | ₹ 0.00 |
| GPCB | ₹ 0.75 | ₹ 0.00 |
| Total Margin for above items | ₹ 11.83 | ₹ 14.37 |
| Raw Material FLC (in US $ MM) | $ 0.06 | $ 1.10 |
| Total Margin for above items | ₹ 0.62 | ₹ 8.94 |



| In ₹ MM | As of March 31, 2024 | As of March 31, 2023 |
|---|---|---|
| Income Tax Demands*: | | |
| AY 2017-18 (PY 2016-17) | ₹ 0.15 | ₹ 0.15 |
| AY 2018-19 (PY 2017-18) | ₹ 0.94 | ₹ 0.94 |
| AY 2020-21 (PY 2019-20) | ₹ 1.00 | ₹ 1.00 |

*The Income Tax Demands are under appeal by the Company and the outcome of the same is not known and hence the demand amount has been considered as contingent liability.

Note

All the Contingent Liabilities, except Income Tax Demands, listed above, which are outstanding as on current Balance Sheet date are not 100% secured through cash margins placed with the banks. Company is enjoying Bank Guarantee and LC Limit facilities from the banks, which require 15% Margin Money on Bank Guarantees and 15% Margin Money on LC Facilities. Margin reduced to maximum 2.5% in FY 2023-24 on BG and LC.

## Financial risk management

### Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The Company uses a matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and Company's historical experience for customers.

- The company has not made any provision on expected credit loss on trade receivables and other financials assets, based on the management estimates.
- Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

### Liquidity Risk

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

The Company's treasury department within the Finance Department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The table below sets out an analysis of working capital and current ratio as at March 31, 2024 and March 31, 2023: The table below sets out exposure to financial liabilities based on the contractual maturity as at the reporting date:

| In ₹ MM | As of March 31, 2024 | As of March 31, 2023 |
|---|---|---|
| Total Current Assets (A) | ₹ 13,821.04 | ₹ 6,751.28 |
| Total Current Liabilities (B) | ₹ 2,395.65 | ₹ 940.00 |
| Working Capital (A-B) | ₹ 11,425.38 | ₹ 5,811.28 |
| Current Ratio | 5.77 | 7.18 |

The table below sets out exposure to financial liabilities based on the contractual maturity as at the reporting date:

| In ₹ MM | Carrying value | Less than 1 Year | More than 1 Year | Total |
|---|---|---|---|---|
| As at March 31, 2024 | | | | |
| Borrowings | ₹ 1,292.03 | ₹ 1,292.03 | ₹ 0.00 | ₹ 1,292.03 |
| Trade payables | ₹ 938.24 | ₹ 938.24 | ₹ 0.00 | ₹ 938.24 |
| Lease Liabilities | ₹ 143.84 | ₹ 24.46 | ₹ 119.37 | ₹ 143.84 |
| Other liabilities | ₹ 114.68 | ₹ 114.68 | ₹ 0.00 | ₹ 114.68 |
| As at March 31, 2023 | | | | |
| Borrowings | ₹ 1.06 | ₹ 1.06 | ₹ 0.00 | ₹ 1.06 |
| Trade payables | ₹ 815.18 | ₹ 814.52 | ₹ 0.66 | ₹ 815.18 |
| Lease Liabilities | ₹ 156.07 | ₹ 10.76 | ₹ 145.32 | ₹ 156.07 |
| Other liabilities | ₹ 96.92 | ₹ 96.92 | ₹ 0.00 | ₹ 96.92 |

### Market Risk

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### Foreign Exchange Rate Risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (INR) and in other foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where revenue or expense is denominated in a foreign currency.

The table below sets out an analysis of unhedged foreign currency exposure:

| In ₹ MM | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | |
|---|---|---|---|---|
| | Foreign currency (in MM) | Rupees (in MM) | Foreign currency (in MM) | Rupees (in MM) |
| (A) Financial Assets | | | | |
| Trade Receivables | $ 16.52 | ₹ 1,377.54 | $ 18.54 | ₹ 1,523.75 |
| Balance with banks – in EEFC accounts | $ 0.45 | ₹ 37.72 | $ 1.80 | ₹ 148.30 |
| (B) Financial Liabilities | | | | |
| Trade Payables | $ 0.10 | ₹ 8.27 | $ 3.09 | ₹ 254.16 |
| (C) Currency wise net exposure | | | | |
| Financial Assets – Financial Liabilities | $ 16.88 | ₹ 1,406.99 | $ 17.25 | ₹ 1,417.90 |

### Sensitivity analysis

| In ₹ MM | As of March 31, 2024 | As of March 31, 2023 |
|---|---|---|
| Impact on profit/equity (1% strengthening) - US $ | ₹ 14.07 | ₹ 14.18 |
| Impact on profit/equity (1% weakening) - US $ | (₹ 14.07) | (₹ 14.18) |

### Reservations, Qualifications and Adverse Remarks Included in Financial Statements

There have been no reservations or qualifications or adverse remarks of our Statutory Auditors in the last three fiscal Years.

### Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company



manages its interest rates by selecting appropriate type of borrowings and by negotiation with the bankers.

The exposure of the borrowings (long-term and short-term) to interest rate changes at the end of the reporting period are as follows:

| In ₹ MM | As of March 31, 2024 | As of March 31, 2023 |
|---|---|---|
| Variable rate borrowings | ₹ 1,292.03 | ₹ 0.00 |
| Fixed rate borrowings | ₹ 0.00 | ₹ 1.06 |
| Total borrowings | ₹ 1,292.03 | ₹ 1.06 |

### Sensitivity analysis

| In ₹ MM | Impact on Profit before tax / pre-tax equity | |
|---|---|---|
| | As of March 31, 2024 | As of March 31, 2023 |
| Increase by 50 basis points | (₹ 6.46) | (₹ 0.01) |
| Decrease by 50 basis points | ₹ 6.46 | ₹ 0.01 |

### Capital management

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

| In ₹ MM | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Total liabilities | ₹ 2,867.96 | ₹ 1,353.08 |
| Less: cash and cash equivalents and bank balances | ₹ 5,556.19 | ₹ 1,022.45 |
| Net debt | (₹ 2,688.22) | ₹ 330.62 |
| Total equity | ₹ 20,689.33 | ₹ 12,446.09 |
| Net Debt-equity ratio | (0.13) | 0.03 |

### Financial indebtedness

The financial indebtedness of the Company as on March 31, 2024 and March 31, 2023 are as depicted in the table below

| In ₹ MM | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Short Term | | |
| Secured Borrowings, comprising of | ₹ 1,292.03 | ₹ 1.06 |
| Loans repayable on demand | ₹ 1,292.03 | ₹ 0.00 |
| Bank term loans | ₹ 0.00 | ₹ 0.00 |
| Bank vehicle loans | ₹ 0.00 | ₹ 1.06 |
| Unsecured Borrowing | ₹ 0.00 | ₹ 0.00 |
| Loans from Banks | ₹ 0.00 | ₹ 0.00 |
| Loans from Promoters | ₹ 0.00 | ₹ 0.00 |
| Long Term | | |
| Secured Borrowings, comprising of | ₹ 0.00 | ₹ 0.00 |
| Bank term loans | ₹ 0.00 | ₹ 0.00 |
| Bank vehicle loans | ₹ 0.00 | ₹ 0.00 |
| Total Indebtedness | ₹ 1,292.03 | ₹ 1.06 |

### Related Party Transactions

We enter into various transactions with related parties. For further information see Financial Statements - Note 41.

### 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.

### Unusual or Infrequent Events of Transactions

None

| In ₹ MM | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Total assets (A) | ₹ 13,821.04 | ₹ 13,799.16 |
| Less: Intangible assets (B) | ₹ 55.69 | ₹ 5.83 |
| Less: Right-of-use assets (C) | ₹ 1,326.71 | ₹ 1,122.55 |
| Less: Total liabilities (D) | ₹ 2,867.96 | ₹ 1,353.08 |
| Net tangible assets (E=A-B-C-D) | ₹ 9,570.67 | ₹ 11,317.69 |
| Cash and cash equivalent and bank balance (F) | ₹ 5,556.19 | ₹ 1,022.45 |
| Less: Bank deposit with maturity of more than 12 months (G) | ₹ 0.00 | ₹ 0.00 |
| Less: Fixed deposits held as margin money (H) | ₹ 5,502.65 | ₹ 313.81 |
| Monitoring asset (I = F-G-H) | ₹ 1,292.03 | ₹ 708.64 |
| % of Monitoring asset to net tangible assets (J=(I/E)*100) (in%) | 13.50% | 6.26% |
| Net worth (K=1+2+3+4+5) | ₹ 20,689.33 | ₹ 12,446.09 |
| Issued, subscribed, fully paid up equity share capital (1) | ₹ 1,325.50 | ₹ 1,245.11 |
| General reserves (2) | ₹ 0.00 | ₹ 0.00 |
| Securities premium reserve (3) | ₹ 15,416.17 | ₹ 8,162.55 |
| Retained earnings (4) | ₹ 3,901.41 | ₹ 3,022.88 |
| Employee share option reserve (5) | ₹ 46.24 | ₹ 15.55 |
| Profit for the year / period (L) | ₹ 880.98 | ₹ 1,304.17 |
| Return on net worth (M=L/K) (in%) | 4.26% | 10.48% |
| Profit before tax and prior period items (N) | ₹ 1,140.17 | ₹ 1,744.79 |
| Less: Other income (O) | ₹ 442.64 | ₹ 165.65 |
| Add: Finance cost (P) | ₹ 85.17 | ₹ 50.93 |
| Pre-tax operating profit (Q=N-O+P) | ₹ 782.70 | ₹ 1,630.07 |
| No. Of equity shares outstanding at the end of the year after adjustment of bonus issues (R) (No. In MM) | 132.55 | 124.51 |
| Effect of dilutive potential equity shares | 0.00 | 0.00 |
| No. Of equity shares outstanding at the end of the year after adjustment of bonus issues (S) (No. In MM) | 132.55 | 124.51 |
| Net asset value per equity share (Basic) (T=K/R) (in ₹) | ₹ 156.09 | ₹ 99.96 |
| Net asset value per equity share (Diluted) (U=K/S) (in ₹) | ₹ 156.09 | ₹ 99.96 |



# 06 FINANCIAL STATEMENTS

# Audit Report

To,
The Members,
Aether Industries Limited,
Surat

## I. Audit Report on the Standalone Financial Statements

### 1. Opinion

A. We have audited the accompanying Standalone Ind AS Financial Statements of AETHER INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### 2. Basis of opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 Standalone Financial Statements.

### 3. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

### 4. Information other than the Standalone Financial Statements and Auditor's Report thereon

A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

B. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained during the course of our 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

### 5. Management's Responsibility for the Financial Statements

A. The Company's management is responsible for preparation of these Financial Statements that give a true and fair view of the state of affairs, profit, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

B. In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### 6. Auditor's Responsibilities for the Audit of the Financial Statements

A. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards of Auditing issued by the institute of chartered accountants of India, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also

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

(ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

(iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(v) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

C. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in:

   (i) planning the scope of our audit work and in evaluating the results of our work; and

   (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

E. 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.

F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## II. Report on Other Legal and Regulatory Requirements

(a) As required by Section 143(3) of the Act, based on our audit we report that:

   (A) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (A) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (C) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   (D) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014.

   (E) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors 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 other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (G) In our opinion and according to the information and explanations given to us, the remuneration paid by the companies forming part of the Group to its Director's during the current year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

   (H) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:




   (i) The companies forming part of the Group do not have any pending litigations which would impact the financial position of the Group as at 31 March 2024

   (ii) The companies forming part of the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the companies forming part of the Group.

   (iv) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, outside the Group, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
   (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
   (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   (v) The company has not declared or paid any dividend during the year in accordance with section 123 of the Companies Act 2013", Hence clause not applicable.

   (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is applicable for the financial year ended March 31, 2024.

(b) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company included in the standalone financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

## III. Emphasis Matter

We draw attention to Note 2 to the standalone Ind AS financial statements, which describes the effect of fire occurred in factory premises on November 29, 2023. The accidental expenses on account of fire are duly considered under exceptional item of profit and loss and account and Note 36. Our opinion is not modified in respect of this matter.

## IV. Other Matters

Opening balance with respect to the financial information for the year ended 31 March 2024, included in these Financial Statements, are based on audited Financial Statements for the year ended 31 March 2023, which has been approved by the Company's Board of Directors on May 6, 2023.

Our opinion is not modified in respect of this matter.

**For Birju S. Shah & Associates**
Chartered Accountants | ICAI Firm Reg. No.: 131554W

**Birju S. Shah - Proprietor**
Membership No.: 107086 | UDIN: 24107086BKAPIF3624

**Place:** Surat | **Date:** May 21, 2024



# Annexure A to the Auditor's Report

## The Annexure referred to in our report to the members of AETHER INDUSTRIES LIMITED for the year ended March 31, 2024

On the basis of the information and explanation given to us during the course of our audit, we report that:

i) (A) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ("PPE") including Investment Property and Right of use assets.

(b) The Company has maintained proper records showing full particulars of intangible assets.

(B) The Company has a regular program of physical verification of PPE which, in our opinion is reasonable. The PPE which were to be covered as per the said program have been physically verified by the management during the year. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(C) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Standalone financial statements are held in the name of the Company.

(D) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.

(E) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

ii) (A) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by Management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

(B) Yes, the company has been sanctioned working capital limit exceeding five crores and quarterly returns and statements are in conformity with the books of accounts of the Company.

iii) During the year, the Company has not provided loans or advances in the nature of loans, or stood guarantee, or provided security to any subsidiary, joint venture or associates except loans to the wholly owned subsidiary Company as below:

(A) The Company has provided loans and guarantee (in respect of loans) during the year and details of which are given below:

| Particulars | Loans (Rs. in MM) |
|---|---|
| Aggregate amount granted during the year | |
| • Subsidiary | ₹ 994.94 |
| • Others (loans to employees) | ₹ 10.38 |
| Balance outstanding as at balance sheet date | |
| • Subsidiary | ₹ 994.94 |
| • Others (loans to employees) | ₹ 11.94 |

Apart from above Company has not provided loans, advances in the nature of loans, provided guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties.

(B) In our opinion, the terms and conditions of the grant of all loans are not, prima facie, prejudicial to the Company's interest.

(C) In respect of loans provided to the employees of the company, a proper schedule of the repayment of loan has been stipulated and the repayments are regular.

(D) In respect of loans granted by the company, there is no overdue amount remaining outstanding as at the balance sheet date.

(E) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties

(F) The Company has granted loans to its subsidiaries which are repayable on demand, during the year, details of which are given below:

| Aggregate amount of loans repayable on demand | Subsidiary (Rs. in MM) |
|---|---|
| Loans given to Wholly Owned Subsidiary | ₹ 994.94 |
| Percentage of loans to the total loans | 98.97% |

v) The Company has complied with provisions of Section 185 and 186 of the Act in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi) As explained to us, the Company is maintaining accounts and records prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

vii)(A) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employee's State Insurance, Income Tax, duty of Customs, cess and other statutory dues applicable to it. Further, no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employee's state insurance, income tax, value added tax, cess and any other statutory dues were in arrears, as at March 31, 2024, for a period of more than six months from the date they become payable.

(B) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, duty of Customs, Cess or other statutory dues which have not been deposited by the Company on account of disputes except mentioned below:

| Name of Status | Nature of Dues | Rs in MM | Period to which relate (AY) | Forum |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | ₹ 0.15 | 2017-18 | CIT Appeal |
| Income Tax Act, 1961 | Income Tax | ₹ 0.94 | 2018-19 | CIT Appeal |
| Income Tax Act, 1961 | Income Tax | ₹ 0.10 | 2019-20 | CIT Appeal |

i) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961). Accordingly, the provisions of clause 3(viii)of the Order are not applicable.

ix)(A) The Company has not defaulted in repayment of loan and borrowing or in the payment of interest thereon to any lender.

(B) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(C) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(D) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(E) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, joint venture associates or as defined under the Companies Act, 2013

(F) According to the information and explanations give to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, joint venture associates or as defined under the Companies Act, 2013.

x) (A) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year, and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(B) During the year the Company has raised money by preferential allotment of shares (QIP). The Company has complied with provisions of section 42 and 62 of the Companies Act, 2013 in respect of allotment of shares. The funds have



been used for the purposes for which it were raised.

xi)(A) To the best of our knowledge, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(B) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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

xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii)In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements etc. as required by the applicable accounting standards.

xiv)(A) The company has an adequate internal audit system which commensurate with the size and nature of its business.

We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv) The Company has not entered into any non-cash transactions with directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

xvi)(A) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

The Company has not conducted any Non-BankingFinancial or Housing Finance activities and is not required to obtain CoR for such activities from the Reserve Bank of India.

(A) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(B) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii)The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii)There has been no resignation of the Statutory Auditors of the Company during the year.

xix)On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) There are no unspent amounts towards Corporate Social Responsibility (CSR) as per section 135 of the Act read with rules made thereunder. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable for the year.

xxi)According to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order 2020 (CARO 2020) reports of the companies included in the consolidated financial statements.

**For Birju S. Shah & Associates**
Chartered Accountants | ICAI Firm Reg. No.: 131554W

**Birju S. Shah - Proprietor**
Membership No.: 107086 | UDIN: 24107086BKAPIF3624

**Place:** Surat | **Date:** May 21, 2024

# Annexure B to the Auditor's Report

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of AETHER INDUSTRIES LTD. ("The Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Birju S. Shah & Associates**
Chartered Accountants | ICAI Firm Reg. No.: 131554W

**Birju S. Shah - Proprietor**
Membership No.: 107086 | UDIN: 24107086BKAPIF3624

**Place:** Surat | **Date:** May 21, 2024

# Annexure I - Statement of Assets and Liabilities

In ₹ MM, unless otherwise stated

| Assets | Note | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | ₹ 6,096.69 | ₹ 5,333.54 |
| Capital work-in-progress | 4 | ₹ 2,142.60 | ₹ 371.66 |
| Right-of-use assets | 5 | ₹ 1,326.71 | ₹ 1,122.55 |
| Intangible assets | 6 | ₹ 5.50 | ₹ 5.83 |
| Intangibles under development | 7 | ₹ 50.19 | ₹ 0.00 |
| Financial assets | | | |
| (i) Investments | 8 | ₹ 2.60 | ₹ 2.60 |
| (ii) Other financial assets | 9 | ₹ 90.90 | ₹ 27.01 |
| Other non-current assets | 10 | ₹ 21.07 | ₹ 184.68 |
| **Total non-current assets** | | ₹ 9,736.25 | ₹ 7,047.88 |
| **Current assets** | | | |
| Inventories | 11 | ₹ 3,412.39 | ₹ 2,487.66 |
| Financial assets | | | |
| (i) Investments | 12 | ₹ 0.00 | ₹ 10.01 |
| (ii) Trade receivables | 13 | ₹ 2,299.22 | ₹ 2,589.82 |
| (iii) Cash and cash equivalents | 14 | ₹ 53.54 | ₹ 708.64 |
| (iv) Bank balances other than (iii) above | 15 | ₹ 5,502.65 | ₹ 313.81 |
| (v) Loans | 16 | ₹ 1,056.70 | ₹ 11.38 |
| (vi) Other financial assets | 17 | ₹ 352.18 | ₹ 3.27 |
| Other current assets | 18 | ₹ 1,144.36 | ₹ 626.69 |
| **Total current assets** | | ₹ 13,821.04 | ₹ 6,751.28 |
| **Total assets** | | ₹ 23,557.29 | ₹ 13,799.16 |

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

In ₹ MM, unless otherwise stated

| Equity and Liabilities | Note | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Equity** | | | |
| Equity share capital | 19 | ₹ 1,325.50 | ₹ 1,245.11 |
| Other equity | 20 | ₹ 19,363.82 | ₹ 11,200.98 |
| **Total equity** | | ₹ 20,689.33 | ₹ 12,446.09 |
| **Liabilities** | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 21 | ₹ 0.00 | ₹ 0.00 |
| (ii) Lease liabilities | 22 | ₹ 119.37 | ₹ 145.32 |
| Deferred tax liabilities (net) | 37(d) | ₹ 352.94 | ₹ 267.76 |
| **Total non-current liabilities** | | ₹ 472.31 | ₹ 413.08 |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 23 | ₹ 1,292.03 | ₹ 1.06 |
| (ii) Lease liabilities | 24 | ₹ 24.46 | ₹ 10.76 |
| (iii) Trade payables | 25 | | |
| a) total outstanding dues of MSME | | ₹ 76.59 | ₹ 191.09 |
| b) total outstanding dues of others | | ₹ 861.66 | ₹ 624.09 |
| (iv) Other financial liabilities | 26 | ₹ 114.68 | ₹ 96.92 |
| Other current liabilities | 27 | ₹ 26.23 | ₹ 16.08 |
| **Total current liabilities** | | ₹ 2,395.65 | ₹ 940.00 |
| **Total liabilities** | | ₹ 2,867.96 | ₹ 1,353.08 |
| **Total equity and liabilities** | | ₹ 23,557.29 | ₹ 13,799.16 |

As per our report of even date attached - along with notes 3 to 54.

**For Birju S. Shah & Associates**
Chartered Accountants | ICAI Firm Reg. No.: 131554W

**Birju S. Shah - Proprietor**
Membership No.: 107086 | UDIN: 24107086BKAPIF3624

Place: Surat | Date: May 21, 2024

**For and behalf of Board of Directors**
**Ashwin Desai** - Managing Director DIN: 00038386
**Rohan Desai** - Whole Time Director DIN: 00038379
**Faiz Nagariya** - Chief Financial Officer PAN: ADBPN8514G
**Chitrarth Parghi** - Company Secretary Mem. No.: F12563
Place: Surat | Date: May 21, 2024

# Annexure II - Statement of Profit and Loss

In ₹ MM, unless otherwise stated

| Particulars | Note | For the year ended March 31, 2024 | 2023 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 28 | ₹ 5,956.69 | ₹ 6,510.74 |
| Other Income | 29 | ₹ 442.64 | ₹ 165.65 |
| **Total income** | | ₹ 6,399.33 | ₹ 6,676.39 |
| **Expenses** | | | |
| Cost of materials consumed | 30 | ₹ 3,757.87 | ₹ 3,796.14 |
| Changes in inventories of finished goods and work-in-progress | 31 | (₹ 564.42) | (₹ 622.76) |
| Employee benefits expense | 32 | ₹ 386.11 | ₹ 344.57 |
| Finance costs | 33 | ₹ 85.17 | ₹ 50.93 |
| Depreciation and amortisation expense | 34 | ₹ 394.15 | ₹ 232.45 |
| Other expenses | 35 | ₹ 1,062.66 | ₹ 1,130.27 |
| **Total expenses** | | ₹ 5,121.54 | ₹ 4,931.60 |
| **Profit before exceptional items and tax** | | ₹ 1,277.78 | ₹ 1,744.79 |
| Exceptional items | 36 | ₹ 137.62 | ₹ 0.00 |
| **Profit before tax** | | ₹ 1,140.17 | ₹ 1,744.79 |
| **Tax expense** | 37 | | |
| Current tax | | ₹ 172.90 | ₹ 311.22 |
| Deferred tax | | ₹ 86.29 | ₹ 129.39 |
| **Total tax expense** | | ₹ 259.19 | ₹ 440.61 |
| **Profit for the period (A)** | | ₹ 880.98 | ₹ 1,304.17 |
| **Other comprehensive (loss) / income** | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| (i) Remeasurements of defined benefit liability / (asset) | | (₹ 4.46) | (₹ 1.67) |
| (ii) Income tax relating to remeasurements of defined benefit liability / (asset) | | ₹ 1.12 | ₹ 0.42 |
| **Other comprehensive (loss) / income (B)** | | (₹ 3.34) | (₹ 1.25) |
| **Total comprehensive income for the period (A+B)** | | ₹ 877.64 | ₹ 1,302.92 |



In ₹ MM, unless otherwise stated

| Particulars | Note | For the year ended March 31, 2024 | 2023 |
|---|---|---|---|
| **Earnings per equity share** | 38 | | |
| [nominal value of Rs. 10] | | | |
| Basic | | ₹ 6.74 | ₹ 10.47 |
| Diluted | | ₹ 6.74 | ₹ 10.47 |

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

As per our report of even date attached - along with notes 3 to 54.

**For Birju S. Shah & Associates**
Chartered Accountants | ICAI Firm Reg. No.: 131554W

**Birju S. Shah - Proprietor**
Membership No.: 107086 | UDIN: 24107086BKAPIF3624

Place: Surat | Date: May 21, 2024

**For and behalf of Board of Directors**
**Ashwin Desai** - Managing Director DIN: 00038386
**Rohan Desai** - Whole Time Director DIN: 00038379
**Faiz Nagariya** - Chief Financial Officer PAN: ADBPN8514G
**Chitrarth Parghi** - Company Secretary Mem. No.: F12563
Place: Surat | Date: May 21, 2024

# Annexure III - Statement of Changes in Equity

In ₹ MM, unless otherwise stated

| Particulars | As at March 31, 2024 No. of Shares | As at March 31, 2024 Value | As at March 31, 2023 No. of Shares | As at March 31, 2023 Value |
|---|---|---|---|---|
| (a) Equity share capital | | | | |
| Balance at the beginning of the reporting period | 12,45,10,721 | ₹ 1,245.11 | 11,26,91,397 | ₹ 1,126.91 |
| Change in equity share capital during the period | 80,39,552 | ₹ 80.40 | 1,18,19,324 | ₹ 118.19 |
| Balance at the end of the reporting period | 13,25,50,273 | ₹ 1,325.50 | 12,45,10,721 | ₹ 1,245.11 |

For any subsequent event changes relating to share capital, refer note number 51(a).

| (b) Other equity | Reserves and surplus: Employee Share Option Reserve | Reserves and surplus: Securities Premium | Reserves and surplus: Retained Earnings | Total other Equity |
|---|---|---|---|---|
| Balance as at April 1, 2022 | ₹ 5.96 | ₹ 1,015.73 | ₹ 1,720.29 | ₹ 2,741.98 |
| Total comprehensive income for the year ended March 31, 2023 | | | | |
| Profit for the period | ₹ 0.00 | ₹ 0.00 | ₹ 1,304.17 | ₹ 1,304.17 |
| Other comprehensive income (net of tax) | | | | |
| Remeasurements of defined benefit liability / (asset) | ₹ 0.00 | ₹ 0.00 | (₹ 1.25) | (₹ 1.25) |
| Total comprehensive income | ₹ 5.96 | ₹ 1,015.73 | ₹ 3,023.21 | ₹ 4,044.90 |
| Other movements for the year ended March 31, 2023 | | | | |
| Preferential Allotment of Shares (2024921 Equity Shares of Rs. 10 each at a Premium of Rs. 632 per share) | ₹ 0.00 | ₹ 1,279.75 | ₹ 0.00 | ₹ 1,279.75 |
| Allotment of Shares in IPO (9766355 Equity Shares of Rs. 10 each at a Premium of Rs. 632 per share) | ₹ 0.00 | ₹ 6,172.34 | ₹ 0.00 | ₹ 6,172.34 |
| Shares based payment options outstanding (ESOPs exercised) | (₹ 5.92) | ₹ 5.92 | ₹ 0.00 | ₹ 0.00 |
| Shares based payment options outstanding (ESOPs valuation) | ₹ 15.51 | ₹ 0.00 | ₹ 0.00 | ₹ 15.51 |
| IPO Expenses | ₹ 0.00 | (₹ 319.91) | ₹ 0.00 | (₹ 319.91) |
| Allotment of Shares under exercise of ESOPs (28048 Equity Shares of Rs. 10 each at a Premium of Rs. 311 per share) | ₹ 0.00 | ₹ 8.72 | ₹ 0.00 | ₹ 8.72 |
| Changes in the Lease Liabilities | ₹ 0.00 | ₹ 0.00 | (₹ 0.33) | (₹ 0.33) |
| Balance as at March 31, 2023 | ₹ 15.56 | ₹ 8,162.55 | ₹ 3,022.88 | ₹ 11,200.98 |



In ₹ MM, unless otherwise stated

| (b) Other equity | Reserves and surplus: Employee Share Option Reserve | Reserves and surplus: Securities Premium | Reserves and surplus: Retained Earnings | Total other Equity |
|---|---|---|---|---|
| Balance as at April 1, 2023 | ₹ 15.56 | ₹ 8,162.55 | ₹ 3,022.88 | ₹ 11,200.98 |
| Total comprehensive income for the year ended March 31, 2024 | | | | |
| Profit for the period | ₹ 0.00 | ₹ 0.00 | ₹ 880.98 | ₹ 880.98 |
| Other comprehensive income (net of tax) | | | | |
| Remeasurements of defined benefit liability/(asset) | ₹ 0.00 | ₹ 0.00 | (₹ 3.34) | (₹ 3.34) |
| Total comprehensive income | ₹ 15.56 | ₹ 8,162.55 | ₹ 3,900.52 | ₹ 12,078.62 |
| Other movements for the year ended March 31, 2024 | | | | |
| Allotment of Shares in QIP (8012820 Equity Shares of Rs. 10 each at a Premium of Rs. 926 per share) | ₹ 0.00 | ₹ 7,419.87 | ₹ 0.00 | ₹ 7,419.87 |
| Shares based payment options outstanding (ESOPs exercised) | (₹ 6.07) | ₹ 6.07 | ₹ 0.00 | ₹ 0.00 |
| Shares based payment options outstanding (ESOPs valuation) | ₹ 36.76 | ₹ 0.00 | ₹ 0.00 | ₹ 36.76 |
| QIP Expenses | ₹ 0.00 | (₹ 180.63) | ₹ 0.00 | (₹ 180.63) |
| Allotment of Shares under exercise of ESOPs (26732 Equity Shares of Rs. 10 each at a Premium of Rs. 311 per share) | ₹ 0.00 | ₹ 8.31 | ₹ 0.00 | ₹ 8.31 |
| Changes in the Lease Liabilities | ₹ 0.00 | ₹ 0.00 | ₹ 0.89 | ₹ 0.89 |
| Balance as at March 31, 2024 | ₹ 46.24 | ₹ 15,416.17 | ₹ 3,901.41 | ₹ 19,363.82 |

Nature and purpose of reserves
I) Retained earnings
Retained earnings comprises of undistributed earnings after taxes.
II)Securities premium
Securities premium account is used to record the premium on issue of shares and the IPO expenses have been netted off from the same.
III)Employee share option
Employee share options pending to be exercised are recorded here.

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

As per our report of even date attached - along with notes 3 to 54

**For Birju S. Shah & Associates**
Chartered Accountants | ICAI Firm Reg. No.: 131554W

**Birju S. Shah - Proprietor**
Membership No.: 107086 | UDIN: 24107086BKAPIF3624

Place: Surat | Date: May 21, 2024

**For and behalf of Board of Directors**
**Ashwin Desai** - Managing Director DIN: 00038386
**Rohan Desai** - Whole Time Director DIN: 00038379
**Faiz Nagariya** - Chief Financial Officer PAN: ADBPN8514G
**Chitrarth Parghi** - Company Secretary Mem. No.: F12563
Place: Surat | Date: May 21, 2024

# Annexure IV - Statement of Cash Flows

In ₹ MM, unless otherwise stated

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| A. Cash flow from operating activities | | |
| Profit before tax | ₹ 1,140.17 | ₹ 1,744.79 |
| Adjustments to reconcile profit before tax to net cash flows | | |
| Net unrealised foreign exchange (gain)/loss | ₹ 6.91 | ₹ 3.85 |
| Finance costs | ₹ 85.17 | ₹ 50.93 |
| Interest income | (₹ 335.39) | (₹ 74.31) |
| Income from Mutual Funds | (₹ 5.38) | (₹ 8.55) |
| Depreciation and amortisation expenses | ₹ 394.15 | ₹ 232.45 |
| Other Non-cash items | (₹ 13.86) | ₹ 0.00 |
| Operating profit before working capital changes | ₹ 1,271.77 | ₹ 1,949.15 |
| Movement in working capital: | | |
| (Increase) / Decrease in trade receivables | ₹ 290.60 | (₹ 955.02) |
| (Increase) / Decrease in current investments | ₹ 10.01 | ₹ 160.10 |
| (Increase) / Decrease in inventories | (₹ 924.73) | (₹ 860.22) |
| (Increase) / Decrease in other current assets | (₹ 517.67) | (₹ 152.35) |
| (Increase) / Decrease in other financial assets | (₹ 109.89) | (₹ 7.40) |
| Increase / (Decrease) in trade payables | ₹ 123.06 | ₹ 116.64 |
| Increase / (Decrease) in other current liabilities | ₹ 10.15 | ₹ 1.41 |
| Cash generated from operations | ₹ 153.30 | ₹ 252.31 |
| Net income tax (paid) | (₹ 172.90) | (₹ 317.84) |
| Net cash from operating activities (A) | (₹ 19.60) | (₹ 65.52) |
| B. Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (₹ 1,374.33) | (₹ 4,014.20) |
| Capital work in progress and capital advance | (₹ 1,657.52) | ₹ 447.72 |
| Dividend from current investments | ₹ 38.10 | ₹ 82.86 |
| Long Term Investments | ₹ 0.00 | (₹ 0.50) |
| Unsecured Loan to Subsidiary | (₹ 994.94) | ₹ 0.00 |
| Net cash used in investing activities (B) | (₹ 3,988.69) | (₹ 3,484.14) |



In ₹ MM, unless otherwise stated

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| C. Cash flows from financing activities | | |
| Proceeds / (Repayment) from long-term borrowings | ₹ 0.00 | (₹ 1,510.33) |
| Proceeds / (Repayment) of borrowings (Unsecured) | ₹ 0.00 | (₹ 449.20) |
| Proceeds / (repayment) from working capital facilities (net) | ₹ 1,292.03 | (₹ 890.16) |
| Preferential allotment of Shares | ₹ 0.00 | ₹ 1,300.00 |
| QIP/IPO - allotment of Shares | ₹ 7,500.00 | ₹ 6,270.00 |
| ESOPs - allotment of Shares | ₹ 8.58 | ₹ 9.00 |
| QIP/IPO Expenses | (₹ 180.63) | (₹ 319.91) |
| Proceeds / (repayment) of Other Financial liabilities | ₹ 17.76 | ₹ 33.46 |
| Interest paid | (₹ 69.49) | (₹ 50.93) |
| Lease Liability paid | (₹ 26.23) | ₹ 0.00 |
| Net cash used in financing activities ( C ) | ₹ 8,542.03 | ₹ 4,391.95 |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | ₹ 4,533.74 | ₹ 842.29 |
| Effect of exchange differences on account of foreign currency Cash and cash equivalents | ₹ 0.00 | ₹ 0.00 |
| Cash and cash equivalents at the beginning of the period / year | ₹ 1,022.45 | ₹ 180.16 |
| Cash and cash equivalents at the end of the period / year | ₹ 5,556.19 | ₹ 1,022.45 |

Notes

| | | |
|---|---|---|
| 1. Cash and cash equivalents include | | |
| Cash on hand | ₹ 1.22 | ₹ 1.07 |
| Balances with bank | | |
| - Current accounts | ₹ 9.15 | ₹ 1.61 |
| - EEFC accounts | ₹ 37.72 | ₹ 148.30 |
| - Cash Credit accounts | ₹ 5.45 | ₹ 557.66 |
| Other bank balances | ₹ 5,502.65 | ₹ 313.81 |
| Total | ₹ 5,556.19 | ₹ 1,022.45 |

The above cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - on Statement of Cash Flows as notified under Companies (Accounts) Rules, 2015.

# Annexure IV - Statement of Cash Flows

In ₹ MM, unless otherwise stated

| Significant non-cash movement in investing and financing activities | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Foreign exchange fluctuations | ₹ 14.26 | (₹ 4.81) |
| Acquisition of Right-of-use assets with corresponding impact to lease liabilities | ₹ 247.06 | ₹ 932.85 |

As per our report of even date attached.

**For Birju S. Shah & Associates**
Chartered Accountants | ICAI Firm Reg. No.: 131554W

**Birju S. Shah** - Proprietor
Membership No.: 107086 | UDIN: 24107086BKAPIF3624

Place: Surat | Date: May 21, 2024

**For and behalf of Board of Directors**
**Ashwin Desai** - Managing Director DIN: 00038386
**Rohan Desai** - Whole Time Director DIN: 00038379
**Faiz Nagariya** - Chief Financial Officer PAN: ADBPN8514G
**Chitrarth Parghi** - Company Secretary Mem. No.: F12563
Place: Surat | Date: May 21, 2024



# Annexure V - Material accounting policies

## 1. Reporting Entity

Aether Industries Ltd (Aether) was incorporated on January 23, 2013 as a Public Limited Company under the Companies Act, 1956 (as amended in 2013). It is engaged in the business of Specialty Chemicals and Intermediates. The products of the Company find application in various sectors like Pharmaceuticals, Agrochemicals, Specialty, Electronic Chemicals, Material Sciences, High Performance Photography etc. The CIN of the Company is L24100GJ2013PLC073434.

Between the year 2013 and early year 2015, the Promoters acquired a leased premise at GIDC Industrial Estate, Hojiwala, Sachin, Surat and established their Laboratory, Research & Development and Pilot Plant facilities. The Promoters realized at the conceptual stage itself that Specialty Chemicals is essentially a “Research & Knowledge” driven Industry, and identification of the ‘Chemistries’ and ‘Technologies’ before constructing the main plant, through Laboratory/R&D/Pilot facilities was a necessary pre-requisite. The period up to 2015 was hence utilized for installing Lab/R&D/Pilot Plants, developing several products/processes (up to Pilot stage), showcasing the Company’s capabilities through various International Exhibitions/Conferences etc., effecting trial samples/supplies, facing rigorous audits from prospective International Buyers etc.

After meeting with a fair degree of success and acceptance from the targeted buyers, the Company acquired about 10500 Sq. Mtrs. of land at the GIDC Industrial Estate, Sachin, Surat in February 2015 for setting up its main plant. The plant stood commissioned as per schedule, and the first stream went into operations in October 2016 / November 2016. Meanwhile, certain modifications /up-gradations /automations were carried out during implementation.

The Company in January 2023, launched its Site 3 at Plot No. 8202/1, Road No. 8, GIDC Industrial Estate, Sachin, Surat -394230 and launched 5 new products there. Further, the Company also incorporated its 100% Wholly Owned Subsidiary in September 2022, which was named as Aether Speciality Chemicals Limited, with an aim to get more and new products in this subsidiary and save income tax (Income Tax section 115BAB) by starting the production by or before March 31, 2024. The operations started in March 2024 for Aether Speciality Chemicals Limited.

The Company was able to carry on with the success with which they started of with the first Project which was ready by November 2016, by way of achieving total revenues of Rs. 248.60 MM in FY 2016-17, Rs. 1091.90 MM in FY 2017-18, Rs. 2,032.77 MM in FY 2018-19, Rs. 3,037.81 MM in FY 2019-20 and Rs. 4,537.89 MM in FY 2020-21, Rs. 5,970.21 MM in FY 2021-22 and Rs. 6,676.39 MM in FY 2022-23.

The Company, because of its continuous growth and increasing demands for the products, along with the necessity to launch new products for various applications, has once again planned for yet another expansion. For the said new expansion, the Company has procured Plot of Land in GIDC Industrial Estate, Panoli admeasuring 126200 Sq. Mtrs. and the same is located just 55 Kms or 1 hour drive from the current locations in GIDC, Sachin.

The Company achieved Sales Turnover of Rs. 5,956.69 MM and Total Revenue of Rs. 6,399.33 MM in 2023-24 with an EBITDA Margin of 25.31%.

Production capacity of 9596 MTPA (March 31, 2023: 9596 MTPA) is available in our state-of-art and DCS automated manufacturing facilities, Site II (6096 MTPA) and Site III (3500 MTPA). Aether is also a leading CRAMS (contract research and manufacturing services) provider, built upon technology intensive and state-of-art R&D and pilot plant facilities. All of our R&D, pilot, CRAMS, and large scale manufacturing facilities are capable of switching between batch and continuous process technology.

Aether is based on a core competency model of cutting-edge chemistry and technology competencies.

Aether’s business models include Large Scale Manufacturing of Speciality Chemicals, Contract Manufacturing and Contract Research And Manufacturing Services (CRAMS).

## 2. Summary of Material Accounting Policies

The Ind AS Financial Statements comprise of the Audited Statement of Assets and Liabilities as at March 31, 2024 and as at March 31, 2023, the related Audited Ind AS Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Statement of Cash Flows for the year ended March 31, 2024 and March 31, 2023 respectively and the Significant Accounting Policies and Other Financial Information.

# Annexure V - Material accounting policies

These Standalone Financial Statements have been prepared in terms of the requirements of: (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act"); (b) relevant provisions of the SEBI ICDR Regulations; and (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

## 2.1 Basis of preparation and presentation of financial statements

### Compliance with Ind AS

The Standalone Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

Effective April 1, 2018, the Company has adopted all the Ind AS and the adoption has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards, with April 1, 2018 a the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, which was the previous GAAP.

### A. Basis of preparation

(i) The Audited Ind AS Statement of Assets and Liabilities of the Company as at March 31, 2024 and March 31, 2023 respectively and the Audited Ind AS Statement of Profit and Loss, Audited Ind AS Statement of Changes in Equity and Audited Ind AS Statement of Cash Flows for the year ended March 31, 2024 and March 31, 2023 respectively (hereinafter collectively referred to as "Ind AS Financial Information") have been prepared under Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act as amended from time to time.

(ii) The audited financial statements of the Company as at and for the year ended March 31, 2024 prepared in accordance with recognition and measurement principles under Indian Accounting Standard ('Ind AS') 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 21, 2024.

The Board of Directors approved the Financial Statements as per the Ind AS, for the year ended on March 31, 2024 along with Financial Statements for the year ended March 31, 2023 and authorised to issue the same vide resolution passed in the Board Meeting held on May 21, 2024.

### B. Basis of measurement

The Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013. The exceptions to the same are:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of define benefit obligations.

### C. Current and non-current classification of assets and liabilities

The Assets and Liabilities and the Statement of Profit & Loss, including related notes, are prepared and presented as per the requirements of Schedule III (Division II) to the Companies Act, 2013. All assets and liabilities have been classified and disclosed as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III. Based on the nature of products and the time between the acquisition of assets for processing and their realization into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.

D. Functional and presentation currency
The functional and presentation currency in these Financial Statements is INR and all amounts are rounded to nearest MM, up to 2 decimal places, unless otherwise stated.

E. Use of judgements, estimates and assumptions
The preparation of Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and the disclosure of the contingent liabilities on the date of the preparation of Financial Statements. Such estimates are on a reasonable and prudent basis considering all available information, however due to uncertainties about these judgements, estimates and assumptions, the actual results could differ from those estimates. Information about each of these estimates and judgements is included in relevant notes. Any revision to accounting estimates is recognised prospectively in current and future periods.

### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Financial Statements is included in the following notes:

Note No. 44 - classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

### Assumption and estimation of uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment, assumptions and estimation uncertainties are provided here, whereas the quantitative break-ups for the same are provided in the notes mentioned below:

- Note 3 and Note 6: Useful life of depreciable assets, Property, Plant and Equipment and Other Intangible Assets
- Note 38: Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources
- Note 37: Recognition of tax expenses including deferred tax
- Note 46: Defined benefit obligation, key actuarial assumptions
- Note 12: Impairment of trade receivables
- Note 10: Valuation of Inventories

### Going concern assumption

These Financial Statements have been prepared on a going concern basis. The management has, given the significant uncertainties arising out of the various situations, assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of this Financial Statements. Based on this evaluation, management believes that the Company will be able to continue as a "going concern" in the foreseeable future and for a period of at least twelve months from the date of these Financial Statements based on the following:

- Expected future operating cash flows based on business projections, and
- Available credit facilities with its bankers

Based on the above factors, the management has concluded that the "going concern" assumption is appropriate. Accordingly, the Financial Statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a going concern.

On November 29, 2023, an accidental fire broke out at our Manufacturing Facility – II which is situated at Plot No. 8203, Road No. 8, GIDC Industrial Estate, Sachin, Surat - 394230, Gujarat (India).

This fire accident has adversely impacted the Manufacturing Facility 2, mainly damaging Plant 2 (fully), Plan 1 and Tank Farm (partially). This Site – II had been contributing the major share to revenue from operations and hence, the fire accident has hampered the revenues of the Company in FY 2023-24, as the entire Site – II was closed for at least three months. Revocation permission for unaffected plants at Site – II were received from GPCB and DISH, which helped the Company revive the Site for last month only.
The Company has, due to this fire accident, suffered loss of Fixed Assets (Plant & Machinery, Equipment, Furniture & Fixtures, and others), Inventories (mostly Semi Finished and Finished Goods at the shop floor) and Loss of Profit.

The Company is adequately insured to the extent of damage occurred in the fire accident, including impacted property, plant & equipment, inventories and the loss of profit.

The impact of loss is being assessed for the fixed assets and the survey is ongoing by the insurance surveyor, hence the loss is yet to be ascertained. Loss of inventory is Rs. 138.97 MM due to this fire accident, which has been assessed and written off for in FY 2023-24 itself. The claim will be settled in the coming FY 2024-25. Insurance claim for loss of profit, will be assessed once the claim for fixed assets and inventory is settled in FY 2024-25.

Final claim amount from the Insurance Company will be completed in FY 2024-25 and any gain / loss will be booked in the said financial year.

This fire accident has not affected our "Going Concern" assumption. Accordingly, the Company will continue as a going concern.

### Reclassification

The company reclassifies comparative amounts, unless impracticable and whenever the company changes the presentation or classification of items in its financial statements materially. No such material reclassification has been made during the year.

## 2.2 Property, Plant And Equipment

### Recognition and measurement

The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of transition date measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase price (after deducting trade discount / rebate), non-refundable import duties and taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Spares parts procured along with the Plant and Equipment or subsequently having value of Rs. 50,000 or more individually which meets the recognition criteria of PPE are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced are de-recognized when no future economic benefits are expected from their use or upon disposal. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is de-recognised on disposal or when no future economic benefits are expected from use. Any profit or loss arising on the de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

### Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The cost of the day-to-day servicing the property, plant and equipment are recognised in the statement of profit and loss as incurred.

### Disposal

An item of property, plant and equipment is de-recognised upon the disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income / expenses in the statement of profit and loss.

### Depreciation

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is de-recognised.

The insurance claim is being assessed at the moment and hence, the depreciation as per the Companies Act, 2013 and the Income Tax Act, 1961 is being continued to charge on the entire book value and written down value respectively.

The management has estimated the useful life of the Tangible Assets as mentioned below:

| Asset Class | Years |
|---|---|
| Factory Building | 30 |
| Other Building | 10 |
| Plant & Machinery | 20 |
| Plant & Machinery (Pipelines) | 15 |
| Office Equipment | 5 |
| Factory Equipment | 10 |
| Computer Equipment (Servers & Networks) | 6 |
| Computer Equipment (Others) | 3 |
| Other Equipment | 10 |
| Furniture & Fixtures | 10 |
| Vehicle Equipment | 8 |

### Impairments of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where 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 the 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 the fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount, Impairment losses are recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## 2.3 Intangible assets

### Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Expenditure on Research activities is recognised in the statement of Profit and Loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and to use or sell the asset.

Intangible assets which comprise of the development expenditure incurred on new product and expenditure incurred on acquisition of user licenses for computer software are recorded at their acquisition price.

### Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

### Amortisation

The useful lives of intangible sets are assessed as either finite of indefinite.

Intangible assets i. e., computer software is amortized on a straight-line basis over the period of expected future benefits commencing from the date the asset is available for its use.

The management has estimated the useful life of the Intangible Assets as mentioned below:

| Asset Class | Years |
|---|---|
| Software & Licenses | 6 |
| Trade Marks | 4 |
| Other Assets | 4 |

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

### Disposal

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 de-recognized.

## 2.4. Financial Assets

### A. Fair Value Assessment

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined in such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

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

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

The Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

### B. Subsequent Measurement

For purposes of subsequent measurement financial assets are classified in three categories:
- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

### C. Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate ('EIR') method, less impairment. Amortized 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 amortization is included in finance income in the Statement of Profit And Loss. The losses arising from impairment are recognized in the Statement of Profit And Loss.

### D. Financial assets at fair value through OCI ('FVTOCI')



Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit And Loss. On de-recognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss.

### E. Financial assets at fair value through profit or loss ('FVTPL')

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit And Loss.

### F. De-recognition

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

### G. Impairment of Financial Assets

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI

ECL is measured through a loss allowance on a following basis:

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within
- 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

## 2.5. Financial Liabilities

The Company's financial liabilities include trade payable.

### A. Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit And Loss.

### B. Subsequent measurement

The subsequent measurement of financial liabilities depends upon the classification as described below:-

(i) Financial Liabilities classified as Amortised Cost - Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. 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. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit And Loss.

(ii) Financial Liabilities classified as FVTPL - Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

Exports benefits are accounted for in the year of exports based on the eligibility and when there is certainty of receiving the same.

(iii) De-recognition - A financial liability is de-recognised when the obligation under the liability is discharged / cancelled / expired. 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 de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit And Loss.

(iv) Offsetting of financial instruments - Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Other incomes, other than interest and dividend are recognized when the same are due to be received and right to receive such other income is established.

### 2.6. Share Capital and Share Premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

### 2.7. Dividend Distribution to equity shareholders

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity.

### 2.8. Cash Flows and Cash and Cash Equivalents

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

The Company is banking with the below mentioned Banks for its Working Capital and Banking Requirements:
(i) ICICI Bank Ltd.
(ii) HDFC Bank Ltd.
(iii) State Bank of India

### 2.9. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) 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. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, 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 costs.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

Claim receivable from insurance company, on account of Fire Accident on November 29, 2023 for fixed assets and loss of profit, is still under assessment and hence, the same is not recognised nor contingent asset is created in FY 2023-24.

### 2.10. Revenue Recognition and Other Income

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. 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.

Revenue from sale of goods is recognized, when the control is transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Interest income or expense is recognised using the effective interest rate method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

### 2.11. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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 Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
    - the Company has the right to operate the asset; or
    - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

#### Company as Lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets re determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to e payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leasehold land is amortised over the period of lease remaining as on the date of purchase.

### Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liability for the short-term leases that have lease term of 12 months of less and leases of low-value assets. The Company recognises the lease payments associated with such leases as an expense on a straight-line basis over the lease term.

## 2.12. Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and the a tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax base 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:
- When the deferred tax liability arises from the initial recognition of goodwill or 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,
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they 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 (including unabsorbed depreciation) 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 assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

## 2.13 Current versus Non-Current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

(a) An asset is current when it is:
- Expected to be realized or intended to be sold or consumed in the 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.

All other assets are classified as non-current.

(b) liability is current when:
- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is 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 liabilities are classified as non-current.

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

(d) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

## 2.14 Employee benefits

(i) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Un-discounted value of benefits such as salaries, incentives, allowances and bonus are recognized in the period in which the employee renders the related service.

(ii) Long term employee benefits

Defined Contribution Plans:
The Company contributes to the employee's approved provident fund scheme. The Company's contribution paid/payable under the scheme is recognized as an

expense in the statement of profit and loss during the period in which the employee renders the related services.

Defined Benefit Plans:
Gratuity Liability is a defined benefit obligation and is provided on the basis of an actuarial valuation model made at the end of each quarter. The Gratuity Liability is funded by the Company by maintaining the funds with a separate Asset Management Company, i. e., LIC of India. Contributions to such fund is charged to Profit & Loss Account. Actuarial Valuation of the Gratuity is done at the end of the Financial Year and accounted for accordingly.

### 2.15 Trade Receivables

Trade Receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered as doubtful.

### 2.16 Inventories

(i) Raw Materials, Work in Progress, Finished Goods, Packing Materials, Stores, Spares and Consumables are carried at the lower of cost and net realisable value.
(ii) In determining the cost of Raw Materials, Packing Materials, Stores, Spares and Consumables, FIFO Method is used. Cost of Inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
(iii) Cost of Finished Goods includes the cost of Raw Materials, Packing Materials, an appropriate share of fixed and variable production overheads, indirect taxes as applicable and other costs incurred in bringing the inventories to their present location and condition.
(iv) Cost of Stock in Trade procured for specific projects is assigned by specific identification of individual costs of each item

### 2.17 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset, that necessarily takes substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost an other costs that an entity incurs in connection with the borrowings of the funds.

### 2.18 Earnings per Share

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

- Diluted EPS adjust the figures used in the determination of basic EPS to consider.
- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### 2.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company have been identified as being the Chief Operating Decision Maker by the management of the Company.

### 2.20 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monitory assets and liabilities that are measured at



fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monitory items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Statement of Profit and Loss.

### 2.21 Government grants and subsidies

Grants / subsidies that compensate the Company for expenses incurred are recognised in the Statement of Profit and Loss as other operating income on a systematic basis in the periods in which such expenses are recognised.

### Export incentives

Export incentives under various schemes notified by the government are recognised when no significant uncertainties as to the amount of consideration that would be derived and that the Company will comply with the conditions associated with the grant and ultimate collection exist.

### 2.22 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the Financial Statements is required to be disclosed.

# Annexure VI - Notes to the financial information

In ₹ MM, unless otherwise stated

3. Property, plant and equipment

| Particulars | Gross Block | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2023 | Additions | Disposals | As at March 31, 2024 | As at April 1, 2023 | Charge** | Disposals | As at March 31, 2024 | As at April 1, 2023 | As at March 31, 2024 |
| Freehold land* | ₹ 0.00 | ₹ 12.43 | ₹ 0.00 | ₹ 12.43 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 12.43 |
| Factory building | ₹ 677.83 | ₹ 148.80 | ₹ 0.00 | ₹ 826.63 | ₹ 50.06 | ₹ 23.78 | ₹ 0.00 | ₹ 73.84 | ₹ 627.77 | ₹ 752.79 |
| Other building | ₹ 21.11 | ₹ 0.00 | ₹ 0.00 | ₹ 21.11 | ₹ 12.53 | ₹ 2.01 | ₹ 0.00 | ₹ 14.54 | ₹ 8.58 | ₹ 6.57 |
| Plant and machinery | ₹ 4,507.37 | ₹ 738.67 | ₹ 0.00 | ₹ 5,246.04 | ₹ 410.00 | ₹ 247.38 | ₹ 0.00 | ₹ 657.39 | ₹ 4,097.36 | ₹ 4,588.65 |
| Office equipment | ₹ 45.35 | ₹ 23.50 | ₹ 0.00 | ₹ 68.85 | ₹ 16.38 | ₹ 8.36 | ₹ 0.00 | ₹ 24.73 | ₹ 28.98 | ₹ 44.12 |
| Factory equipment (electric) | ₹ 463.51 | ₹ 81.92 | ₹ 0.00 | ₹ 545.43 | ₹ 70.96 | ₹ 47.56 | ₹ 0.00 | ₹ 118.52 | ₹ 392.56 | ₹ 426.91 |
| Computer equipment | ₹ 59.57 | ₹ 44.00 | ₹ 0.00 | ₹ 103.57 | ₹ 36.51 | ₹ 13.08 | ₹ 0.00 | ₹ 49.59 | ₹ 23.06 | ₹ 53.98 |
| Other equipment (laboratory) | ₹ 148.14 | ₹ 50.17 | ₹ 0.00 | ₹ 198.31 | ₹ 38.09 | ₹ 13.89 | ₹ 0.00 | ₹ 51.98 | ₹ 110.05 | ₹ 146.33 |
| Furniture and fixtures | ₹ 49.22 | ₹ 16.26 | ₹ 0.00 | ₹ 65.48 | ₹ 12.38 | ₹ 5.19 | ₹ 0.00 | ₹ 17.57 | ₹ 36.85 | ₹ 47.91 |
| Vehicle equipment | ₹ 11.50 | ₹ 10.58 | ₹ 0.00 | ₹ 22.07 | ₹ 3.16 | ₹ 1.92 | ₹ 0.00 | ₹ 5.08 | ₹ 8.34 | ₹ 16.99 |
| Total | ₹ 5983.61 | ₹ 1126.31 | ₹ 0.00 | ₹ 7,109.92 | ₹ 650.07 | ₹ 363.16 | ₹ 0.00 | ₹ 1,013.23 | ₹ 5,333.54 | ₹ 6,096.69 |

| Particulars | As at April 1, 2022 | Additions | Disposals | As at March 31, 2023 | As at April 1, 2022 | Charge** | Disposals | As at March 31, 2023 | As at April 1, 2022 | As at March 31, 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| Freehold land* | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Factory building | ₹ 332.39 | ₹ 345.44 | ₹ 0.00 | ₹ 677.83 | ₹ 37.93 | ₹ 12.13 | ₹ 0.00 | ₹ 50.06 | ₹ 294.47 | ₹ 627.77 |
| Other building | ₹ 21.11 | ₹ 0.00 | ₹ 0.00 | ₹ 21.11 | ₹ 10.53 | ₹ 2.01 | ₹ 0.00 | ₹ 12.53 | ₹ 10.58 | ₹ 8.58 |
| Plant and machinery | ₹ 2,068.28 | ₹ 2,439.09 | ₹ 0.00 | ₹ 4,507.37 | ₹ 267.56 | ₹ 142.44 | ₹ 0.00 | ₹ 410.00 | ₹ 1,800.72 | ₹ 4,097.36 |
| Office equipment | ₹ 23.94 | ₹ 21.42 | ₹ 0.00 | ₹ 45.35 | ₹ 10.73 | ₹ 5.65 | ₹ 0.00 | ₹ 16.38 | ₹ 13.21 | ₹ 28.98 |
| Factory equipment (electric) | ₹ 208.03 | ₹ 255.49 | ₹ 0.00 | ₹ 463.51 | ₹ 47.24 | ₹ 23.72 | ₹ 0.00 | ₹ 70.96 | ₹ 160.79 | ₹ 392.56 |
| Computer equipment | ₹ 38.70 | ₹ 20.87 | ₹ 0.00 | ₹ 59.57 | ₹ 28.25 | ₹ 8.26 | ₹ 0.00 | ₹ 36.51 | ₹ 10.45 | ₹ 23.06 |
| Other equipment (laboratory) | ₹ 71.00 | ₹ 77.15 | ₹ 0.00 | ₹ 148.14 | ₹ 28.27 | ₹ 9.82 | ₹ 0.00 | ₹ 38.09 | ₹ 42.73 | ₹ 110.05 |
| Furniture and fixtures | ₹ 25.20 | ₹ 24.03 | ₹ 0.00 | ₹ 49.22 | ₹ 8.67 | ₹ 3.70 | ₹ 0.00 | ₹ 12.38 | ₹ 16.52 | ₹ 36.85 |
| Vehicle equipment | ₹ 7.95 | ₹ 3.55 | ₹ 0.00 | ₹ 11.50 | ₹ 2.14 | ₹ 1.02 | ₹ 0.00 | ₹ 3.16 | ₹ 5.81 | ₹ 8.34 |
| Total | ₹ 2,796.59 | ₹ 3,187.02 | ₹ 0.00 | ₹ 5,983.61 | ₹ 441.31 | ₹ 208.76 | ₹ 0.00 | ₹ 650.07 | ₹ 2,355.28 | ₹ 5,333.54 |

* Freehold Land, re-classified from Leasehold Land (in FY 2023-24.

** With respect to the fire accident dated November 29, 2023, the insurance claim process is progressive at the moment and hence, the depreciation as per the Companies Act, 2013 and the Income Tax Act, 1961 is being continued to charge on the entire book value and written down value respectively. The insurance claim is being assessed at the moment and hence, the impairment has not been charged.
Any deficit / surplus in the amount of insurance claim shall be recorded as expense / income upon final settlement of claim.

In ₹ MM, unless otherwise stated

## 4. Capital work-in-progress

| Particulars | As at April 1, 2023 | Additions | Capitalised | As at March 31, 2024 |
|---|---|---|---|---|
| Capital work-in-progress | ₹ 371.66 | ₹ 3,185.57 | (₹ 1,414.63) | ₹ 2,142.60 |
| Total | ₹ 371.66 | ₹ 3,185.57 | (₹ 1,414.63) | ₹ 2,142.60 |

Additional disclosures as per Schedule -III requirement:

| Amount in CWIP for a period of | Projects in progress | | Projects temporarily suspended | |
|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Less than 1 Year | ₹ 2,041.17 | ₹ 182.85 | ₹ 0.00 | ₹ 0.00 |
| 1-2 Years | ₹ 101.42 | ₹ 188.81 | ₹ 0.00 | ₹ 0.00 |
| 2-3 Years | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| More than 3 Years | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 2,142.60 | ₹ 371.66 | ₹ 0.00 | ₹ 0.00 |

Note: There are no projects as at reporting date which has exceeded cost as compare to its original approved plan.

## 5. Right-of-use assets

| Particulars | Gross Block | | | |
|---|---|---|---|---|
| | As at April 1, 2023 | Additions | Disposals | As at March 31, 2024 |
| Leasehold land* | ₹ 986.00 | ₹ 247.06 | ₹ 12.43 | ₹ 1,220.63 |
| Properties (Land & Building) | ₹ 183.53 | ₹ 0.00 | ₹ 11.41 | ₹ 172.12 |
| Total | ₹ 1,169.53 | ₹ 247.06 | ₹ 23.84 | ₹ 1,392.75 |

| Particulars | As at April 1, 2022 | Additions during the year | Disposal during the year | As at March 31, 2023 |
|---|---|---|---|---|
| Leasehold land | ₹ 162.34 | ₹ 823.66 | ₹ 0.00 | ₹ 986.00 |
| Properties (Land & Building) | ₹ 74.34 | ₹ 109.19 | ₹ 0.00 | ₹ 183.53 |
| Total | ₹ 236.68 | ₹ 932.85 | ₹ 0.00 | ₹ 1,169.53 |

* Freehold Land, re-classified from Leasehold Land (in FY 2023-24.



In ₹ MM, unless otherwise stated

| Particulars | Capital work-in-progress | | | |
|---|---|---|---|---|
| | As at April 1, 2022 | Additions | Capitalised | As at March 31, 2023 |
| Capital work-in-progress | ₹ 577.42 | ₹ 3,915.11 | (₹ 4,120.86) | ₹ 371.66 |
| Total | ₹ 577.42 | ₹ 3,915.11 | (₹ 4,120.86) | ₹ 371.66 |

| Amortisation | | | | Net Block | |
|---|---|---|---|---|---|
| As at April 1, 2023 | Additions | Disposals | As at March 31, 2024 | As at April 1, 2023 | As at March 31, 2024 |
| ₹ 11.46 | ₹ 12.26 | ₹ 0.00 | ₹ 23.72 | ₹ 974.54 | ₹ 1,196.91 |
| ₹ 35.51 | ₹ 17.44 | ₹ 10.61 | ₹ 42.34 | ₹ 148.02 | ₹ 129.78 |
| ₹ 46.97 | ₹ 29.70 | ₹ 10.61 | ₹ 66.06 | ₹ 1,122.55 | ₹ 1,326.69 |

| As at April 1, 2022 | Charge for the period | Disposal during the | As at March 31, 2023 | As at April 1, 2022 | As at March 31, 2023 |
|---|---|---|---|---|---|
| ₹ 6.68 | ₹ 4.78 | ₹ 0.00 | ₹ 11.46 | ₹ 155.66 | ₹ 974.54 |
| ₹ 18.79 | ₹ 16.72 | ₹ 0.00 | ₹ 35.51 | ₹ 55.55 | ₹ 148.02 |
| ₹ 25.47 | ₹ 21.50 | ₹ 0.00 | ₹ 46.97 | ₹ 211.21 | ₹ 1,122.55 |

In ₹ MM, unless otherwise stated

6.Intangible assets

| | Gross Block | | | |
|---|---|---|---|---|
| Particulars | As at April 1, 2023 | Additions | Disposal | As at March 31, 2024 |
| Computer Software | ₹ 14.71 | ₹ 0.96 | ₹ 0.00 | ₹ 15.67 |
| Others | ₹ 2.40 | ₹ 0.00 | ₹ 0.00 | ₹ 2.40 |
| Total | ₹ 17.11 | ₹ 0.96 | ₹ 0.00 | ₹ 18.07 |

| Particulars | As at April 1, 2022 | Additions | Disposal | As at March 31, 2023 |
|---|---|---|---|---|
| Computer Software | ₹ 11.94 | ₹ 2.77 | ₹ 0.00 | ₹ 14.71 |
| Others | ₹ 1.64 | ₹ 0.75 | ₹ 0.00 | ₹ 2.40 |
| Total | ₹ 13.58 | ₹ 3.53 | ₹ 0.00 | ₹ 17.11 |

7. Intangible assets under development

| | Gross Block | | | |
|---|---|---|---|---|
| Particulars | As at April 1, 2023 | Additions | Capitalised | As at March 31, 2024 |
| Computer Software | ₹ 0.00 | ₹ 50.19 | ₹ 0.00 | ₹ 50.19 |
| Total | ₹ 0.00 | ₹ 50.19 | ₹ 0.00 | ₹ 50.19 |



In ₹ MM, unless otherwise stated

| Amortisation | | | | Net Block | |
|---|---|---|---|---|---|
| As at April 1, 2023 | Charge | Disposal | As at March 31, 2024 | As at April 1, 2023 | As at March 31, 2024 |
| ₹ 9.70 | ₹ 1.05 | ₹ 0.00 | ₹ 10.75 | ₹ 5.01 | ₹ 4.93 |
| ₹ 1.58 | ₹ 0.25 | ₹ 0.00 | ₹ 1.83 | ₹ 0.82 | ₹ 0.57 |
| ₹ 11.27 | ₹ 1.30 | ₹ 0.00 | ₹ 12.57 | ₹ 5.83 | ₹ 5.50 |

| As at April 1, 2022 | Charge | Disposal | As at March 31, 2023 | As at April 1, 2022 | As at March 31, 2023 |
|---|---|---|---|---|---|
| ₹ 7.72 | ₹ 1.98 | ₹ 0.00 | ₹ 9.70 | ₹ 4.21 | ₹ 5.01 |
| ₹ 1.36 | ₹ 0.21 | ₹ 0.00 | ₹ 1.58 | ₹ 0.28 | ₹ 0.82 |
| ₹ 9.09 | ₹ 2.19 | ₹ 0.00 | ₹ 11.27 | ₹ 4.49 | ₹ 5.83 |

| | Gross Block | | | |
|---|---|---|---|---|
| Particulars | As at April 1, 2022 | Additions | Capitalised | As at March 31, 2023 |
| Computer Software | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |

In ₹ MM, unless otherwise stated

## 8. Investments

As at March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Unquoted equity shares | | |
| 9 (March 31, 2023: 9) equity shares of Sachin Industrial Co. Op. Society Limited, of Rs.500 each fully paid-up | ₹ 0.00 | ₹ 0.00 |
| 1,16,851 (March 31, 2023: 1,16,851 ) equity shares of Globe Enviro Care Limited, of Rs.10 each fully paid-up | ₹ 2.09 | ₹ 2.09 |
| 50,000 (March 31, 2023: 50,000) equity shares of Aether Speciality Chemicals Limited, of Rs.10 each fully paid-up | ₹ 0.50 | ₹ 0.50 |
| Total | ₹ 2.60 | ₹ 2.60 |
| Aggregate value of unquoted investments | ₹ 2.60 | ₹ 2.60 |
| Aggregate amount of impairment in value of investments | ₹ 0.00 | ₹ 0.00 |

## 9. Other financial assets

As at March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| (Unsecured, considered good) | | |
| Security deposits | ₹ 90.90 | ₹ 27.01 |
| Total | ₹ 90.90 | ₹ 27.01 |

## 10. Other non-current assets

As at March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| (Unsecured, considered good) | | |
| Capital advances | ₹ 18.42 | ₹ 184.68 |
| Prepaid expenses | ₹ 2.65 | ₹ 0.00 |
| Total | ₹ 21.07 | ₹ 184.68 |

## 11. Inventories

As at March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Raw material | ₹ 835.04 | ₹ 607.88 |
| Work in progress | ₹ 1,670.81 | ₹ 1,062.81 |
| Finished goods | ₹ 492.61 | ₹ 536.19 |
| Stores and spares | ₹ 59.47 | ₹ 46.28 |
| Others : | | |
| Packing materials | ₹ 22.42 | ₹ 14.70 |



In ₹ MM, unless otherwise stated

## 11. Inventories

As at March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Research and development materials | ₹ 332.04 | ₹ 219.80 |
| Total | ₹ 3,412.39 | ₹ 2,487.66 |

Notes:
- Raw Materials, Work in Progress, Finished Goods, Packing Materials, Stores, Spares and Consumables are carried at the lower of cost and net realisable value.
- In determining the cost of Raw Materials, Packing Materials, Stores, Spares and Consumables, FIFO Method is used. Cost of Inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- Cost of Finished Goods includes the cost of Raw Materials, Packing Materials, an appropriate share of fixed and variable production overheads, indirect taxes as applicable and other costs incurred in bringing the inventories to their present location and condition.
- Cost of Stock in Trade procured for specific projects is assigned by specific identification of individual costs of each item.
- Inventories are pledge / hypothecated as primary security with the bankers (lenders) against the Working Capital Facilities availed by the Company.
- Refer Note No. 30 for the loss of stock due to Fire Accident.

## 12. Investments

As at March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Investment in mutual funds - Quoted | | |
| 0 (March 31, 2023: 2839.999) SBI Liquid Fund Direct Growth | ₹ 0.00 | ₹ 10.01 |
| Total | ₹ 0.00 | ₹ 10.01 |
| Aggregate book value of quoted investments | ₹ 0.00 | ₹ 10.01 |
| Aggregate market value of quoted investments | ₹ 0.00 | ₹ 10.01 |

## 13. Trade receivables

As at March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Trade Receivables considered good - Secured | ₹ 23.25 | ₹ 48.46 |
| Trade Receivables considered good - Unsecured | ₹ 2,275.96 | ₹ 2,541.35 |
| Trade Receivables which have significant increase in credit risk | ₹ 0.00 | ₹ 0.00 |
| Trade Receivables - credit impaired | ₹ 0.00 | ₹ 0.00 |
| | ₹ 2,299.22 | ₹ 2,589.82 |
| Less: Allowance for doubtful receivables | ₹ 0.00 | ₹ 0.00 |
| Total trade receivables (Net) | ₹ 2,299.22 | ₹ 2,589.82 |
| The above amount includes | | |
| Receivable from related parties | ₹ 0.00 | ₹ 0.00 |
| Receivable from other than related parties | ₹ 2,299.22 | ₹ 2,589.82 |
| Total | ₹ 2,299.22 | ₹ 2,589.82 |

In ₹ MM, unless otherwise stated

## 13. Trade receivables

Note:
The average credit period on sales of goods is 90 days. Payment terms vary from Advance Payments, LC for 60 to 90 Days, DA for 60 to 90 Days and open credits for 60 to 90 Days. No interest is charged on outstanding trade receivables.

| | Outstanding for following periods from due date of Payment | | | | | |
|---|---|---|---|---|---|---|
| March 31, 2024 | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| (i) Undisputed Trade Receivables - considered good | ₹ 2,275.14 | ₹ 15.97 | ₹ 4.49 | ₹ 0.55 | ₹ 0.00 | ₹ 2,296.15 |
| (ii) Undisputed Trade Receivables - which have significant increase in Credit risk | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| (iii) Undisputed Trade Receivables - credit impaired | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| (iv) Disputed Trade Receivables - considered good | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| (v) Disputed Trade Receivables - which have significant increase in Credit risk | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 3.06 | ₹ 0.00 | ₹ 3.06 |
| (vi) Disputed Trade Receivables - credit impaired | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 2,275.14 | ₹ 15.97 | ₹ 4.49 | ₹ 3.61 | ₹ 0.00 | ₹ 2,299.22 |

| | Outstanding for following periods from due date of Payment | | | | | |
|---|---|---|---|---|---|---|
| March 31, 2023 | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| (i) Undisputed Trade Receivables - considered good | ₹ 2,516.04 | ₹ 67.08 | ₹ 6.69 | ₹ 0.00 | ₹ 0.00 | ₹ 2,589.82 |
| (ii) Undisputed Trade Receivables - which have significant increase in Credit risk | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| (iii) Undisputed Trade Receivables - credit impaired | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| (iv) Disputed Trade Receivables - considered good | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| (v) Disputed Trade Receivables - which have significant increase in Credit risk | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| (vi) Disputed Trade Receivables - credit impaired | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 2,516.04 | ₹ 67.08 | ₹ 6.69 | ₹ 0.00 | ₹ 0.00 | ₹ 2,589.82 |



In ₹ MM, unless otherwise stated

## 14. Cash and cash equivalents

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Cash in hand | ₹ 1.22 | ₹ 1.07 |
| Balances with banks | | |
| Current Accounts | ₹ 9.15 | ₹ 1.61 |
| EEFC Accounts | ₹ 37.72 | ₹ 148.30 |
| Cash Credit Accounts | ₹ 5.45 | ₹ 557.66 |
| Total | ₹ 53.54 | ₹ 708.64 |

## 15. Bank balance other than cash and cash equivalent

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Other bank balances | | |
| Margin money - Fixed deposits | ₹ 12.45 | ₹ 23.81 |
| Other - Fixed deposits (maturing between 3 to 12 months) | ₹ 5,490.20 | ₹ 290.00 |
| Total | ₹ 5,502.65 | ₹ 313.81 |

## 16. Loans

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Loans to employees* | ₹ 11.15 | ₹ 11.38 |
| Loan to Aether Speciality Chemicals Limited (Subs) | ₹ 1,045.55 | ₹ 0.00 |
| Total | ₹ 1,056.70 | ₹ 11.38 |
| Breakup of security details | | |
| Loans, considered good - secured | ₹ 0.00 | ₹ 0.00 |
| Loans, considered good - unsecured | ₹ 1,056.70 | ₹ 11.38 |
| Loans, considered doubtful / credit impaired | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 1,056.70 | ₹ 11.38 |
| Less: Loans, considered doubtful / credit impaired | ₹ 0.00 | ₹ 0.00 |
| Total loans receivables (net) | ₹ 1,056.70 | ₹ 11.38 |

*Loan to employees do not include any loan given to promoters, directors, KMPs and any other related parties

## 17. Other financial assets

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Interest receivable (from fixed deposits with banks) | ₹ 303.03 | ₹ 0.36 |
| Gratuity asset (Refer note 45 for further disclosures) | ₹ 2.71 | ₹ 2.91 |

In ₹ MM, unless otherwise stated

## 17. Other financial assets

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Security Deposit | ₹ 21.44 | ₹ 0.00 |
| GST Credit Receivable (FI) | ₹ 25.00 | ₹ 0.00 |
| Total | ₹ 352.18 | ₹ 3.27 |

## 18. Other current assets

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Advances recoverable in cash/in kind | ₹ 242.77 | ₹ 89.96 |
| Balances with government authorities | ₹ 769.20 | ₹ 495.08 |
| Prepaid expenses | ₹ 121.04 | ₹ 31.98 |
| Solar benefit | ₹ 11.35 | ₹ 9.67 |
| Total | ₹ 1,144.36 | ₹ 626.69 |

## 19. Share Capital

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Authorised | | |
| 14,00,00,000 (March 31, 2023: 14,00,00,000) equity shares of Rs.10 each | ₹ 1,400.00 | ₹ 1,400.00 |
| Total | ₹ 1,400.00 | ₹ 1,400.00 |
| Issued and subscribed and paid up | | |
| 13,25,50,273 (March 31, 2023: 12,45,10,721) equity shares of Rs.10 each fully paid-up | ₹ 1,325.50 | ₹ 1,245.11 |
| Total | ₹ 1,325.50 | ₹ 1,245.11 |

## Reconciliation of number of shares outstanding at the beginning and end of the year/period

| Equity shares | As at March 31, 2024 | 2023 |
|---|---|---|
| Outstanding at the beginning of the year/period | 12,45,10,721 | 11,26,91,397 |
| Add: Issued during the period | 80,39,552 | 1,18,19,324 |
| Outstanding at the end of the year/period | 13,25,50,273 | 12,45,10,721 |

* Number of shares is presented as absolute number.



In ₹ MM, unless otherwise stated

## 19. Share Capital

### Terms / Rights attached to each classes of shares

### Rights, preferences and restrictions attached to equity shares

Equity shares

| | |
|---|---|
| As to dividend | The Shareholders are entitled to receive dividend in proportion to the amount of paid up equity shares held by them. The Company has not declared any dividend during the year. |
| As to repayment of capital | In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining asset 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. |
| As to voting | The Company has one class of shares referred to as Equity Shares having par value of Rs. 10/-. Each holder of the equity share is entitled to one vote per share. |

| Shareholders holding More than 5% shareholding in the Company (₹ 10 each fully paid) | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No. of Shares | % | No. of Shares | % |
| Purnima Ashwin Desai | 3,20,57,403 | 24.19% | 3,20,57,403 | 25.75% |
| Ashwin Jayantilal Desai | 67,20,417 | 5.07% | 67,20,417 | 5.40% |
| Rohan Ashwin Desai | 22,21,681 | 1.68% | 22,21,681 | 1.78% |
| Aman Ashwin Desai | 1,10,000 | 0.08% | 1,10,000 | 0.09% |
| AJD Family Trust | 1,35,60,206 | 10.23% | 1,35,60,206 | 10.89% |
| PAD Family Trust | 1,35,60,206 | 10.23% | 1,35,60,206 | 10.89% |
| RAD Family Trust | 2,00,17,162 | 15.10% | 2,00,17,162 | 16.08% |
| AAD Business Trust | 2,00,17,162 | 15.10% | 2,00,17,162 | 16.08% |

| Promoters shareholding in the Company (₹ 10 each fully paid) | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No. of Shares | % | No. of Shares | % |
| Purnima Ashwin Desai | 3,20,57,403 | 24.19% | 3,20,57,403 | 25.75% |
| Ashwin Jayantilal Desai | 67,20,417 | 5.07% | 67,20,417 | 5.40% |
| Rohan Ashwin Desai | 22,21,681 | 1.68% | 22,21,681 | 1.78% |
| Aman Ashwin Desai | 1,10,000 | 0.08% | 1,10,000 | 0.09% |
| AJD Family Trust | 1,35,60,206 | 10.23% | 1,35,60,206 | 10.89% |
| PAD Family Trust | 1,35,60,206 | 10.23% | 1,35,60,206 | 10.89% |
| RAD Family Trust | 2,00,17,162 | 15.10% | 2,00,17,162 | 16.08% |
| AAD Business Trust | 2,00,17,162 | 15.10% | 2,00,17,162 | 16.08% |

In ₹ MM, unless otherwise stated

## 20. Other equity

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| **Reserves and surplus** | | |
| A. Retained earnings | ₹ 3,901.41 | ₹ 3,022.88 |
| B. Securities premium | ₹ 15,416.17 | ₹ 8,162.55 |
| C. Employee Share Option Reserve | ₹ 46.24 | ₹ 15.56 |
| Total | ₹ 19,363.82 | ₹ 11,200.98 |

| Particulars | 2024 | 2023 |
|---|---|---|
| **A. Retained earnings** | | |
| Opening balance | ₹ 3,022.88 | ₹ 1,720.29 |
| Profit for the period / year | ₹ 880.98 | ₹ 1,304.17 |
| Changes in the Lease Liabilities | ₹ 0.89 | (₹ 0.33) |
| Other comprehensive (loss)/ income | | |
| -Remeasurements of defined benefit liability/(asset) (net of tax) | (₹ 3.34) | (₹ 1.25) |
| Closing balance | ₹ 3,901.41 | ₹ 3,022.88 |
| **B. Securities Premium** | | |
| As at beginning and end of the period/year | ₹ 8,162.55 | ₹ 1,015.73 |
| Preferential Allotment of 8012820 Equity Shares of Rs. 10 each at a Premium of Rs. 926 per shares (FY 2022-23 Preferential Allotment of 202492 Equity Shares Rs. 10 each at a Premium of Rs. 632 per share) | ₹ 7,419.87 | ₹ 1,279.75 |
| Allotment of Shares in IPO (9766355 Equity Shares of Rs. 10 each at a Premium of Rs. 632 per share) | ₹ 0.00 | ₹ 6,172.34 |
| Shares based payment options outstanding (ESOPs exercised) | ₹ 6.07 | ₹ 5.92 |
| QIP/IPO Expenses | (₹ 180.63) | (₹ 319.91) |
| Allotment of 26,732 Shares of Rs. 10 each at a Premium of Rs. 311 per shares) under exercise of ESOPs (28048 Equity Shares of Rs. 10 each at a Premium of Rs. 311 per share) | ₹ 8.31 | ₹ 8.72 |
| Closing balance | ₹ 15,416.17 | ₹ 8,162.55 |
| **C. Employee share option reserve** | | |
| Opening balance | ₹ 15.56 | ₹ 5.96 |
| Add: Additions during the year | ₹ 36.76 | ₹ 15.51 |
| Less: Transferred to Securities Premium on exercise of stock options | ₹ 6.07 | ₹ 5.92 |
| Closing balance | ₹ 46.24 | ₹ 15.56 |
| Total other equity | ₹ 19,363.82 | ₹ 11,200.98 |



In ₹ MM, unless otherwise stated

## 21. Borrowings

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| **Unsecured – measured at fair value through profit or loss account (FVTPL)** | | |
| Secured | | |
| Rupee Term Loans from Banks | ₹ 0.00 | ₹ 0.00 |
| Rupee Vehicle Loans from Banks | ₹ 0.00 | ₹ 0.00 |
| Others (Unsecured) | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 0.00 | ₹ 0.00 |

## 22. Lease liabilities

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Lease Liabilities | ₹ 119.37 | ₹ 145.32 |
| Total | ₹ 119.37 | ₹ 145.32 |

## 23. Borrowings

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| **Working capital loan (Refer note 1)** | | |
| Secured | ₹ 1,292.03 | ₹ 0.00 |
| **Current maturities of long term debt** | | |
| Secured | | |
| Vehicle loans from banks | ₹ 0.00 | ₹ 1.06 |
| Unsecured | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 1,292.03 | ₹ 1.06 |

Notes
1. The primary security for working capital loan is outstanding receivables and inventories.
2. The company has used the loans towards the specific purposes for which it had borrowed the funds from the bank and there is no deviation in that regards.
3. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.
4. Break-up of the Working capital loan:

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Working Capital Limits with ICICI Bank | ₹ 927.73 | ₹ 0.00 |
| Working Capital Limits with HDFC Bank | ₹ 363.44 | ₹ 0.00 |
| Working Capital Limits with SBI | ₹ 0.00 | ₹ 0.00 |
| Closing balance | ₹ 1,291.16 | ₹ 0.00 |

In ₹ MM, unless otherwise stated

## 23. Borrowings

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Foreign exchange valuation impact on PCFC loans | ₹ 0.87 | ₹ 0.00 |
| Net outstanding | ₹ 1,292.03 | ₹ 0.00 |

## 24. Lease liabilities

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Lease Liabilities | ₹ 24.46 | ₹ 10.76 |
| Total | ₹ 24.46 | ₹ 10.76 |

## 25. Trade payables

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Trade payables | | |
| Total outstanding dues of MSME (Refer note 40) | ₹ 76.59 | ₹ 191.09 |
| Total outstanding dues of creditors other than MSME | ₹ 861.66 | ₹ 624.09 |
| Total | ₹ 938.24 | ₹ 815.18 |

Notes
1. Refer note 40 - Related Party for related party disclosure.
2. Trade payables principally comprise amounts outstanding for trade purchases. The average credit period taken for trade purchases is 90 days.

Outstanding for following periods from due date of Payment

| March 31, 2024 | Unbilled dues | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| (i) MSME | ₹ 0.00 | ₹ 76.59 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 76.59 |
| (ii) Others | ₹ 0.00 | ₹ 861.66 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 861.66 |
| (iii) Disputed dues - MSME | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| (iv) Disputed dues - Others | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 0.00 | ₹ 938.24 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 938.24 |

| March 31, 2023 | Unbilled dues | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| (i) MSME | ₹ 0.00 | ₹ 191.09 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 191.09 |
| (ii) Others | ₹ 0.00 | ₹ 623.43 | ₹ 0.57 | ₹ 0.09 | ₹ 0.00 | ₹ 624.09 |
| (iii) Disputed dues - MSME | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |





## 25. Trade payables

Outstanding for following periods from due date of Payment

| March 31, 2023 | Unbilled dues | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| (iv) Disputed dues - Others | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 0.00 | ₹ 814.52 | ₹ 0.57 | ₹ 0.09 | ₹ 0.00 | ₹ 815.18 |

## 26. Other financial liabilities

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Employee related payable | | |
| Salary and other benefits | ₹ 32.78 | ₹ 23.72 |
| Bonus payable | ₹ 15.21 | ₹ 12.45 |
| Other payables | ₹ 19.29 | ₹ 1.52 |
| Bills payable | ₹ 0.81 | ₹ 0.01 |
| Creditors for expenses | ₹ 46.60 | ₹ 59.23 |
| Total | ₹ 114.68 | ₹ 96.92 |

## 27. Other current liabilities

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Advance received from customers | ₹ 6.41 | ₹ 2.05 |
| Statutory dues payables | ₹ 19.82 | ₹ 14.03 |
| Total | ₹ 26.23 | ₹ 16.08 |

## 28. Revenue from operations

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Sale of products | | |
| Manufactured goods | | |
| Local sales | ₹ 3,368.78 | ₹ 1,952.23 |
| Export sales | ₹ 1,735.08 | ₹ 2,169.84 |
| Deemed exports | ₹ 34.99 | ₹ 1,571.29 |
| Export sales - CRAMS | ₹ 447.94 | ₹ 448.11 |
| Domestic sales - CRAMS | ₹ 22.12 | ₹ 63.47 |
| Deemed exports - CRAMS | ₹ 41.40 | ₹ 3.38 |

In ₹ MM, unless otherwise stated

## 28. Revenue from operations

For the year ended March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Sale of services | | |
| Export services | ₹ 315.15 | ₹ 302.43 |
| Domestic services | ₹ 0.00 | ₹ 0.00 |
| Total revenue from operations | ₹ 5,965.45 | ₹ 6,510.74 |
| Less: Rebate and discount | (₹ 8.76) | ₹ 0.00 |
| Net revenue from operations | ₹ 5,956.69 | ₹ 6,510.74 |

Note:
Refer note no. 46 Revenue for further disclosures.

## 29. Other income

For the year ended March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Interest | | |
| Interest on fixed deposits | ₹ 335.19 | ₹ 74.23 |
| Interest accrued on loans to employees | ₹ 1.47 | ₹ 1.11 |
| Interest on deposits | ₹ 0.20 | ₹ 0.09 |
| Interest - unsecured loan | ₹ 50.62 | ₹ 0.00 |
| Interest - others | ₹ 0.30 | ₹ 0.00 |
| Others | | |
| Foreign exchange fluctuation | ₹ 35.43 | ₹ 36.65 |
| Duty drawback - exports | ₹ 11.35 | ₹ 8.84 |
| MEIS duty credit | ₹ 2.09 | ₹ 1.31 |
| SEIS Duty Credit | ₹ 0.00 | ₹ 23.22 |
| Income from mutual funds | ₹ 5.31 | ₹ 8.34 |
| Income accrued from mutual funds | ₹ 0.07 | ₹ 0.20 |
| Income From Bonds NCD CP | ₹ 0.00 | ₹ 0.00 |
| Interest subsidy (term loan) | ₹ 0.00 | ₹ 9.96 |
| Income Tax Refund | ₹ 0.00 | ₹ 1.18 |
| Misc. income | ₹ 0.61 | ₹ 0.50 |
| Total | ₹ 442.64 | ₹ 165.65 |

Note:
Subsidies from the Government:
Subsidies from the Government are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the subsidies will be received or when actually will be received by the Company. Subsidies from the Government are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the subsidies are intended to compensate.
Subsidies from the Government that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they are received.



In ₹ MM, unless otherwise stated

## 30. Cost of materials consumed

For the year ended March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Raw materials | | |
| Opening | ₹ 607.88 | ₹ 450.01 |
| Add: Purchases | ₹ 3,759.26 | ₹ 3,728.30 |
| Add: Custom duty and clearing forwarding charges | ₹ 71.37 | ₹ 75.85 |
| Less: Discount on purchase of raw material | ₹ 7.39 | ₹ 5.98 |
| | ₹ 4,431.13 | ₹ 4,248.18 |
| Less: Closing | ₹ 835.04 | ₹ 607.88 |
| Consumption of raw materials | ₹ 3,596.08 | ₹ 3,640.30 |
| Packing materials | | |
| Opening | ₹ 14.70 | ₹ 15.41 |
| Add: Purchases | ₹ 86.07 | ₹ 63.46 |
| | ₹ 100.77 | ₹ 78.87 |
| Less: Closing | ₹ 22.42 | ₹ 14.70 |
| Consumption of packing materials | ₹ 78.35 | ₹ 64.17 |
| Store and spares | | |
| Opening | ₹ 46.28 | ₹ 52.77 |
| Add: Purchases | ₹ 155.81 | ₹ 141.25 |
| Less: Discount on purchase | ₹ 0.00 | ₹ 0.96 |
| | ₹ 202.09 | ₹ 193.06 |
| Less: Closing | ₹ 59.47 | ₹ 46.28 |
| Consumption of stores and spares | ₹ 142.62 | ₹ 146.78 |
| Other material | | |
| Opening | ₹ 219.80 | ₹ 133.01 |
| Add: Purchases | ₹ 53.05 | ₹ 31.69 |
| | ₹ 272.85 | ₹ 164.70 |
| Less: Closing | ₹ 332.04 | ₹ 219.80 |
| Consumption of stores and spares | (₹ 59.19) | (₹ 55.10) |
| Total cost of materials consumed | ₹ 3,757.87 | ₹ 3,796.14 |

In ₹ MM, unless otherwise stated

### 31. Changes in inventories

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Opening inventories | | |
| Finished goods | ₹ 536.19 | ₹ 549.57 |
| Work-in-progress | ₹ 1,062.81 | ₹ 426.68 |
| Total (A) | ₹ 1,599.00 | ₹ 976.25 |
| Closing inventories | | |
| Finished goods | ₹ 492.61 | ₹ 536.19 |
| Work-in-progress | ₹ 1,809.78 | ₹ 1,062.81 |
| Total (B) | ₹ 2,302.39 | ₹ 1,599.00 |
| Goods destroyed due to fire (C) | (₹ 138.97) | ₹ 0.00 |
| Total (A-B-C) | (₹ 564.42) | (₹ 622.76) |

Note:
Inventory destroyed by fire written off:
On November 29, 2023, an accidental fire broke out at Manufacturing Facility - II, i.e. Plot No. 8203, Road No. 8, GIDC Industrial Estate, Sachin, Surat - 394230, Gujarat (India). The said accident was duly reported to the Insurance Company. The Company is adequately insured to the extent of damage occurred in the fire accident, including impacted property, plant & equipment, inventories and the business losses. The process of assessment of claim settlement is underway and yet to be finalized by Insurance Company. At present, we have written off the carrying value of the impacted inventory amounting to Rs.138.97 million.

### 32. Employee benefit expenses

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Salaries, wages and bonus | ₹ 278.88 | ₹ 251.89 |
| Contribution to gratuity | ₹ 8.75 | ₹ 6.67 |
| Contribution to provident fund | ₹ 17.88 | ₹ 12.72 |
| Contribution to provident fund - Admin Charges | ₹ 0.73 | ₹ 0.55 |
| Staff welfare expenses | ₹ 9.79 | ₹ 22.45 |
| Leave encashment expenses | ₹ 23.23 | ₹ 5.22 |
| Employee medical insurance expenses | ₹ 3.47 | ₹ 2.68 |
| ESOPs (Employee Benefit) | ₹ 36.76 | ₹ 15.51 |
| Other employee related expenses | ₹ 6.62 | ₹ 26.88 |
| Total | ₹ 386.11 | ₹ 344.57 |

### 33. Finance costs

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Interest on term loan | ₹ 0.00 | ₹ 11.18 |
| Interest on term loan - ECGLS | ₹ 0.00 | ₹ 3.06 |
| Interest on cash credit | ₹ 33.28 | ₹ 6.92 |



In ₹ MM, unless otherwise stated

### 33. Finance costs

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Interest on PCFC | ₹ 9.50 | ₹ 5.08 |
| Interest on bill discounting | ₹ 14.26 | ₹ 3.76 |
| Interest on SLC | ₹ 0.00 | ₹ 0.11 |
| Interest on car loan | ₹ 0.06 | ₹ 0.15 |
| Bank charges | ₹ 6.50 | ₹ 8.57 |
| Interest on financial liabilities at amortized cost | ₹ 15.68 | ₹ 12.09 |
| Interest Expense on OD | ₹ 5.89 | ₹ 0.00 |
| Total | ₹ 85.17 | ₹ 50.93 |

### 34. Depreciation and amortization expenses

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Depreciation of property, plant and equipment (refer note 3) | ₹ 363.16 | ₹ 208.76 |
| Amortisation of right-of-use asset (refer note 5) | ₹ 29.70 | ₹ 21.50 |
| Amortisation of intangible assets (refer note 6) | ₹ 1.30 | ₹ 2.19 |
| Total | ₹ 394.15 | ₹ 232.45 |

### 35. Other expenses

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Manufacturing service cost expenses | | |
| Power and fuel | ₹ 268.52 | ₹ 364.18 |
| Water charges | ₹ 12.38 | ₹ 8.31 |
| Other manufacturing costs | ₹ 236.22 | ₹ 197.85 |
| Administrative and general expenses | | |
| Telephone and postage | ₹ 3.37 | ₹ 2.79 |
| Printing and stationery | ₹ 2.35 | ₹ 1.53 |
| Rent | ₹ 3.44 | ₹ 6.88 |
| Rates and taxes | ₹ 11.42 | ₹ 6.77 |
| Payment to statutory auditors (Refer note below) | ₹ 1.75 | ₹ 0.75 |
| Directors' sitting fees | ₹ 2.52 | ₹ 3.04 |
| Managerial remuneration | ₹ 29.73 | ₹ 34.74 |
| Repairs and maintenance expenses | ₹ 36.62 | ₹ 31.49 |
| Electricity expenses | ₹ 134.47 | ₹ 191.45 |

In ₹ MM, unless otherwise stated

## 35. Other expenses

For the year ended March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Travelling expenses | ₹ 17.06 | ₹ 10.56 |
| Legal and professional expenses | ₹ 80.29 | ₹ 64.38 |
| Insurance expenses | ₹ 45.66 | ₹ 31.97 |
| Vehicle running expenses | ₹ 6.52 | ₹ 4.66 |
| Other administrative and general expenses | ₹ 27.30 | ₹ 22.62 |
| Selling and distribution expenses | ₹ 100.16 | ₹ 113.23 |
| Research and development expenses | ₹ 2.28 | ₹ 3.18 |
| Other expenses | ₹ 40.63 | ₹ 29.89 |
| Total | ₹ 1,062.66 | ₹ 1,130.27 |
| (a) Payment to auditors | | |
| Statutory audit fee | ₹ 0.90 | ₹ 0.75 |
| Other matters | ₹ 0.85 | ₹ 0.00 |
| Total | ₹ 1.75 | ₹ 0.75 |

Note: The auditors were also paid a fee of Rs. 0.75 MM towards their various certifications etc. during the QIP, which has been debited to the securities premium account as QIP expense.

## 36. Exceptional items*

For the year ended March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Brokerage expenses | ₹ 0.04 | ₹ 0.00 |
| Conveyance expenses for fire accident | ₹ 0.53 | ₹ 0.00 |
| Electricity expense : fire accident | ₹ 0.01 | ₹ 0.00 |
| FI/IP1/Consumables- FU expenses | ₹ 0.51 | ₹ 0.00 |
| Fire charges (Foam) | ₹ 1.26 | ₹ 0.00 |
| Fire charges (Water) | ₹ 0.07 | ₹ 0.00 |
| Food expenses for fire accident | ₹ 1.12 | ₹ 0.00 |
| Freight charges for fire accident | ₹ 0.24 | ₹ 0.00 |
| Insurance expenses - FI | ₹ 29.57 | ₹ 0.00 |
| Legal & Professional expense - FI | ₹ 4.04 | ₹ 0.00 |
| Medical expenses to staff - FI | ₹ 29.57 | ₹ 0.00 |
| Penalty/Fine - FI | ₹ 5.00 | ₹ 0.00 |
| Rent expenses - 7/103/B | ₹ 0.44 | ₹ 0.00 |
| Rent expenses - Plot No. 326/2 | ₹ 0.07 | ₹ 0.00 |



In ₹ MM, unless otherwise stated

## 36. Exceptional items*

For the year ended March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Security expenses | ₹ 0.14 | ₹ 0.00 |
| Staff welfare expenses | ₹ 69.64 | ₹ 0.00 |
| Fire accident expenses (Scrap Sales) | (₹ 4.62) | ₹ 0.00 |
| Total | ₹ 137.62 | ₹ 0.00 |

*Exceptional Items includes Company's all the expenses made towards the fire accident occurred at Manufacturing Facility-2 i.e. Plot No. 8203, GIDC Sachin, Surat, Gujarat (India), which also includes the revenue from selling the scrap.

## 37. Taxes

For the year ended March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| (a) Statement of profit or loss | | |
| Current tax | | |
| Current income tax charge | ₹ 172.90 | ₹ 311.22 |
| Deferred tax | ₹ 85.17 | ₹ 128.97 |
| Income tax expense reported in the statement of profit or loss | ₹ 258.07 | ₹ 440.19 |
| (b) Other comprehensive income (OCI) | | |
| Taxes related to items recognised in OCI during the period | | |
| Deferred tax | | |
| Remeasurements gains and losses on post employment benefits | (₹ 1.12) | (₹ 0.42) |
| Income tax recognised in OCI | (₹ 1.12) | (₹ 0.42) |
| (c) Balance sheet | | |
| Non- current tax assets | ₹ 0.00 | ₹ 0.00 |
| Current tax assets | ₹ 0.00 | ₹ 0.00 |
| Total tax assets | ₹ 0.00 | ₹ 0.00 |
| Current tax liabilities | | |
| Income tax (net of advance tax) | ₹ 0.00 | ₹ 0.00 |
| Total current tax liabilities | ₹ 0.00 | ₹ 0.00 |
| (d) Deferred tax liabilities / (assets) | | |
| Excess of depreciation/amortisation on property plant and equipment under income tax act | ₹ 388.46 | ₹ 269.91 |
| Fair valuation of mutual funds | ₹ 0.00 | (₹ 0.05) |

In ₹ MM, unless otherwise stated

37. Taxes

| Particulars | 2024 | 2023 |
|---|---|---|
| (d) Deferred tax liabilities / (assets) | | |
| Fair valuation of security deposits | (₹ 0.07) | ₹ 0.00 |
| Prepaid rent | ₹ 0.07 | ₹ 0.00 |
| Provision for employee benefits | ₹ 0.68 | ₹ 0.42 |
| Leases | (₹ 36.20) | (₹ 2.51) |
| Net deferred tax liability/(asset) | ₹ 352.94 | ₹ 267.76 |
| (e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate | | |
| Accounting profit before tax | ₹ 1,140.17 | ₹ 1,744.79 |
| Tax rate | 25.17% | 25.17% |
| Tax as per IT Act on above | ₹ 286.96 | ₹ 439.13 |
| Tax expenses (P&L) | | |
| (i) Current tax | ₹ 172.90 | ₹ 311.22 |
| (ii) Deferred tax | ₹ 85.17 | ₹ 128.97 |
| (iii) Taxation in respect of earlier years | ₹ 0.00 | ₹ 0.00 |
| | ₹ 258.07 | ₹ 440.19 |
| Tax expenses (OCI) | (₹ 1.12) | (₹ 0.42) |
| Difference | ₹ 30.01 | (₹ 0.65) |
| Tax reconciliation | | |
| Adjustments | | |
| Effect of permanent adjustments | ₹ 0.00 | ₹ 0.00 |
| (i) Impact as a result of Tax Rate Change | ₹ 0.00 | ₹ 0.00 |
| (ii) Impact as a result of Capital Gains | ₹ 0.00 | ₹ 0.00 |
| (ii) Others | (₹ 30.01) | ₹ 0.65 |
| Total | ₹ 0.00 | ₹ 0.00 |

(For the year ended March 31,)



In ₹ MM, unless otherwise stated

37. Taxes

| | As at April 1, 2023 | Recognised in profit or loss during the year | Recognised in OCI during the year | As at March 31, 2024 |
|---|---|---|---|---|
| (f) Movement in temporary differences | | | | |
| Deferred tax liabilities (DTL) | | | | |
| Excess of depreciation/amortisation on property plant and equipment under income tax act | ₹ 269.91 | ₹ 118.55 | ₹ 0.00 | ₹ 388.46 |
| Fair value of mutual funds | (₹ 0.05) | ₹ 0.05 | ₹ 0.00 | ₹ 0.00 |
| Fair valuation of security deposits | ₹ 0.00 | (₹ 0.07) | ₹ 0.00 | (₹ 0.07) |
| Prepaid rent | - | ₹ 0.07 | ₹ 0.00 | ₹ 0.07 |
| Provision for employee benefits | ₹ 0.42 | ₹ 1.38 | (₹ 1.12) | ₹ 0.68 |
| Leases | (₹ 2.51) | (₹ 33.69) | ₹ 0.00 | (₹ 36.20) |
| Net deferred tax liability/(asset) | ₹ 267.76 | ₹ 86.29 | (₹ 1.12) | ₹ 352.94 |

| | As at April 1, 2022 | Recognised in profit or loss during the year | Recognised in OCI during the year | As at March 31, 2023 |
|---|---|---|---|---|
| (f) Movement in temporary differences | | | | |
| Deferred tax liabilities (DTL) | | | | |
| Excess of depreciation/amortisation on property plant and equipment under income tax act | ₹ 139.50 | ₹ 130.41 | ₹ 0.00 | ₹ 269.91 |
| Fair value of mutual funds | ₹ 0.00 | (₹ 0.05) | ₹ 0.00 | (₹ 0.05) |
| Fair valuation of security deposits | ₹ 0.01 | (₹ 0.01) | ₹ 0.00 | ₹ 0.00 |
| Prepaid rent | (0.18) | ₹ 0.18 | ₹ 0.00 | ₹ 0.00 |
| Provision for employee benefits | (₹ 0.78) | ₹ 1.62 | (₹ 0.42) | ₹ 0.42 |
| Leases | ₹ 0.25 | (₹ 2.76) | ₹ 0.00 | (₹ 2.51) |
| Net deferred tax liability/(asset) | ₹ 138.79 | ₹ 129.39 | (₹ 0.42) | ₹ 267.76 |

In ₹ MM, unless otherwise stated

## 38. Earnings per share

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| **Basic earnings per share** | | |
| Profit for basic earning per share of Rs. 10 each / Profit for the period / year (in ₹) | ₹ 880.98 | ₹ 1,304.17 |
| Weighted average number of equity shares outstanding during the period / year | 13,07,38,033 | 12,45,10,721 |
| Basic EPS | ₹ 6.74 | ₹ 10.47 |
| **Diluted earnings per share** | | |
| Profit for basic earning per share of Rs. 10 each / Profit for the period / year (in ₹) | ₹ 880.98 | ₹ 1,304.17 |
| Weighted average number of equity shares outstanding during the period / year | 13,07,46,670 | 12,45,10,721 |
| Diluted EPS | ₹ 6.74 | ₹ 10.47 |
| **Weighted average number of equity shares for Basic EPS** | | |
| Profit for basic earning per share of Rs. 10 each / Profit for the period / year (in ₹) | 12,45,10,721 | 11,26,91,397 |
| Weighted average number of equity shares outstanding during the period / year | 62,27,312 | 1,18,19,324 |
| Weighted average number of equity shares outstanding during the period / year | 13,07,38,033 | 12,45,10,721 |
| **Weighted average number of equity shares for Diluted EPS** | | |
| Profit for basic earning per share of Rs. 10 each / Profit for the period / year (in ₹) | 12,45,10,721 | 11,26,91,397 |
| Weighted average number of equity shares outstanding during the period / year | 62,35,949 | 1,18,19,324 |
| Weighted average number of equity shares outstanding during the period / year | 13,07,46,670 | 12,45,10,721 |

## 39. Contingent liabilities, contingent assets and commitments

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| **Contingent Liabilities** | | |
| Bank Guarantees Issued for: | | |
| Customs | ₹ 8.89 | ₹ 8.89 |
| Gujarat Gas Ltd. | ₹ 20.71 | ₹ 20.71 |
| DGVCL | ₹ 54.55 | ₹ 47.40 |





## 39. Contingent liabilities, contingent assets and commitments

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| **Contingent Liabilities** | | |
| NHI | ₹ 0.25 | ₹ 0.00 |
| GPCB | ₹ 0.75 | ₹ 0.00 |
| Total Margin for above items | ₹ 11.83 | ₹ 14.37 |
| Raw Material FLC | $ 0.06 | $ 1.10 |
| Total Margin for above items | ₹ 0.62 | ₹ 8.94 |
| **Income tax demand** | | |
| AY 2017-18 (PY: 2016-17) | ₹ 0.15 | ₹ 0.15 |
| AY 2018-19 (PY: 2017-18) | ₹ 0.94 | ₹ 0.94 |
| AY 2020-21 (PY: 2019-20) | ₹ 1.00 | ₹ 1.00 |

All the Contingent Liabilities, except Income Tax Demands, listed above, which are outstanding as on current Balance Sheet date are not 100% secured through cash margins placed with the banks. Company is enjoying Bank Guarantee and LC Limit facilities from the banks, which require 15% Margin Money on Bank Guarantees and 15% Margin Money on LC Facilities. Margin reduced to maximum 2.5% in FY 2023-24 on BG and LC.
The Income Tax Demands are under CIT appeal by the Company and the outcome of the same is not known and hence the demand amount has been considered as contingent liability.

## 40. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| **Principal amount remaining unpaid to any supplier as at the end of the period/year** | | |
| Trade payables | ₹ 76.59 | ₹ 191.09 |
| Capital creditors | ₹ 0.00 | ₹ 0.00 |
| **Interest due thereon remaining unpaid to any supplier as at the end of the period/year** | | |
| Trade payables | ₹ 0.00 | ₹ 0.00 |
| Capital creditors | ₹ 0.00 | ₹ 0.00 |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006. | ₹ 0.00 | ₹ 0.00 |
| The amount of payment made to micro and small supplier beyond the appointed day during each accounting year. | ₹ 0.00 | ₹ 0.00 |
| The amount of interest due and payable for 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 MSMED Act 2006. | ₹ 0.00 | ₹ 0.00 |

In ₹ MM, unless otherwise stated

### 40. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| The amount of interest accrued and remaining unpaid at the end of the accounting year. | ₹ 0.00 | ₹ 0.00 |
| The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | ₹ 0.00 | ₹ 0.00 |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

### 41. Related party disclosers

#### (a) List of Related Parties and description of relationship

**Subsidiary Companies**

Aether Speciality Chemicals Limited

**Entities where Directors are interested**

Ashwin Jayantilal Desai (Managing Director)

- Aether Foundation
- Aether Speciality Chemicals Limited
- Globe Enviro Care Limited

Purnima Ashwin Desai (Whole time Director)

- Aether Foundation
- Aether Speciality Chemicals Limited

Rohan Ashwin Desai (Whole time Director)

- Aether Foundation
- Aether Speciality Chemicals Limited

Aman Ashwin Desai (Whole time Director)

- Aether Speciality Chemicals Limited

Kamalvijay Ramchandra Tulsian (Director)

- J R Dyeing and Printing Mills Ltd.

Ishita Surendra Manjrekar (Director)

- Sunanda Speciality Coatings Pvt. Ltd.



In ₹ MM, unless otherwise stated

### 41. Related party disclosers

**Key Managerial Personnel (KMP)**

| Name | Designation |
|---|---|
| Ashwin Jayantilal Desai | Managing Director |
| Purnima Ashwin Desai | Whole time Director |
| Rohan Ashwin Desai | Whole time Director |
| Aman Ashwin Desai | Whole time Director |
| Faiz Arif Nagariya | Chief Financial Officer |
| Chitrarth Rajan Parghi | Company Secretary and Compliance Officer |

**Relative of Key Management Personnel**

| Name | Designation |
|---|---|
| Payal Rohan Desai | Spouse of Rohan Ashwin Desai |
| Kamalvijay Ramchandra HUF | HUF of Director - Kamalvijay Ramchandra Tulsian |
| Pramilaben Kamalvijay Tulsian | Spouse of Kamalvijay Tulsian |

**Other Directors on Board**

| Name | Designation |
|---|---|
| Kamalvijay Ramchandra Tulsian | Chairperson Non-Executive Director |
| Ishita Surendra Manjrekar | Non-Executive Director |
| Amol Arvindrao Kulkarni | Independent Director |
| Arun Brijmohan Kanodiya | Independent Director |
| Jeevanlal Nagori | Independent Director |
| Jitendra Popatlal Vakharia | Independent Director |
| Leja Satish Hattiangadi | Independent Director |
| Rajkumar Mangilal Borana | Independent Director |

#### (b) Related Party transactions

| For the year ended March 31, 2024 | Promoters and their relatives | Companies Controlled by Directors / Relatives | Other Directors on Board | Total |
|---|---|---|---|---|
| Rent Paid | ₹ 6.60 | ₹ 0.00 | ₹ 0.00 | ₹ 6.60 |
| Loan accepted | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Managerial Remuneration | ₹ 67.25 | ₹ 0.00 | ₹ 0.00 | ₹ 67.25 |

In ₹ MM, unless otherwise stated

41. Related party disclosers

For the year ended March 31, 2024

| (b) Related Party transactions | Promoters and their relatives | Companies Controlled by Directors / Relatives | Other Directors on Board | Total |
|---|---|---|---|---|
| Purchase of Consumables | ₹ 0.00 | ₹ 27.93 | ₹ 0.00 | ₹ 27.93 |
| Purchase of Material for Building & Structure | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| ETP Expenses | ₹ 0.00 | ₹ 87.06 | ₹ 0.00 | ₹ 87.06 |
| CSR Activities | ₹ 0.00 | ₹ 1.27 | ₹ 0.00 | ₹ 1.27 |
| Salary | ₹ 6.64 | ₹ 0.00 | ₹ 0.00 | ₹ 6.64 |
| Sitting Fee | ₹ 0.00 | ₹ 0.00 | ₹ 2.54 | ₹ 2.54 |
| Unsecured Loan | ₹ 0.00 | ₹ 1,045.55 | ₹ 0.00 | ₹ 1,045.55 |
| Charitable Trust | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 80.49 | ₹ 1,161.81 | ₹ 2.54 | ₹ 1,244.84 |

For the year ended March 31, 2023

| (b) Related Party transactions | Promoters and their relatives | Companies Controlled by Directors / Relatives | Other Directors on Board | Total |
|---|---|---|---|---|
| Rent Paid | ₹ 6.00 | ₹ 0.00 | ₹ 0.00 | ₹ 6.00 |
| Loan accepted | (₹ 149.20) | ₹ 0.00 | ₹ 0.00 | (₹ 149.20) |
| Managerial Remuneration | ₹ 67.25 | ₹ 0.00 | ₹ 0.00 | ₹ 67.25 |
| Purchase of Consumables | ₹ 0.00 | ₹ 0.06 | ₹ 0.00 | ₹ 0.06 |
| Purchase of Material for Building & Structure | ₹ 0.00 | ₹ 14.81 | ₹ 0.00 | ₹ 14.81 |
| ETP Expenses | ₹ 0.00 | ₹ 47.23 | ₹ 0.00 | ₹ 47.23 |
| CSR Activities | ₹ 0.00 | ₹ 2.10 | ₹ 0.00 | ₹ 2.10 |
| Salary | ₹ 5.41 | ₹ 0.00 | ₹ 0.00 | ₹ 5.41 |
| Sitting Fee | ₹ 0.00 | ₹ 0.00 | ₹ 3.04 | ₹ 3.04 |
| Unsecured Loan | ₹ 0.00 | ₹ 0.50 | ₹ 0.00 | ₹ 0.50 |
| Charitable Trust | ₹ 0.00 | ₹ 0.00 | ₹ 0.60 | ₹ 0.60 |
| Total | (₹ 70.54) | ₹ 64.70 | ₹ 3.64 | (₹ 2.21) |



In ₹ MM, unless otherwise stated

41. Related party disclosers

As at March 31,

| (c) Balances outstanding at the end of the period / year | 2024 | 2023 |
|---|---|---|
| Rent payable | ₹ 0.59 | ₹ 0.58 |
| Managerial remuneration payable | ₹ 5.18 | ₹ 2.91 |
| Unsecured loans given | ₹ 1,045.55 | ₹ 0.00 |
| Salary Payable | ₹ 0.50 | ₹ 0.25 |

During the above periods, the Company did not enter into any material transaction (as defined in the Company's policy on related party transactions) with related parties. All other transactions of the company with related parties were in the ordinary course of business and at an arm's length.

For the year ended March 31,

| (d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year | 2024 | 2023 |
|---|---|---|
| **Rent paid** | | |
| Payal Desai | ₹ 1.80 | ₹ 1.20 |
| Kamalvijay Ramchandra HUF | ₹ 2.40 | ₹ 2.40 |
| Pramilaben Kamalvijay Tulsian | ₹ 2.40 | ₹ 2.40 |
| Total | ₹ 6.60 | ₹ 6.00 |
| **Managerial remuneration** | | |
| Ashwin Desai | ₹ 13.65 | ₹ 13.65 |
| Purnima Desai | ₹ 13.65 | ₹ 13.65 |
| Rohan Desai | ₹ 19.47 | ₹ 19.47 |
| Aman Desai | ₹ 20.48 | ₹ 20.48 |
| Total | ₹ 67.25 | ₹ 67.25 |
| **Transactions with Companies Controlled by Directors / Relatives** | | |
| Sunanda Speciality Coatings Pvt. Ltd. (Consumables) | ₹ 27.93 | ₹ 0.06 |
| Sunanda Speciality Coatings Pvt. Ltd. (Building Material) | ₹ 0.00 | ₹ 14.81 |
| Globe Enviro Care Limited (ETP Expenses) | ₹ 87.06 | ₹ 47.23 |
| Aether Foundation (CSR Expenses) | ₹ 1.27 | ₹ 2.10 |
| KBN Charitable Trust (CSR Expenses) | ₹ 0.00 | ₹ 0.60 |
| Total | ₹ 116.26 | ₹ 64.80 |

In ₹ MM, unless otherwise stated

41. Related party disclosers

| (d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Loans accepted | | |
| Ashwin Jayantilal Desai | ₹ 0.00 | (₹ 35.02) |
| Purnima Ashwin Desai | ₹ 0.00 | (₹ 11.11) |
| Rohan Ashwin Desai | ₹ 0.00 | (₹ 59.18) |
| Aman Ashwin Desai | ₹ 0.00 | (₹ 12.91) |
| Payal Rohan Desai | ₹ 0.00 | (₹ 4.70) |
| Ishita Surendra Manjrekar | ₹ 0.00 | (₹ 26.29) |
| Total | ₹ 0.00 | (₹ 149.20) |
| Salary paid | | |
| Faiz Arif Nagariya | ₹ 5.69 | ₹ 4.63 |
| Chitrarth Rajan Parghi | ₹ 0.95 | ₹ 0.78 |
| Total | ₹ 6.64 | ₹ 5.41 |
| Payment received for ESOPs exercised | | |
| Faiz Arif Nagariya | ₹ 0.37 | ₹ 0.37 |
| Chitrarth Rajan Parghi | ₹ 0.05 | ₹ 0.05 |
| Total | ₹ 0.42 | ₹ 0.42 |
| Sitting fees to Directors | | |
| Amol Arvindrao Kulkarni | ₹ 0.28 | ₹ 0.40 |
| Arun Brijmohan Kanodiya | ₹ 0.43 | ₹ 0.60 |
| Ishita Surendra Manjrekar | ₹ 0.27 | ₹ 0.32 |
| Jeevanlal Nagori | ₹ 0.33 | ₹ 0.43 |
| Jitendra Popatlal Vakharia | ₹ 0.34 | ₹ 0.25 |
| Kamalvijay Ramchandra Tulsian | ₹ 0.44 | ₹ 0.53 |
| Leja Satish Hattiangadi | ₹ 0.28 | ₹ 0.32 |
| Rajkumar Mangilal Borana | ₹ 0.17 | ₹ 0.22 |
| Total | ₹ 2.54 | ₹ 3.04 |



In ₹ MM, unless otherwise stated

41. Related party disclosers

| (d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Unsecured loan | | |
| Aether Speciality Chemicals Limited - Loan given | ₹ 994.94 | ₹ 0.00 |
| Aether Speciality Chemicals Limited - Interest on above | ₹ 50.62 | ₹ 0.00 |
| Total | ₹ 1,045.55 | ₹ 0.00 |

42. Section 35(2AB) of Income Tax Act, 1961 disclosure

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Revenue Expenditure | | |
| Salary, wages & PF | | |
| Salary expense | ₹ 86.90 | ₹ 54.53 |
| Overtime wages | ₹ 6.39 | ₹ 1.60 |
| Employer’s contribution to PF | ₹ 1.48 | ₹ 1.05 |
| Employee medical insurance expenses | | |
| Employer's contribution to ESI | ₹ 3.00 | ₹ 0.21 |
| Leave encashment expenses | | |
| Leave encashment expenses | ₹ 5.06 | ₹ 1.00 |
| Other employee related expenses | | |
| Bonus | ₹ 7.94 | ₹ 6.04 |
| Managerial remuneration | | |
| Salaries to Directors | ₹ 9.45 | ₹ 5.99 |
| Bonus to Directors | ₹ 0.79 | ₹ 0.50 |
| Consumption of material | | |
| R&D Material | ₹ 43.22 | ₹ 24.59 |
| Power and fuel | | |
| Diesel expenses | ₹ 4.15 | ₹ 18.44 |
| Repairs and maintenance | | |
| Plant and machinery | ₹ 1.21 | ₹ 1.69 |
| Buildings | ₹ 0.59 | ₹ 0.57 |
| Others | ₹ 0.92 | ₹ 0.47 |
| Electricity expenses | | |
| Electricity expenses | ₹ 32.26 | ₹ 29.89 |

In ₹ MM, unless otherwise stated

## 42. Section 35(2AB) of Income Tax Act, 1961 disclosure

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| **Vehicle running expenses** | | |
| Petrol and other expenses | ₹ 1.42 | ₹ 0.68 |
| Vehicle Repairing Expenses | ₹ 0.50 | ₹ 0.21 |
| Vehicle Hiring Charges | ₹ 0.90 | ₹ 0.60 |
| **Rent, rates and taxes** | | |
| Rent | ₹ 8.78 | ₹ 7.42 |
| **Other administrative and general expenses** | | |
| Security expenses | ₹ 1.97 | ₹ 2.29 |
| **Total Revenue Expenditure (A)** | ₹ 216.91 | ₹ 157.75 |
| **Capital expenditure** | | |
| Buildings | ₹ 50.35 | ₹ 50.00 |
| Computers | ₹ 1.12 | ₹ 4.64 |
| Factory Equipment (Electric) | ₹ 74.03 | ₹ 33.64 |
| Furniture & Fixtures | ₹ 0.74 | ₹ 8.35 |
| Other Equipment (Lab) | ₹ 33.98 | ₹ 44.87 |
| Office Equipment | ₹ 0.67 | ₹ 9.98 |
| Plant & Machinery | ₹ 500.33 | ₹ 188.75 |
| Computer Software | ₹ 0.75 | ₹ 0.07 |
| Vehicle Equipment | ₹ 1.33 | ₹ 0.00 |
| CWIP | ₹ 106.87 | ₹ 3.34 |
| **Total Capital Expenditure (B)** | ₹ 770.17 | ₹ 343.64 |
| **Total R&D Expenditure (A + B)** | ₹ 987.08 | ₹ 501.39 |

Approval for registration of in- house R&D unit by Department of Science and Industrial Research (DSIR) was received vide letter dated 24th November 2020 and the same was subsequently renewed on June 13, 2023, by DSIR. As the above note is for the discloser of requirements of Section 35(2AB) of the Income Tax Act, 1961, we have not considered Depreciation here.

## 43. Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies. The board regularly meets to decide its risk management activities.



In ₹ MM, unless otherwise stated

## 43. Financial risk management

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The Company has exposure to the following risks arising from financial instruments:

- credit risk - see note (a) below
- liquidity risk - see note (b) below
- market risk - see note (c) below

### (a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The Company uses a matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and Company's historical experience for customers.

(i) The company has not made any provision on expected credit loss on trade receivables and other financials assets, based on the management estimates

(ii) Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

### (b) Liquidity Risk

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

The Company's treasury department within the Finance Department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from the operations.

## 43. Financial risk management

| Working Capital of the Company | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Total current assets (A) | ₹ 13,821.04 | ₹ 6,751.28 |
| Total current liabilities (B) | ₹ 2,395.65 | ₹ 940.00 |
| Working capital (A-B) | ₹ 11,425.38 | ₹ 5,811.28 |
| Current Ratio | 5.77 | 7.18 |

Company's exposure to financial liabilities based on the contractual maturity as at reporting date

As at March 31, 2024

| Contractual cash flows | Carrying value | Less than 1 year | More than 1 year | Total |
|---|---|---|---|---|
| Borrowings | ₹ 1,292.03 | ₹ 1,292.03 | ₹ 0.00 | ₹ 1,292.03 |
| Trade payables | ₹ 938.24 | ₹ 938.24 | ₹ 0.00 | ₹ 938.24 |
| Lease liabilities | ₹ 143.84 | ₹ 24.46 | ₹ 119.37 | ₹ 143.83 |
| Other liabilities | ₹ 114.68 | ₹ 114.68 | ₹ 0.00 | ₹ 114.68 |

As at March 31, 2023

| Contractual cash flows | Carrying value | Less than 1 year | More than 1 year | Total |
|---|---|---|---|---|
| Borrowings | ₹ 1.06 | ₹ 1.06 | ₹ 0.00 | ₹ 1.06 |
| Trade payables | ₹ 815.18 | ₹ 814.52 | ₹ 0.66 | ₹ 815.18 |
| Lease liabilities | ₹ 156.07 | ₹ 10.76 | ₹ 145.32 | ₹ 156.08 |
| Other liabilities | ₹ 96.92 | ₹ 96.92 | ₹ 0.00 | ₹ 96.92 |

### (c) Market Risk

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### (c1) Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (INR) and in other foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where revenue or expense is denominated in a foreign currency.





## 43. Financial risk management

Following is outstanding foreign currency unhedged exposure:

| (i) Financial Assets | As at March 31, 2024 Foreign currency | As at March 31, 2024 Equivalent amount in rupees | As at March 31, 2023 Foreign currency | As at March 31, 2023 Equivalent amount in rupees |
|---|---|---|---|---|
| US $ | | | | |
| Trade receivables | $ 16.52 | ₹ 1,377.54 | $ 18.54 | ₹ 1,523.75 |
| Balance with banks - in EEFC accounts | $ 0.45 | ₹ 37.72 | $ 1.80 | ₹ 148.30 |
| Total | $ 16.98 | ₹ 1,415.26 | $ 20.34 | ₹ 1,672.05 |

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

| (ii) Financial Liabilities | As at March 31, 2024 Foreign currency | As at March 31, 2024 Equivalent amount in rupees | As at March 31, 2023 Foreign currency | As at March 31, 2023 Equivalent amount in rupees |
|---|---|---|---|---|
| US $ | | | | |
| Trade Payable | $ 0.10 | ₹ 8.27 | $ 3.09 | ₹ 254.16 |
| Total | $ 0.10 | ₹ 8.27 | $ 3.09 | ₹ 254.16 |

Note: Amounts seen as (0.00) are below the disclosure threshold of the company

| (iii) Currency wise net exposure (Financial assets - Financial liabilities) | As at March 31, 2024 Foreign currency | As at March 31, 2024 Equivalent amount in rupees | As at March 31, 2023 Foreign currency | As at March 31, 2023 Equivalent amount in rupees |
|---|---|---|---|---|
| US $ | $ 16.88 | ₹ 1,406.99 | $ 17.25 | ₹ 1,417.90 |
| Total | $ 16.88 | ₹ 1,406.99 | $ 17.25 | ₹ 1,417.90 |

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

| (iv) Sensitivity analysis | FY2024 | FY2023 |
|---|---|---|
| Impact on profit/equity (1% strengthening) (US $) | ₹ 14.07 | ₹ 14.18 |
| Total | ₹ 14.07 | ₹ 14.18 |
| Impact on profit/equity (1% weakening) (US $) | (₹ 14.07) | (₹ 14.18) |
| Total | (₹ 14.07) | (₹ 14.18) |

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

## 43. Financial risk management

(c2) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rates by selection appropriate type of borrowings and by negotiation with the bankers.

The exposure of the borrowings (long term and short term ) to interest rate changes at the end of the reporting period are as follows:

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Variable rate borrowings | ₹ 1,292.03 | ₹ 0.00 |
| Fixed rate borrowings | ₹ 0.00 | ₹ 1.06 |
| Total | ₹ 1,292.03 | ₹ 1.06 |

Sensitivity analysis

| Particulars | Impact on profit before tax / pre- tax equity 2024 | 2023 |
|---|---|---|
| Increase by 50 basis points | (₹ 6.46) | (₹ 0.01) |
| Decrease by 50 basis points | ₹ 6.46 | ₹ 0.01 |

## 44. Capital management

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

The Company's objectives when managing capital are to :
- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Total liabilities | ₹ 2,867.96 | ₹ 1,353.08 |
| Less: cash and cash equivalents and bank balances | ₹ 5,556.19 | ₹ 1,022.45 |
| Net debt | (₹ 2,688.22) | ₹ 330.62 |
| Total equity | ₹ 20,689.33 | ₹ 12,446.09 |
| Net Debt-equity ratio | (0.13) | 0.03 |





## 45. Fair value measurement

As at March 31, 2024

| (a) Categories of financial instruments | Carrying Amount | FVTPL (Level 1) | FVTPL (Level 3) | FVTOCI (Level 3) | Amortised cost (Level 2) |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| Trade receivables | ₹ 2,299.22 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 2,299.22 |
| Cash and cash equivalents | ₹ 53.54 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 53.54 |
| Other bank balances | ₹ 5,502.65 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 5,502.65 |
| Investment in mutual funds - Quoted | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Investments in equity shares- Unquoted | ₹ 2.60 | ₹ 0.00 | ₹ 0.00 | ₹ 2.60 | ₹ 0.00 |
| Loans | ₹ 1,056.70 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 1,056.70 |
| Other financial assets | ₹ 443.08 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 443.08 |
| Total financial assets | ₹ 9,357.78 | ₹ 0.00 | ₹ 0.00 | ₹ 2.60 | ₹ 9,355.19 |
| Financial liabilities | | | | | |
| Borrowings | ₹ 1,292.03 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 1,292.03 |
| Trade payables | ₹ 938.24 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 938.24 |
| Other financial liabilities | ₹ 258.52 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 258.52 |
| Total financial liabilities | ₹ 2,488.80 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 2,488.80 |

As at March 31, 2023

| (a) Categories of financial instruments | Carrying Amount | FVTPL (Level 1) | FVTPL (Level 3) | FVTOCI (Level 3) | Amortised cost (Level 2) |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| Trade receivables | ₹ 2,589.82 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 2,589.82 |
| Cash and cash equivalents | ₹ 708.64 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 708.64 |
| Other bank balances | ₹ 313.81 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 313.81 |
| Investment in mutual funds - Quoted | ₹ 10.01 | ₹ 10.01 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Investments in equity shares- Unquoted | ₹ 2.60 | ₹ 0.00 | ₹ 0.00 | ₹ 2.60 | ₹ 0.00 |
| Loans | ₹ 11.38 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 11.38 |
| Other financial assets | ₹ 30.28 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 30.28 |
| Total financial assets | ₹ 3,666.54 | ₹ 10.01 | ₹ 0.00 | ₹ 2.60 | ₹ 3,653.93 |

In ₹ MM, unless otherwise stated

## 45. Fair value measurement

As at March 31, 2023

| (a) Categories of financial instruments | Carrying Amount | FVTPL (Level 1) | FVTPL (Level 3) | FVTOCI (Level 3) | Amortised cost (Level 2) |
|---|---|---|---|---|---|
| Financial liabilities | | | | | |
| Borrowings | ₹ 1.06 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 1.06 |
| Trade payables | ₹ 815.18 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 815.18 |
| Other financial liabilities | ₹ 252.99 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 252.99 |
| Total financial liabilities | ₹ 1,069.24 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 1,069.24 |

(b) Fair value hierarchy

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the company which are carried at amortized cost approximates the fair value (except for which the fair values are mentioned). Investments in Mutual Funds which are designated at FVTPL & investment in shares which are classified as FVTOCI are at fair value.

## 46. Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under"

(i) Defined contribution plan - Provident fund and other funds

The company has recognized following amounts in the profit & loss account for the year:

For the year ended March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Provident Fund | | |
| Employer's Contribution | ₹ 17.88 | ₹ 12.72 |
| Administration charges | ₹ 0.73 | ₹ 0.55 |
| Employer's Contribution to ESI (Employee State Insurance) | ₹ 3.17 | ₹ 2.68 |
| Total | ₹ 21.77 | ₹ 15.95 |

(ii) Defined benefit plan

1) The defined benefit plan comprises gratuity, which is funded.
2) Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive Income (OCI).

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.



In ₹ MM, unless otherwise stated

## 46. Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under"

As at March 31,

| Changes in the present value of the defined benefit obligation | 2024 | 2023 |
|---|---|---|
| Present Value of Benefit Obligation at the Beginning of the Period | ₹ 33.33 | ₹ 25.12 |
| Interest cost | ₹ 2.50 | ₹ 1.82 |
| Current service cost | ₹ 8.29 | ₹ 6.48 |
| Benefits paid | (₹ 0.34) | (₹ 1.20) |
| Actuarial (Gains)/Losses on Obligations | | |
| Due to Change in Demographic Assumptions | ₹ 0.00 | ₹ 0.00 |
| Due to Change in Financial Assumptions | ₹ 1.69 | (₹ 1.12) |
| Due to Experience | ₹ 2.33 | ₹ 2.24 |
| Present value of obligation at the end of the period / year | ₹ 47.79 | ₹ 33.33 |

As at March 31,

| Changes in the fair value of plan assets | 2024 | 2023 |
|---|---|---|
| Fair value of plan assets at the beginning of the period / year | ₹ 36.24 | ₹ 27.46 |
| Interest income | ₹ 2.72 | ₹ 1.99 |
| Contributions | ₹ 12.32 | ₹ 8.55 |
| Mortality charges and taxes | ₹ 0.00 | ₹ 0.00 |
| Benefits paid | (₹ 0.34) | (₹ 1.20) |
| Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss) | (₹ 0.44) | (₹ 0.55) |
| Fair value of Plan assets at end of the year | ₹ 50.49 | ₹ 36.24 |

For the year ended March 31,

| Net interest cost for current period | 2024 | 2023 |
|---|---|---|
| Present Value of Benefit Obligation at the Beginning of the Period | ₹ 33.33 | ₹ 25.12 |
| Fair Value of Plan Assets at the Beginning of the Period | (₹ 36.24) | (₹ 27.46) |
| Net Liability/(Asset) at the Beginning | (₹ 2.91) | (₹ 2.34) |
| Interest Cost | ₹ 2.50 | ₹ 1.82 |
| Interest Income | (₹ 2.72) | (₹ 1.99) |
| Fair value of Plan assets at end of the year | (₹ 0.22) | (₹ 0.17) |

In ₹ MM, unless otherwise stated

46. Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under"

| | For the year ended March 31, | |
|---|---|---|
| Net employee benefit expense on account of gratuity recognised in employee benefit expenses | 2024 | 2023 |
| Current service cost | ₹ 8.29 | ₹ 6.48 |
| Net interest (Income)/ Expense | (₹ 0.22) | (₹ 0.17) |
| Net benefit expense | ₹ 8.07 | ₹ 6.31 |

| | For the year ended March 31, | |
|---|---|---|
| Amount recognised in the statement of other comprehensive income | 2024 | 2023 |
| Re-measurement for the year - obligation (gain) / loss | ₹ 4.02 | ₹ 1.12 |
| Re-measurement for the year - plan assets (gain) / loss | ₹ 0.44 | ₹ 0.55 |
| Total re-measurements cost / (credit) for the period / year recognised in other comprehensive income | ₹ 4.46 | ₹ 1.67 |

| | As at March 31, | |
|---|---|---|
| Net Defined Benefit Liability/(Asset) for the period / year | 2024 | 2023 |
| Defined Benefit Obligation | ₹ 47.79 | ₹ 33.33 |
| Fair value of plan assets | ₹ 50.49 | ₹ 36.24 |
| Closing net defined benefit liability/(asset) | (₹ 2.70) | (₹ 2.91) |

| | As at March 31, | |
|---|---|---|
| | 2024 | 2023 |
| Current | (₹ 2.70) | (₹ 2.91) |
| Non-Current | ₹ 0.00 | ₹ 0.00 |

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

| | As at March 31, | |
|---|---|---|
| Assumptions | 2024 | 2023 |
| Mortality table | % Indian Assured Lives Mortality 2012-14 (Urban) | % Indian Assured Lives Mortality 2012-14 (Urban) |
| Discount rate | 7.22% | 7.50% |
| Rate of increase in compensation levels | 8.00% | 8.00% |



In ₹ MM, unless otherwise stated

46. Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under"

| | As at March 31, | |
|---|---|---|
| Assumptions | 2024 | 2023 |
| Mortality table | % Indian Assured Lives Mortality 2012-14 (Urban) | % Indian Assured Lives Mortality 2012-14 (Urban) |
| Expected rate of return on plan assets | 7.22% | 7.50% |
| Withdrawal rate (for all age groups) | 5.00% | 5.00% |

| | Defined benefit obligation as at March 31, | | | |
|---|---|---|---|---|
| A quantitative sensitivity analysis for significant assumptions | 2024 | | 2023 | |
| | Increase by 100 basis points | Decrease by 100 basis points | Increase by 100 basis points | Decrease by 100 basis points |
| Delta effect of 1% change in rate of discounting | (₹ 5.63) | ₹ 6.88 | (₹ 3.97) | ₹ 4.85 |
| Delta effect of 1% change in rate of salary increase | ₹ 6.34 | (₹ 5.47) | ₹ 4.59 | (₹ 3.93) |
| Delta effect of 1% change in rate of employee turnover | (₹ 0.64) | ₹ 0.71 | (₹ 0.39) | ₹ 0.42 |

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Expected future benefit payments

The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

| | As at March 31, | |
|---|---|---|
| | 2024 | 2023 |
| 1st Following Year | ₹ 2.09 | ₹ 1.23 |
| 2nd Following Year | ₹ 1.98 | ₹ 1.39 |
| 3rd Following Year | ₹ 2.24 | ₹ 1.57 |
| 4th Following Year | ₹ 2.36 | ₹ 1.75 |
| 5th Following Year | ₹ 2.54 | ₹ 1.84 |
| Sum of Years 6 To 10 | ₹ 14.25 | ₹ 10.24 |
| Sum of Years 11 and above | ₹ 132.37 | ₹ 100.33 |

## 47. Stock option scheme

### Aether Industries Limited - Employee Stock Option Scheme - 2021 (AIL ESOS 2021)

The Company has instituted equity-settled Employee Stock Option Scheme - 2021 duly approved by the shareholders in the extra-ordinary general meeting of the Company held on 18 November 2021. The Company introduced the AIL ESOS 2021 primarily with a view to attract, retain and incentivise the existing and new employees of the Company and motivate them to contribute to the growth and profitability of the Company. The shareholders by way of special resolution have authorised the Nomination and Remuneration Committee to grant options not exceeding 11,00,000 to the eligible employees under the AIL ESOS 2021, in one or more tranches, with each such option conferring a right upon the Eligible employee to apply for one share of the Company.

As per AIL ESOS 2021, the Nomination and Remuneration Committee shall determine the eligibility criteria for employees to whom the options would be granted and shall approve the grant of options. The options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 7 (seven) years from the date of grant of options. Vesting of options would be subject to continued employment with the Company. The exercise period shall be 7 (seven) years from the date of vesting of options. The vested options can be exercised by the employee any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter.

The scheme was modified on 27 September 2022 and the revised terms are prospectively applicable to all grants under the scheme. The modified terms are defined as follows:

The vesting period is minimum 1 (one) year but not later than 15 (fifteen) years from the date of grant of options. Vesting of options would be subject to continued employment with the Company. The exercise period shall be 15 (fifteen) years from the date of vesting of options, subject to exceptional circumstances. The vested options can be exercised by the employee any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter.

Under the said scheme Nomination and Remuneration Committee of the board of directors has granted following options to its eligible employees:

| Grant Date | Tranche number | Number of options | Total number of options |
|---|---|---|---|
| November 20, 2021 | Tranche 1 | 1,81,122 | 3,61,492 |
| November 20, 2022 | Tranche 2 | 12,461 | |
| November 20, 2022 | Tranche 3 | 24,922 | |
| November 20, 2022 | Tranche 4 | 3,181 | |
| May 09, 2023 | Tranche 5 | 1,35,114 | |
| August 18, 2023 | Tranche 6 | 4,692 | |



## 47. Stock option scheme

### Reconciliation of outstanding employee stock options:

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Weighted average exercise price per option (Rs.) | Number of options | Weighted average exercise price per option (Rs.) | Number of options |
| Opening Balance | ₹ 321.00 | 1,74,156 | ₹ 321.00 | 1,74,831 |
| Granted during the year | ₹ 885.00 | 1,39,806 | ₹ 335.27 | 40,564 |
| Exercised during the year | ₹ 321.00 | 26,732 | ₹ 321.00 | 28,048 |
| Forfeited / Lapsed during the year | ₹ 643.69 | 7,998 | ₹ 321.00 | 13,191 |
| Closing Balance | ₹ 597.39 | 2,79,232 | ₹ 324.32 | 1,74,156 |
| Options exercisable at the end of the period | - | 0 | ₹ 0.00 | 0 |

Weighted average share price on the date of exercise is Rs. 894.45/- (Previous Year: 985.35*)

*Weighted average exercise price of shares is required to be disclosed, where share options are exercised during the period.

### Stock options outstanding at the end of the period have the following remaining contractual life:

| Grant date | Expiry date | Exercise Price | Options outstanding | |
|---|---|---|---|---|
| | | | As at March 31, 2024 | As at March 31, 2023 |
| November 20, 2021 | November 20, 2023 | ₹ 321.00 | | 26,730 |
| November 20, 2021 | November 20, 2024 | ₹ 321.00 | 26,616 | 26,730 |
| November 20, 2021 | November 20, 2025 | ₹ 321.00 | 24,072 | 24,262 |
| November 20, 2021 | November 20, 2026 | ₹ 321.00 | 21,044 | 21,048 |
| November 20, 2021 | November 20, 2027 | ₹ 321.00 | 19,969 | 19,973 |
| November 20, 2021 | November 20, 2028 | ₹ 321.00 | 13,308 | 13,315 |
| November 20, 2022 | November 20, 2026 | ₹ 321.00 | 4,154 | 4,154 |
| November 20, 2022 | November 20, 2027 | ₹ 321.00 | 10,384 | 10,384 |
| November 20, 2022 | November 20, 2028 | ₹ 321.00 | 10,384 | 10,384 |
| November 20, 2022 | November 20, 2029 | ₹ 321.00 | 6,231 | 6,231 |
| November 20, 2022 | November 20, 2030 | ₹ 321.00 | 6,231 | 6,231 |
| November 20, 2022 | November 01, 2025 | ₹ 503.00 | | 748 |
| November 20, 2022 | November 01, 2026 | ₹ 503.00 | | 748 |
| November 20, 2022 | November 01, 2027 | ₹ 503.00 | | 748 |

## 47. Stock option scheme

Stock options outstanding at the end of the period have the following remaining contractual life:

| Grant date | Expiry date | Exercise Price | Options outstanding | |
|---|---|---|---|---|
| | | | As at March 31, 2024 | As at March 31, 2023 |
| November 20, 2022 | November 01, 2028 | ₹ 503.00 | | 748 |
| November 20, 2022 | November 01, 2029 | ₹ 503.00 | | 748 |
| November 20, 2022 | November 01, 2030 | ₹ 503.00 | | 748 |
| November 20, 2022 | November 01, 2031 | ₹ 503.00 | | 228 |
| May 09, 2023 | May 09, 2027 | ₹ 885.00 | 44,049 | |
| May 09, 2023 | May 09, 2028 | ₹ 885.00 | 44,049 | |
| May 09, 2023 | May 09, 2029 | ₹ 885.00 | 44,049 | |
| August 18, 2023 | May 09, 2027 | ₹ 885.00 | 1,564 | |
| August 18, 2023 | May 09, 2028 | ₹ 885.00 | 1,564 | |
| August 18, 2023 | May 09, 2029 | ₹ 885.00 | 1,564 | |
| Total | | | 2,79,232 | 1,74,156 |
| Weighted average remaining contractual life of the options outstanding at the end of the period | | | 3.52 Years | 2.17 Years |

### Fair value of the options granted

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes-Merton model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grant made on August 18, 2023:

| Grant: AIL ESOS 2021 | Vesting dates - May 9, | | |
|---|---|---|---|
| Grant Date: August 18, 2023 | 2025 | 2026 | 2027 |
| Input variables | | | |
| Stock Price per share (Rs.) | ₹ 1,040.55 | ₹ 1,040.55 | ₹ 1,040.55 |
| Standard Deviation (Volatility) | 34.07% | 38.42% | 37.42% |
| Risk-free Rate | 7.22% | 7.22% | 7.21% |
| Exercise Price (Rs.) | ₹ 885.00 | ₹ 885.00 | ₹ 885.00 |
| Time to Maturity (in years) | 2.72 | 3.72 | 4.72 |
| Dividend yield | 0.00% | 0.00% | 0.00% |
| Output | | | |
| Fair value of option (Rs.) | ₹ 389.24 | ₹ 468.17 | ₹ 513.85 |





Fair value and assumptions for the equity-settled grant made on May 9, 2023:

| Grant: AIL ESOS 2021 | Vesting dates - May 9, | | |
|---|---|---|---|
| Grant Date: May 9, 2023 | 2025 | 2026 | 2027 |
| Input variables | | | |
| Stock Price per share (Rs.) | ₹ 931.90 | ₹ 931.90 | ₹ 931.90 |
| Standard Deviation (Volatility) | 44.72% | 43.19% | 43.10% |
| Risk-free Rate | 6.99% | 7.00% | 7.03% |
| Exercise Price (Rs.) | ₹ 885.00 | ₹ 885.00 | ₹ 885.00 |
| Time to Maturity (in years) | 3.00 | 4.00 | 5.00 |
| Dividend yield | 0.00% | 0.00% | 0.00% |
| Output | | | |
| Fair value of option (Rs.) | ₹ 400.29 | ₹ 443.53 | ₹ 487.97 |

Fair value and assumptions for the equity-settled grant made on November 20, 2022 - Tranche 1:

| Grant: AIL ESOS 2021 | Vesting dates - November 20, | | |
|---|---|---|---|
| Tranche 1: Grant Date: Nov 20, 2022 | 2023 | 2024 | 2025 |
| Input variables | | | |
| Stock Price per share (Rs.) | ₹ 985.35 | ₹ 985.35 | ₹ 985.35 |
| Standard Deviation (Volatility) | 44.39% | 45.90% | 44.84% |
| Risk-free Rate | 7.03% | 7.12% | 7.16% |
| Exercise Price (Rs.) | ₹ 321.00 | ₹ 321.00 | ₹ 321.00 |
| Time to Maturity (in years) | 2.50 | 3.50 | 4.50 |
| Dividend yield | 0.00% | 0.00% | 0.00% |
| Output | | | |
| Fair value of option (Rs.) | ₹ 720.47 | ₹ 744.50 | ₹ 764.60 |

Fair value and assumptions for the equity-settled grant made on November 20, 2022 - Tranche 2:

| Grant: AIL ESOS 2021 | Vesting dates - November 20, | | | |
|---|---|---|---|---|
| Tranche 2: Grant Date: November 20, 2022 | 2023 | 2024 | 2025 | 2026 |
| Input variables | | | | |
| Stock Price per share (Rs.) | ₹ 985.35 | ₹ 985.35 | ₹ 985.35 | ₹ 985.35 |
| Standard Deviation (Volatility) | 46.81% | 44.37% | 44.20% | 42.66% |
| Risk-free Rate | 7.08% | 7.12% | 7.18% | 7.31% |

## 47. Stock option scheme

| Grant: AIL ESOS 2021 | Vesting dates - November 20, | | | |
|---|---|---|---|---|
| Tranche 2: Grant Date: November 20, 2022 | 2023 | 2024 | 2025 | 2026 |
| Input variables | | | | |
| Exercise Price (Rs.) | ₹ 321.00 | ₹ 321.00 | ₹ 321.00 | ₹ 321.00 |
| Time to Maturity (in years) | 3.00 | 4.00 | 5.00 | 6.00 |
| Dividend yield | 0.00% | 0.00% | 0.00% | 0.00% |
| Output | | | | |
| Fair value of option (Rs.) | ₹ 733.86 | ₹ 753.56 | ₹ 773.65 | ₹ 791.09 |

Fair value and assumptions for the equity-settled grant made on November 20, 2021:

| Grant: AIL ESOS 2021 | Vesting dates - November 20, | | | | | | |
|---|---|---|---|---|---|---|---|
| Grant Date: November 20, 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Input variables | | | | | | | |
| Stock Price per share (Rs.) | ₹ 411.81 | ₹ 411.81 | ₹ 411.81 | ₹ 411.81 | ₹ 411.81 | ₹ 411.81 | ₹ 411.81 |
| Standard Deviation (Volatility) | 41.64% | 40.62% | 41.21% | 40.77% | 41.31% | 41.35% | 41.89% |
| Risk-free Rate | 5.72% | 5.96% | 6.19% | 6.29% | 6.36% | 6.37% | 6.48% |
| Exercise Price (Rs.) | ₹ 321.00 | ₹ 321.00 | ₹ 321.00 | ₹ 321.00 | ₹ 321.00 | ₹ 321.00 | ₹ 321.00 |
| Time to Maturity (in years) | 4.50 | 5.50 | 6.50 | 7.50 | 8.50 | 9.50 | 10.50 |
| Dividend yield | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Output | | | | | | | |
| Fair value of option (Rs.) | ₹ 210.91 | ₹ 226.79 | ₹ 244.51 | ₹ 257.65 | ₹ 271.43 | ₹ 282.50 | ₹ 294.59 |

Rationale for principal variables used

- Time to maturity of options is the period of time from the grant date to the date on which option is expected to be exercised. The minimum life of stock option is the minimum period before which the options cannot be exercised, and maximum life is the period after which the options cannot be exercised.
- The expected price volatility is based on the historic volatility, adjusted for any changes to future volatility due to publicly available information.

The company has recorded employee share-based compensation expense in the current year amounting to ₹ 36.76 MM (Previous year: ₹ 15.51 MM) for the options issued to the employees.





## 48. Revenue from contracts with customers

| (a) Reconciliation of revenue recognised with the contracted price is as follows: | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Gross Sales (Contracted Price) | ₹ 5,965.45 | ₹ 6,510.74 |
| Reductions towards variable consideration (Discount & Delayed Delivery Charges) | (₹ 8.76) | ₹ 0.00 |
| Revenue recognised | ₹ 5,956.69 | ₹ 6,510.74 |

The Company derives its revenue from contracts with customers for the transfer of goods and services at a point in time and over the period in the following major product lines. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108.

| (b) Revenue by Business Classification | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Large Scale Manufacturing | ₹ 3,539.49 | ₹ 3,356.91 |
| Contract Manufacturing | ₹ 1,534.53 | ₹ 2,233.79 |
| Contract Research And Manufacturing Services (CRAMS) | ₹ 826.61 | ₹ 816.59 |
| Others | ₹ 56.06 | ₹ 103.45 |
| Total revenue | ₹ 5,956.69 | ₹ 6,510.74 |

| (c) Revenue by Geographies / Regions | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| India (including Deemed Exports) | ₹ 3,458.59 | ₹ 3,590.36 |
| India (SEZ) | ₹ 347.59 | ₹ 281.07 |
| Italy | ₹ 644.75 | ₹ 976.57 |
| Germany | ₹ 432.86 | ₹ 266.57 |
| USA | ₹ 342.98 | ₹ 519.38 |
| Spain | ₹ 232.41 | ₹ 120.00 |
| Japan | ₹ 210.49 | ₹ 67.70 |
| Israel | ₹ 58.45 | ₹ 59.33 |
| Mexico | ₹ 57.53 | ₹ 51.42 |
| Netherlands | ₹ 55.76 | ₹ 358.20 |
| China | ₹ 44.91 | ₹ 105.16 |
| Hungary | ₹ 21.83 | ₹ 0.00 |
| Romania | ₹ 14.94 | ₹ 5.24 |
| Sweden | ₹ 12.76 | ₹ 13.45 |
| United Kingdom | ₹ 9.11 | ₹ 16.70 |

In ₹ MM, unless otherwise stated

## 48. Revenue from contracts with customers

| (c) Revenue by Geographies / Regions | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Switzerland | ₹ 6.56 | ₹ 41.50 |
| Others - Asia | ₹ 4.00 | ₹ 13.55 |
| Others - Europe | ₹ 1.17 | ₹ 24.52 |
| Total revenue | ₹ 5,956.69 | ₹ 6,510.74 |

## 49. Leases

(a) For Right-of-use assets schedule - Please refer note 5

| (b) Lease liabilities | As at March 31, 2024 | 2023 |
|---|---|---|
| Current | ₹ 24.46 | ₹ 10.76 |
| Non Current | ₹ 119.37 | ₹ 145.32 |
| Total | ₹ 143.84 | ₹ 156.07 |

| (c) Interest expenses on lease liabilities | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Interest on lease liabilities | ₹ 15.68 | ₹ 12.09 |
| Total | ₹ 15.68 | ₹ 12.09 |

| (d) Expenses on short term leases / low value assets | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Short-term lease | ₹ 3.21 | ₹ 6.88 |
| Low value assets | ₹ 0.23 | ₹ 0.00 |
| Total | ₹ 3.44 | ₹ 6.88 |

| (e) Amounts recognised in the statement of cash flow | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Total cash outflow for leases | ₹ 26.23 | ₹ 11.03 |



In ₹ MM, unless otherwise stated

## 49. Leases

| (f) Maturity analysis – contractual un-discounted cash flows | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Less than one year | ₹ 24.46 | ₹ 26.59 |
| One to five years | ₹ 70.54 | ₹ 97.66 |
| More than five years | ₹ 202.79 | ₹ 202.31 |
| Total | ₹ 297.80 | ₹ 326.56 |

(g) Other notes

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2018 is 9.50%.

Operating lease payable as per previous GAAP as at transition date is considered for calculation of lease liabilities under Ind AS 116.

## 50. Operating segment

| | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Sales value | | |
| India | ₹ 3,806.18 | ₹ 3,871.43 |
| Rest of the World | ₹ 2,150.51 | ₹ 2,639.31 |
| Total sales value | ₹ 5,956.69 | ₹ 6,510.74 |

| | As at March 31, 2024 | 2023 |
|---|---|---|
| Carrying amount of assets* | | |
| India | ₹ 921.68 | ₹ 1,066.06 |
| Rest of the World | ₹ 1,377.54 | ₹ 1,523.75 |
| Total carrying amount of assets | ₹ 2,299.22 | ₹ 2,589.81 |

*Segment assets represent trade receivables

| | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Additions to property, plant and equipment, right of use assets and intangible assets | | |
| India | ₹ 1,374.33 | ₹ 4,123.39 |
| Total | ₹ 1,374.33 | ₹ 4,123.39 |

In ₹ MM, unless otherwise stated

## 51. Corporate social responsibility

As per the provisions of section 135 of Companies Act 2013, the Company was required to spend Rs. 27.65 MM (March 31, 2023: Rs. 19.75 MM). being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. However, the Company has spent Rs. 27.97 million (March 31, 2023: Rs. 19.98 million) towards Corporate Social Responsibility activities. Below are the details of the amount spent during the year:

| | | For the year ended March 31, | |
|---|---|---|---|
| Payment to | CSR Activity | 2024 | 2023 |
| Aether Foundation | Training for sport which is recognised at national level and also for furtherance to olympics | ₹ 1.27 | ₹ 2.10 |
| Ambika Education Trust, Dodipada | Promoting education in rural area | ₹ 13.90 | ₹ 1.50 |
| Kagzi Traders | To celebrate Azadi ka Amrut Mahotsav - Education | ₹ 0.00 | ₹ 0.16 |
| Surat Municipal Corporation | To celebrate Azadi ka Amrut Mahotsav - Education | ₹ 0.00 | ₹ 0.02 |
| Indian Chemical Society | Promoting Education | ₹ 1.60 | ₹ 0.00 |
| Kajorimal Basantilal Nagori Trust | Promoting education in rural area | ₹ 0.00 | ₹ 0.60 |
| Shivam Education Trust | Nursing College Building | ₹ 1.15 | ₹ 2.50 |
| Surat Manav Seva Sangh | Disaster management, including relief, rehabilitation and reconstruction activities (CoVID-19) | ₹ 0.35 | ₹ 0.00 |
| Surat Raktadan Kendra and Research Centre | Preventive health-care measure | ₹ 0.30 | ₹ 0.00 |
| Institute of Chemical Technology | Promoting Education | ₹ 1.30 | ₹ 0.00 |
| Vanvasi Vikas Mandal, Waghai | Promoting education in tribal and rural area for gilrs | ₹ 0.00 | ₹ 3.10 |
| Shree Mahavir Health and Medical Relief Society | New Cancer Research Project / Preventive health-care measure | ₹ 0.00 | ₹ 10.00 |
| Mahala Education Charitable Trust | Promoting Education | ₹ 0.45 | ₹ 0.00 |
| Bardoli Pradesh Kelvani Mandal | Promoting Education | ₹ 0.75 | ₹ 0.00 |
| Manav Seva Trust | Facilities to old age homes - senior citizens | ₹ 0.02 | ₹ 0.00 |
| Seva Foundation | Providing Healthcare | ₹ 4.95 | ₹ 0.00 |
| Stranctuary Foundation | For Animal Welfare | ₹ 0.10 | ₹ 0.00 |
| Shree Ramnath Ghela Smasan Bhumi Trust | For reducing in-equalities in socially and economically backward groups | ₹ 1.10 | ₹ 0.00 |
| Chimney Charitable Trust | For Medical Support | ₹ 0.73 | ₹ 0.00 |
| Total CSR expenditure | | ₹ 27.97 | ₹ 19.98 |



## 52. Events subsequent to March 31, 2024

None

**For Birju S. Shah & Associates**
Chartered Accountants | ICAI Firm Reg. No.: 131554W

**Birju S. Shah - Proprietor**
Membership No.: 107086 | UDIN: 24107086BKAPIF3624

**Place:** Surat | **Date:** May 21, 2024

**For and behalf of Board of Directors**
**Ashwin Desai** - Managing Director DIN: 00038386
**Rohan Desai** - Whole Time Director DIN: 00038379
**Faiz Nagariya** - Chief Financial Officer PAN: ADBPN8514G
**Chitrarth Parghi** - Company Secretary Mem. No.: F12563
**Place:** Surat | **Date:** May 21, 2024

In ₹ MM, unless otherwise stated

53. Ratios as per the Schedule III requirements

(a) Current Ratio

| Current assets divided by Current liabilities | As at March 31, 2024 | 2023 |
|---|---|---|
| Current Assets | ₹ 13,821.04 | ₹ 6,751.28 |
| Current Liabilities | ₹ 2,395.65 | ₹ 940.00 |
| Current Ratio (Times) | 5.77 | 7.18 |
| % Change from previous year | (19.67%) | |

(b) Debt Equity ratio

| Total debt divided by total equity | As at March 31, 2024 | 2023 |
|---|---|---|
| Total Debt | ₹ 1,292.03 | ₹ 1.06 |
| Total Equity | ₹ 20,689.33 | ₹ 12,446.09 |
| Debt Equity Ratio (Times) | 0.06 | 0.00 |
| % Change from previous year | 73,260.02% | |

(c) Debt Service Coverage Ratio (DSCR)

| Earnings available for debt services divided by total interest and principal repayments | As at March 31, 2024 | 2023 |
|---|---|---|
| Profit for the year | ₹ 880.98 | ₹ 1,304.17 |
| Add: Non cash operating expenses and finance cost | ₹ 0.00 | ₹ 0.00 |
| Depreciation and amortisation expense | ₹ 394.15 | ₹ 232.45 |
| Finance costs | ₹ 85.17 | ₹ 50.93 |
| Earnings available for debt services | ₹ 1,360.30 | ₹ 1,587.55 |
| Interest cost on borrowings | ₹ 62.98 | ₹ 30.26 |
| Principal repayments (including certain prepayments ) | ₹ 1.06 | ₹ 142.35 |
| Total Interest and principal repayments | ₹ 64.04 | ₹ 172.61 |
| Debt Equity Ratio (Times) | 21.24 | 9.20 |
| % Change from previous year | 130.94% | |

(d) Return on equity ratio/Return on investment ratio

| Net profit after tax divided by Equity | As at March 31, 2024 | 2023 |
|---|---|---|
| Profit for the year | ₹ 880.98 | ₹ 1,304.17 |
| Total Equity | ₹ 20,689.33 | ₹ 12,446.09 |
| Return on Equity Ratio (%) | 4.26% | 10.48% |
| % Change from previous year | (59.36%) | |



In ₹ MM, unless otherwise stated

53. Ratios as per the Schedule III requirements

(e) Inventory turnover ratio

| Closing Inventory divided by Cost of Material Consumed plus Changes in Inventory in to 365/366 | As at March 31, 2024 | 2023 |
|---|---|---|
| Credit Sales | ₹ 5,956.69 | ₹ 6,510.74 |
| Closing Inventory | ₹ 3,412.39 | ₹ 2,487.66 |
| Inventory Turnover Ratio (Days) | 209 | 139 |
| % Change from previous year | 49.93% | |

(f) Trade receivables turnover ratio

| Credit Sales divided by Closing Trade Receivables in to 365/366 | As at March 31, 2024 | 2023 |
|---|---|---|
| Credit Sales | ₹ 5,956.69 | ₹ 6,510.74 |
| Closing Trade Receivables | ₹ 2,299.22 | ₹ 2,589.82 |
| Trade Receivables Ratio (Days) | 141 | 145 |
| % Change from previous year | (2.96%) | |

(g) Trade payables turnover ratio

| Closing trade payables divided by Cost of Materials Consumed in to 365/366 | As at March 31, 2024 | 2023 |
|---|---|---|
| Cost of materials consumed | ₹ 3,193.45 | ₹ 3,173.39 |
| Closing Trade Payables | ₹ 938.24 | ₹ 815.18 |
| Inventory Turnover Ratio (Days) | 107 | 94 |
| % Change from previous year | 14.37% | |

(h) Net capital Turnover Ratio

| Revenue from operations divided by Net Working capital | As at March 31, 2024 | 2023 |
|---|---|---|
| Revenue from operations | ₹ 5,956.69 | ₹ 6,510.74 |
| Net Working Capital | ₹ 11,425.38 | ₹ 5,811.28 |
| Net Capital Turnover Ratio (Times) | 0.52 | 1.12 |
| % Change from previous year | (53.47%) | |

In ₹ MM, unless otherwise stated

## 53. Ratios as per the Schedule III requirements

(i) Net profit ratio

| Net profit after tax divided by Revenue from operations | As at March 31, 2024 | 2023 |
|---|---|---|
| Profit for the year | ₹ 880.98 | ₹ 1,304.17 |
| Revenue from operations | ₹ 5,956.69 | ₹ 6,510.74 |
| Net profit ratio (Times) | 0.15 | 0.20 |
| % Change from previous year | (26.17%) | |

(j) Return on Capital employed - pre cash (ROCE)

| Earnings before interest and taxes(EBIT) divided by Capital Employed- pre cash | As at March 31, 2024 | 2023 |
|---|---|---|
| Profit/(Loss) before tax (A) | ₹ 1,140.17 | ₹ 1,744.79 |
| Finance Costs (B) | ₹ 85.17 | ₹ 50.93 |
| Other income (C) | ₹ 442.64 | ₹ 165.65 |
| EBIT (D) = (A)+(B)-(C) | ₹ 782.70 | ₹ 1,630.06 |
| Capital Employed- Pre Cash (K)=(E)+(F)+(G)-(H)-(I)-(J) | ₹ 16,425.17 | ₹ 11,414.69 |
| Total Equity (E) | ₹ 20,689.33 | ₹ 12,446.09 |
| Non-Current Borrowings (F) | ₹ 0.00 | ₹ 0.00 |
| Current Borrowings (G) | ₹ 1,292.03 | ₹ 1.06 |
| Current Investments (H) | ₹ 0.00 | ₹ 10.01 |
| Cash and Cash equivalents (I) | ₹ 53.54 | ₹ 708.64 |
| Bank balances other than cash and cash equivalents (J) | ₹ 5,502.65 | ₹ 313.81 |
| Ratio (D)/(K) (%) | 4.77% | 14.28% |
| % Change from previous year | (66.63%) | |

Note: Impact on all ratios is due to the Fire Accident which happened in November 2023, where in Site II was closed thereafter for at least 3 month. Partial revocation of 50% was received though in January 2024, but major Plants 1 & 2 were still closed as the Plant 2 was majorly impacted (due to fire) and Plant 1 is connected to Plant 2. We expect the complete revocation of closer in Quarter 2 of FY 2025.

## 54. Other matters

### a. Registration of charges or satisfaction with Registrar of Companies (ROC)

The Company had registered various charges with the ROC within the statutory time period. During the financial year, the Company has repaid all its Term Loans and hence the collaterals have been released from the bank and accordingly the charges registered with ROC, have been satisfied.

### b. Details of Benami Property held

The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, hence no proceedings initiated or pending against the Company under the said Act and Rules.



In ₹ MM, unless otherwise stated

## 54. Other matters

### c. Loans and advances granted to specified person

Except as stated in the notes to accounts and financial statements, there are no other loans or advances granted to specified persons namely the promoters, directors, KMPs and related parties.

### d. Utilisation of borrowed funds, share premium and other funds

The Company has not received any funds from any person or entity with the understanding that the Company would directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiary) or provided any guarantee or security or the like on behalf of the ultimate beneficiary,

The Company has not advanced or loaned or invested to any other person(s), including foreign entities (Intermediaries) with the understanding that the intermediary shall:

i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

Ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

### e. Compliance with the number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

### f. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

### g. Undisclosed Income

There is no transaction, which has not been recorded in the books of accounts, that has been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961.

### h. Relationship with struck off companies

The Company has not have any transactions with companies, which are struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

# Audit Report

To,
The Members,
Aether Industries Limited,
Surat

## I. Audit Report on the Consolidated Financial Statements

### 1. Opinion

A. We have audited the accompanying Consolidated annual Financial Statements of AETHER INDUSTRIES LIMITED (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), for the year ended 31 March 2024 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Discloser Requirements) Regulations, 2015, as amended from time ("Listing Regulations").

B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements:
   a. include the annual financial statements of the following entities:
      - Aether Industries Limited (Holding Company)
      - Aether Speciality Chemical Limited (Subsidiary Company)
   b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard and give the information required by the Companies Act, 2013 ("the Act") in the manner so required
   c. and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### 2. Basis of opinion:

'We conducted our audit in accordance with the Standards on Auditing ("SAs™") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 annual financial statements.

### Information other than the Standalone Financial Statements and Auditor's Report thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

### 3.Management's and Board of Director's Responsibilities for the Consolidated Annual Financial Statements:

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial statements that give a true and fair view of the net profit/loss and other comprehensive income and other



financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The responsibility also includes maintenance of adequate records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual financial statements, the Management and the Board of Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Group are responsible for overseeing the Companies' financial reporting process of the respective companies.

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

A. Our objectives are to obtain reasonable assurance about whether the consolidated annual 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 Standards of Auditing issued by the institute of chartered accountants of India, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
   (i) Identify and assess the risks of material misstatement of the consolidated annual 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.

   (ii) Obtain an understanding of internal financial controls 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 through a separate report on the complete set of financial statements whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

   (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial statements made by the Management and Board of directors.

   (iv) Conclude on the appropriateness of the Management and Board of Director'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 appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual 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.

(iv) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

(vii) Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us along with the consideration of our audit report on the subsidiary company is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## II. Report on Other Legal and Regulatory Requirements

1) As required by Section 143(3) of the Act, based on our audit and separate financial statements of such subsidiary which were audited by us, 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 financial statements.

(B) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and our report of the subsidiary.

(C) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

(D) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

(E) On the basis of the written representations received from the directors of the Holding Company as on 31 March Holding Company and our report of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 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 financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(G) In our opinion and according to the information and explanations given to us, the remuneration paid by the companies forming part of the Group to its Director's during the current year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.



(H) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The companies forming part of the Group do not have any pending litigations which would impact the financial position of the Group as at 31 March 2024

ii) The companies forming part of the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) here were no amounts which were required to be transferred to the Investor Education and Protection Fund by the companies forming part of the Group.

iv) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds)by the Company or any of such subsidiaries to or in any other person or entity, outside the Group, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) here were no amounts which were required to be transferred to the Investor Education and Protection Fund by the companies forming part of the Group.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is applicable for the financial year ended March 31, 2024.

2) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the

Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

### III. Emphasis Matter

We draw attention to Note 2 to the consolidated Ind AS financial statements, which describes the effect of fire occurred in factory premises on November 29, 2023. The accidental expenses on account of fire are duly considered under exceptional item of profit and loss and account and Note 36. Our opinion is not modified in respect of this matter.

### IV. Other Matters

Opening balance with respect to the financial information for the year ended 31 March 2024, included in these Financial Statements, are based on audited Financial Statements for the year ended 31 March 2023, which has been approved by the Company's Board of Directors on May 6, 2023.

Our opinion is not modified in respect of this matter.

**For Birju S. Shah & Associates**
Chartered Accountants | ICAI Firm Reg. No.: 131554W

**Birju S. Shah - Proprietor**
Membership No.: 107086 | UDIN: 24107086BKAPID2756

**Place:** Surat | **Date:** May 21, 2024



## Annexure A to the Auditor's Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of AETHER INDUSTRIES LTD. ("The Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Birju S. Shah & Associates**
Chartered Accountants | ICAI Firm Reg. No.: 131554W

**Birju S. Shah - Proprietor**
Membership No.: 107086 | UDIN: 24107086BKAPID2756

**Place:** Surat | **Date:** May 21, 2024

# Annexure I - Statement of Assets and Liabilities

In ₹ MM, unless otherwise stated

| ASSETS | Note | As at March 31, 2024 | 2023 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | ₹ 6,932.67 | ₹ 5,333.54 |
| Capital work-in-progress | 4 | ₹ 2,261.38 | ₹ 371.66 |
| Right-of-use assets | 5 | ₹ 1,596.40 | ₹ 1,122.55 |
| Intangible assets | 6 | ₹ 5.68 | ₹ 5.83 |
| Intangibles under development | 7 | ₹ 61.29 | ₹ 0.00 |
| Financial assets | | | |
| (i) Investments | 8 | ₹ 2.10 | ₹ 2.10 |
| (ii) Other financial assets | 9 | ₹ 92.95 | ₹ 27.02 |
| Other non-current assets | 10 | ₹ 28.45 | ₹ 184.70 |
| **Total non-current assets** | | ₹ 10,980.92 | ₹ 7,047.41 |
| **Current assets** | | | |
| Inventories | 11 | ₹ 3,434.71 | ₹ 2,487.66 |
| Financial assets | | | |
| (i) Investments | 12 | ₹ 0.00 | ₹ 10.01 |
| (ii) Trade receivables | 13 | ₹ 2,328.76 | ₹ 2,589.82 |
| (iii) Cash and cash equivalents | 14 | ₹ 53.66 | ₹ 709.08 |
| (iv) Bank balances other than (iii) above | 15 | ₹ 5,502.88 | ₹ 313.81 |
| (v) Loans | 16 | ₹ 11.15 | ₹ 11.38 |
| (vi) Other financial assets | 17 | ₹ 352.18 | ₹ 3.27 |
| Other current assets | 18 | ₹ 1,343.18 | ₹ 626.72 |
| **Total current assets** | | ₹ 13,026.52 | ₹ 6,751.75 |
| **Total assets** | | ₹ 24,007.44 | ₹ 13,799.16 |

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

In ₹ MM, unless otherwise stated

| EQUITY & LIABILITIES | Note | As at March 31, 2024 | 2023 |
|---|---|---|---|
| **Equity** | | | |
| Equity share capital | 19 | ₹ 1,325.50 | ₹ 1,245.11 |
| Other equity | 20 | ₹ 19,307.73 | ₹ 11,200.95 |
| **Tota equity** | | ₹ 20,633.24 | ₹ 12,446.06 |
| **Liabilities** | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 21 | ₹ 0.00 | ₹ 0.00 |
| (ii) Lease liabilities | 22 | ₹ 119.37 | ₹ 145.32 |
| Deferred tax liabilities (net) | 37(d) | ₹ 363.97 | ₹ 267.76 |
| **Total non-current liabilities** | | ₹ 483.34 | ₹ 413.08 |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 23 | ₹ 1,686.18 | ₹ 1.06 |
| (ii) Lease liabilities | 24 | ₹ 24.46 | ₹ 10.76 |
| (iii) Trade payables | 25 | | |
| a) total outstanding dues of MSME | | ₹ 86.06 | ₹ 191.09 |
| b) total outstanding dues of others | | ₹ 949.29 | ₹ 624.09 |
| (iv) Other financial liabilities | 26 | ₹ 116.08 | ₹ 96.94 |
| Other current liabilities | 27 | ₹ 28.79 | ₹ 16.08 |
| **Total current liabilities** | | ₹ 2,890.87 | ₹ 940.02 |
| **Total liabilities** | | ₹ 3,374.20 | ₹ 1,353.10 |
| **Total equity and liabilities** | | ₹ 24,007.44 | ₹ 13,799.16 |

As per our report of even date attached - along with notes 3 to 54.

**For Birju S. Shah & Associates**
Chartered Accountants | ICAI Firm Reg. No.: 131554W

**Birju S. Shah - Proprietor**
Membership No.: 107086 | UDIN: 24107086BKAPID2756

Place: Surat | Date: May 21, 2024

**For and behalf of Board of Directors**
**Ashwin Desai** - Managing Director DIN: 00038386
**Rohan Desai** - Whole Time Director DIN: 00038379
**Faiz Nagariya** - Chief Financial Officer PAN: ADBPN8514G
**Chitrarth Parghi** - Company Secretary Mem. No.: F12563
Place: Surat | Date: May 21, 2024

# Annexure II - Statement of Profit and Loss

In ₹ MM, unless otherwise stated

| Particulars | Note | For the year ended March 31, 2024 | 2023 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 28 | ₹ 5,981.72 | ₹ 6,510.74 |
| Other Income | 29 | ₹ 392.07 | ₹ 165.65 |
| **Total income** | | ₹ 6,373.80 | ₹ 6,676.39 |
| **Expenses** | | | |
| Cost of materials consumed | 30 | ₹ 3,774.13 | ₹ 3,796.14 |
| Changes in inventories of finished goods and work-in-progress | 31 | (₹ 564.95) | (₹ 622.76) |
| Employee benefits expense | 32 | ₹ 386.25 | ₹ 344.57 |
| Finance costs | 33 | ₹ 85.17 | ₹ 50.93 |
| Depreciation and amortisation expense | 34 | ₹ 396.65 | ₹ 232.45 |
| Other expenses | 35 | ₹ 1,063.82 | ₹ 1,130.30 |
| **Total expenses** | | ₹ 5,141.06 | ₹ 4,931.63 |
| **Profit before exceptional items and tax** | | ₹ 1,232.74 | ₹ 1,744.76 |
| Exceptional items | 36 | ₹ 137.62 | ₹ 0.00 |
| **Profit before tax** | | ₹ 1,095.12 | ₹ 1,744.76 |
| **Tax expense** | 37 | | |
| Current tax | | ₹ 172.90 | ₹ 311.22 |
| Deferred tax | | ₹ 97.32 | ₹ 129.39 |
| **Total tax expense** | | ₹ 270.22 | ₹ 440.61 |
| **Profit for the period (A)** | | ₹ 824.90 | ₹ 1,304.15 |
| **Other comprehensive (loss) / income** | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| (i) Remeasurements of defined benefit liability / (asset) | | (₹ 4.46) | (₹ 1.67) |
| (ii) Income tax relating to remeasurements of defined benefit liability / (asset) | | ₹ 1.12 | ₹ 0.42 |
| **Other comprehensive (loss) / income (B)** | | (₹ 3.34) | (₹ 1.25) |
| **Total comprehensive income for the period (A+B)** | | ₹ 821.57 | ₹ 1,302.90 |



In ₹ MM, unless otherwise stated

| Particulars | Note | For the year ended March 31, 2024 | 2023 |
|---|---|---|---|
| **Earnings per equity share** | 38 | | |
| [nominal value of Rs. 10] | | | |
| Basic | | ₹ 6.31 | ₹ 10.47 |
| Diluted | | ₹ 6.31 | ₹ 10.47 |

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

As per our report of even date attached - along with notes 3 to 54.

**For Birju S. Shah & Associates**
Chartered Accountants | ICAI Firm Reg. No.: 131554W

**Birju S. Shah - Proprietor**
Membership No.: 107086 | UDIN: 24107086BKAPID2756

Place: Surat | Date: May 21, 2024

**For and behalf of Board of Directors**
**Ashwin Desai** - Managing Director DIN: 00038386
**Rohan Desai** - Whole Time Director DIN: 00038379
**Faiz Nagariya** - Chief Financial Officer PAN: ADBPN8514G
**Chitrarth Parghi** - Company Secretary Mem. No.: F12563
Place: Surat | Date: May 21, 2024

# Annexure III - Statement of Changes in Equity

In ₹ MM, unless otherwise stated

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No. of Shares | Value | No. of Shares | Value |
| (a) Equity share capital | | | | |
| Balance at the beginning of the reporting period | 12,45,10,721 | ₹ 1,245.11 | 11,26,91,397 | ₹ 1,126.91 |
| Change in equity share capital during the period | 80,39,552 | ₹ 80.40 | 1,18,19,324 | ₹ 118.19 |
| Balance at the end of the reporting period | 13,25,50,273 | ₹ 1,325.50 | 12,45,10,721 | ₹ 1,245.11 |

For any subsequent event changes relating to share capital, refer note number 51(a).

| (b) Other equity | Reserves and surplus | | | |
|---|---|---|---|---|
| | Employee Share Option Reserve | Securities Premium | Retained Earnings | Total other Equity |
| Balance as at April 1, 2022 | ₹ 5.96 | ₹ 1,015.73 | ₹ 1,720.29 | ₹ 2,741.98 |
| Total comprehensive income for the year ended March 31, 2023 | | | | |
| Profit for the period | ₹ 0.00 | ₹ 0.00 | ₹ 1,304.15 | ₹ 1,304.15 |
| Other comprehensive income (net of tax) | | | | |
| - Remeasurements of defined benefit liability / (asset) | ₹ 0.00 | ₹ 0.00 | (₹ 1.25) | (₹ 1.25) |
| Total comprehensive income | ₹ 5.96 | ₹ 1,015.73 | ₹ 3,023.19 | ₹ 4,044.88 |
| Other movements for the year ended March 31, 2023 | | | | |
| Preferential Allotment of Shares (2024921 Equity Shares of Rs. 10 each at a Premium of Rs. 632 per share) | ₹ 0.00 | ₹ 1,279.75 | ₹ 0.00 | ₹ 1,279.75 |
| Allotment of Shares in IPO (9766355 Equity Shares of Rs. 10 each at a Premium of Rs. 632 per share) | ₹ 0.00 | ₹ 6,172.34 | ₹ 0.00 | ₹ 6,172.34 |
| Shares based payment options outstanding (ESOPs exercised) | (₹ 5.92) | ₹ 5.92 | ₹ 0.00 | ₹ 0.00 |
| Shares based payment options outstanding (ESOPs valuation) | ₹ 15.51 | ₹ 0.00 | ₹ 0.00 | ₹ 15.51 |
| IPO Expenses | ₹ 0.00 | (₹ 319.91) | ₹ 0.00 | (₹ 319.91) |
| Allotment of Shares under exercise of ESOPs (28048 Equity Shares of Rs. 10 each at a Premium of Rs. 311 per share) | ₹ 0.00 | ₹ 8.72 | ₹ 0.00 | ₹ 8.72 |
| Changes in the Lease Liabilities | ₹ 0.00 | ₹ 0.00 | (₹ 0.33) | (₹ 0.33) |
| Balance as at March 31, 2023 | ₹ 15.56 | ₹ 8,162.55 | ₹ 3,022.86 | ₹ 11,200.96 |



In ₹ MM, unless otherwise stated

| (b) Other equity | Reserves and surplus | | | |
|---|---|---|---|---|
| | Employee Share Option Reserve | Securities Premium | Retained Earnings | Total other Equity |
| Balance as at April 1, 2023 | ₹ 15.56 | ₹ 8,162.55 | ₹ 3,022.86 | ₹ 11,200.96 |
| Total comprehensive income for the year ended March 31, 2024 | | | | |
| Profit for the period | ₹ 0.00 | ₹ 0.00 | ₹ 824.90 | ₹ 824.90 |
| Other comprehensive income (net of tax) | | | | |
| Remeasurements of defined benefit liability/(asset) | ₹ 0.00 | ₹ 0.00 | (₹ 3.34) | (₹ 3.34) |
| Total comprehensive income | ₹ 15.56 | ₹ 8,162.55 | ₹ 3,844.42 | ₹ 12,022.52 |
| Other movements for the year ended March 31, 2024 | | | | |
| Allotment of Shares in QIP (8012820 Equity Shares of Rs. 10 each at a Premium of Rs. 926 per share) | ₹ 0.00 | ₹ 7,419.87 | ₹ 0.00 | ₹ 7,419.87 |
| Shares based payment options outstanding (ESOPs exercised) | (₹ 6.07) | ₹ 6.07 | ₹ 0.00 | ₹ 0.00 |
| Shares based payment options outstanding (ESOPs valuation) | ₹ 36.76 | ₹ 0.00 | ₹ 0.00 | ₹ 36.76 |
| QIP Expenses | ₹ 0.00 | (₹ 180.63) | ₹ 0.00 | (₹ 180.63) |
| Allotment of Shares under exercise of ESOPs (26732 Equity Shares of Rs. 10 each at a Premium of Rs. 311 per share) | ₹ 0.00 | ₹ 8.31 | ₹ 0.00 | ₹ 8.31 |
| Changes in the Lease Liabilities | ₹ 0.00 | ₹ 0.00 | ₹ 0.89 | ₹ 0.89 |
| Balance as at March 31, 2024 | ₹ 46.24 | ₹ 15,416.17 | ₹ 3,845.31 | ₹ 19,307.73 |

Nature and purpose of reserves
I) Retained earnings
Retained earnings comprises of undistributed earnings after taxes.
II)Securities premium
Securities premium account is used to record the premium on issue of shares and the IPO expenses have been netted off from the same.
III)Employee share option
Employee share options pending to be exercised are recorded here.

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Financial Information appearing in Annexure V and Annexure VI as per our report attached.

As per our report of even date attached.

**For Birju S. Shah & Associates**
Chartered Accountants | ICAI Firm Reg. No.: 131554W

**Birju S. Shah - Proprietor**
Membership No.: 107086 | UDIN: 24107086BKAPID2756

Place: Surat | Date: May 21, 2024

**For and behalf of Board of Directors**
**Ashwin Desai** - Managing Director DIN: 00038386
**Rohan Desai** - Whole Time Director DIN: 00038379
**Faiz Nagariya** - Chief Financial Officer PAN: ADBPN8514G
**Chitrarth Parghi** - Company Secretary Mem. No.: F12563
Place: Surat | Date: May 21, 2024

# Annexure IV - Statement of Cash Flows

In ₹ MM, unless otherwise stated

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| A. Cash flow from operating activities | | |
| Profit before tax | ₹ 1,095.12 | ₹ 1,744.76 |
| Adjustments to reconcile profit before tax to net cash flows | | |
| Net unrealised foreign exchange (gain)/loss | ₹ 6.91 | ₹ 3.85 |
| Finance costs | ₹ 85.17 | ₹ 50.93 |
| Interest income | (₹ 335.41) | (₹ 74.31) |
| Income from Mutual Funds | (₹ 5.38) | (₹ 8.55) |
| Depreciation and amortisation expenses | ₹ 396.65 | ₹ 232.45 |
| Other Non-cash items | ₹ 36.76 | ₹ 0.00 |
| Operating profit before working capital changes | ₹ 1,279.82 | ₹ 1,949.12 |
| Movement in working capital: | | |
| (Increase) / Decrease in trade receivables | ₹ 261.06 | (₹ 955.02) |
| (Increase) / Decrease in current investments | ₹ 10.01 | ₹ 160.10 |
| (Increase) / Decrease in inventories | (₹ 947.05) | (₹ 860.22) |
| (Increase) / Decrease in other current assets | (₹ 716.47) | (₹ 152.38) |
| (Increase) / Decrease in other financial assets | (₹ 111.93) | (₹ 7.41) |
| Increase / (Decrease) in trade payables | ₹ 220.16 | ₹ 116.64 |
| Increase / (Decrease) in other current liabilities | ₹ 12.71 | ₹ 1.40 |
| Cash generated from operations | ₹ 8.31 | ₹ 252.24 |
| Net income tax (paid) | (₹ 172.90) | (₹ 317.83) |
| Net cash from operating activities (A) | (₹ 164.58) | (₹ 65.59) |
| B. Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (₹ 2,482.68) | (₹ 4,014.20) |
| Capital work in progress and capital advance | (₹ 1,794.76) | ₹ 447.72 |
| Dividend from current investments | ₹ 38.11 | ₹ 82.86 |
| Long Term Investments | ₹ 0.00 | (₹ 1.67) |
| Net cash used in investing activities (B) | (₹ 4,239.33) | (₹ 3,483.64) |



In ₹ MM, unless otherwise stated

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| C. Cash flows from financing activities | | |
| Proceeds / (Repayment) from long-term borrowings | ₹ 0.00 | (₹ 1,510.33) |
| Proceeds / (Repayment) of borrowings (Unsecured) | ₹ 0.00 | (₹ 449.20) |
| Proceeds / (repayment) from working capital facilities (net) | ₹ 1,686.18 | (₹ 890.16) |
| Preferential allotment of Shares | ₹ 0.00 | ₹ 1,300.00 |
| QIP/IPO - allotment of Shares | ₹ 7,500.00 | ₹ 6,270.00 |
| ESOPs - allotment of Shares | ₹ 8.58 | ₹ 9.00 |
| QIP/IPO Expenses | (₹ 180.63) | (₹ 319.91) |
| Proceeds / (repayment) of Other Financial liabilities | ₹ 19.14 | ₹ 33.48 |
| Interest paid | (₹ 69.49) | (₹ 50.93) |
| Lease Liability paid | (₹ 26.23) | ₹ 0.00 |
| Net cash used in financing activities ( C ) | ₹ 8,937.56 | ₹ 4,391.96 |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | ₹ 4,533.65 | ₹ 842.73 |
| Effect of exchange differences on account of foreign currency Cash and cash equivalents | ₹ 0.00 | ₹ 0.00 |
| Cash and cash equivalents at the beginning of the period / year | ₹ 1,022.89 | ₹ 180.16 |
| Cash and cash equivalents at the end of the period / year | ₹ 5,556.54 | ₹ 1,022.89 |

Notes

| 1. Cash and cash equivalents include | | |
|---|---|---|
| Cash on hand | ₹ 1.34 | ₹ 1.07 |
| Balances with bank | | |
| - Current accounts | ₹ 9.15 | ₹ 2.05 |
| - EEFC accounts | ₹ 37.72 | ₹ 148.30 |
| - Cash Credit accounts | ₹ 5.45 | ₹ 557.66 |
| Other bank balances | ₹ 5,502.88 | ₹ 313.81 |
| Total | ₹ 5,556.54 | ₹ 1,022.89 |

The above cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - on Statement of Cash Flows as notified under Companies (Accounts) Rules, 2015.

# Annexure IV - Statement of Cash Flows

In ₹ MM, unless otherwise stated

| Significant non-cash movement in investing and financing activities | For the year ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| Foreign exchange fluctuations | ₹ 14.26 | (₹ 4.81) |
| Acquisition of Right-of-use assets with corresponding impact to lease liabilities | ₹ 519.07 | ₹ 932.85 |

**For Birju S. Shah & Associates**
Chartered Accountants | ICAI Firm Reg. No.: 131554W

**Birju S. Shah - Proprietor**
Membership No.: 107086 | UDIN: 24107086BKAPID2756

Place: Surat | Date: May 21, 2024

**For and behalf of Board of Directors**
**Ashwin Desai** - Managing Director DIN: 00038386
**Rohan Desai** - Whole Time Director DIN: 00038379
**Faiz Nagariya** - Chief Financial Officer PAN: ADBPN8514G
**Chitrarth Parghi** - Company Secretary Mem. No.: F12563
Place: Surat | Date: May 21, 2024



# Annexure V - Material accounting policies

## 1. Reporting Entity

Aether Industries Ltd (Aether) was incorporated on January 23, 2013 as a Public Limited Company under the Companies Act, 1956 (as amended in 2013). It is engaged in the business of Specialty Chemicals and Intermediates. The products of the Company find application in various sectors like Pharmaceuticals, Agrochemicals, Specialty, Electronic Chemicals, Material Sciences, High Performance Photography etc. The CIN of the Company is L24100GJ2013PLC073434.

Between the year 2013 and early year 2015, the Promoters acquired a leased premise at GIDC Industrial Estate, Hojiwala, Sachin, Surat and established their Laboratory, Research & Development and Pilot Plant facilities. The Promoters realized at the conceptual stage itself that Specialty Chemicals is essentially a “Research & Knowledge” driven Industry, and identification of the ‘Chemistries’ and ‘Technologies’ before constructing the main plant, through Laboratory/R&D/Pilot facilities was a necessary pre-requisite. The period up to 2015 was hence utilized for installing Lab/R&D/Pilot Plants, developing several products/processes (up to Pilot stage), showcasing the Company’s capabilities through various International Exhibitions/Conferences etc., effecting trial samples/supplies, facing rigorous audits from prospective International Buyers etc.

After meeting with a fair degree of success and acceptance from the targeted buyers, the Company acquired about 10500 Sq. Mtrs. of land at the GIDC Industrial Estate, Sachin, Surat in February 2015 for setting up its main plant. The plant stood commissioned as per schedule, and the first stream went into operations in October 2016 / November 2016. Meanwhile, certain modifications /up-gradations /automations were carried out during implementation.

The Company in January 2023, launched its Site 3 at Plot No. 8202/1, Road No. 8, GIDC Industrial Estate, Sachin, Surat -394230 and launched 5 new products there. Further, the Company also incorporated its 100% Wholly Owned Subsidiary in September 2022, which was named as Aether Speciality Chemicals Limited, with an aim to get more and new products in this subsidiary and save income tax (Income Tax section 115BAB) by starting the production by or before March 31, 2024. The operations started in March 2024 for Aether Speciality Chemicals Limited. The Company was able to carry on with the success with which they started off with the first Project which was ready by November 2016, by way of achieving total revenues of Rs. 248.60 MM in FY 2016-17, Rs. 1091.90 MM in FY 2017-18, Rs. 2,032.77 MM in FY 2018-19, Rs. 3,037.81 MM in FY 2019-20 and Rs. 4,537.89 MM in FY 2020-21, Rs. 5,970.21 MM in FY 2021-22 and Rs. 6,676.39 MM in FY 2022-23.

The Company, because of its continuous growth and increasing demands for the products, along with the necessity to launch new products for various applications, has once again planned for yet another expansion. For the said new expansion, the Company has procured Plot of Land in GIDC Industrial Estate, Panoli admeasuring 126200 Sq. Mtrs. and the same is located just 55 Kms or 1 hour drive from the current locations in GIDC, Sachin.

The Company achieved Sales Turnover of Rs. 5,981.74 MM and Total Revenue of Rs. 6,373.80 MM in 2023-24 with an EBITDA Margin of 24.74%.

Production capacity of 9596 MTPA (March 31, 2023: 9596 MTPA) is available in our state-of-art and DCS automated manufacturing facilities, Site II (6096 MTPA) and Site III (3500 MTPA). Aether is also a leading CRAMS (contract research and manufacturing services) provider, built upon technology intensive and state-of-art R&D and pilot plant facilities. All of our R&D, pilot, CRAMS, and large scale manufacturing facilities are capable of switching between batch and continuous process technology.

Aether is based on a core competency model of cutting-edge chemistry and technology competencies.

Aether’s business models include Large Scale Manufacturing of Speciality Chemicals, Contract Manufacturing and Contract Research And Manufacturing Services (CRAMS).

## 2. Summary of Material Accounting Policies

The Ind AS Financial Statements comprise of the Audited Statement of Assets and Liabilities as at March 31, 2024 and as at March 31, 2023, the related Audited Ind AS Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Statement of Cash Flows for the year ended March 31, 2024 and March 31, 2023 respectively and the Significant Accounting Policies and Other Financial Information.

# Annexure V - Material accounting policies

These consolidated Financial Statements have been prepared in terms of the requirements of: (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”); (b) relevant provisions of the SEBI ICDR Regulations; and (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the “Guidance Note”).

## 2.1 Basis of preparation and presentation of financial statements

### Compliance with Ind AS

The Consolidated Financial Statement is prepared in accordance with Indian Accounting Standards ("Ind AS"), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

Effective April 1, 2018, the Company has adopted all the Ind AS and the adoption has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards, with April 1, 2018 a the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, which was the previous GAAP.

### A. Basis of preparation

(i) The Audited Ind AS Statement of Assets and Liabilities of the Company as at March 31, 2024 and March 31, 2023 respectively and the Audited Ind AS Statement of Profit and Loss, Audited Ind AS Statement of Changes in Equity and Audited Ind AS Statement of Cash Flows for the year ended March 31, 2024 and March 31, 2023 respectively (hereinafter collectively referred to as “Ind AS Financial Information”) have been prepared under Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act as amended from time to time.

(ii) The audited financial statements of the Company as at and for the year ended March 31, 2024 prepared in accordance with recognition and measurement principles under Indian Accounting Standard (‘Ind AS’) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 21, 2024.

The Board of Directors approved the Financial Statements as per the Ind AS, for the year ended on March 31, 2024 along with Financial Statements for the year ended March 31, 2023 and authorised to issue the same vide resolution passed in the Board Meeting held on May 21, 2024.

### B. Basis of measurement

The Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013. The exceptions to the same are:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of define benefit obligations.

### C. Current and non-current classification of assets and liabilities

The Assets and Liabilities and the Statement of Profit & Loss, including related notes, are prepared and presented as per the requirements of Schedule III (Division II) to the Companies Act, 2013. All assets and liabilities have been classified and disclosed as current or non-current as per the Company’s normal operating cycle and other criteria set out in Schedule III. Based on the nature of products and the time between the acquisition of assets for processing and their realization into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.

### D. Functional and presentation currency

The functional and presentation currency in these Financial Statements is INR and all amounts are rounded to nearest MM, up to 2 decimal places, unless otherwise stated.

### E. Use of judgements, estimates and assumptions

The preparation of Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and the disclosure of the contingent liabilities on the date of the preparation of Financial Statements. Such estimates are on a reasonable and prudent basis considering all available information, however due to uncertainties about these judgements, estimates and assumptions, the actual results could differ from those estimates. Information about each of these estimates and judgements is included in relevant notes. Any revision to accounting estimates is recognised prospectively in current and future periods.

### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Financial Statements is included in the following notes:

Note No. 45 - classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

### Assumption and estimation of uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment, assumptions and estimation uncertainties are provided here, whereas the quantitative break-ups for the same are provided in the notes mentioned below:

- Note 3 and Note 6: Useful life of depreciable assets, Property, Plant and Equipment and Other Intangible Assets
- Note 39: Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources
- Note 37: Recognition of tax expenses including deferred tax
- Note 46: Defined benefit obligation, key actuarial assumptions
- Note 13: Impairment of trade receivables
- Note 11: Valuation of Inventories

### Going concern assumption

These Financial Statements have been prepared on a going concern basis. The management has, given the significant uncertainties arising out of the various situations, assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of this Financial Statements. Based on this evaluation, management believes that the Company will be able to continue as a "going concern" in the foreseeable future and for a period of at least twelve months from the date of these Financial Statements based on the following:

- Expected future operating cash flows based on business projections, and
- Available credit facilities with its bankers

Based on the above factors, the management has concluded that the "going concern" assumption is appropriate. Accordingly, the Financial Statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a going concern.

### Fire accident:

On November 29, 2023, an accidental fire broke out at our Manufacturing Facility – II which is situated at Plot No. 8203, Road No. 8, GIDC Industrial Estate, Sachin, Surat - 394230, Gujarat (India).

This fire accident has adversely impacted the Manufacturing Facility 2, mainly damaging Plant 2 (fully), Plan 1 and Tank Farm (partially). This Site – II had been contributing the major share to revenue from operations and hence, the fire accident has hampered the revenues of the Company in FY 2023-24, as the entire Site – II was closed for at least three months. Revocation permission for unaffected plants at Site – II were received from GPCB and DISH, which helped the Company revive the Site for last month only. The Company has, due to this fire accident, suffered loss of Fixed Assets (Plant & Machinery, Equipment, Furniture & Fixtures, and others), Inventories (mostly Semi Finished and Finished Goods at the shop floor) and Loss of Profit.

The Company is adequately insured to the extent of damage occurred in the fire accident, including impacted property, plant & equipment, inventories and the loss of profit.

The impact of loss is being assessed for the fixed assets and the survey is ongoing by the insurance surveyor, hence the loss is yet to be ascertained. Loss of inventory is Rs. 138.97 MM due to this fire accident, which has been assessed and written off for in FY 2023-24 itself. The claim will be settled in the coming FY 2024-25. Insurance claim for loss of profit, will be assessed once the claim for fixed assets and inventory is settled in FY 2024-25.

Final claim amount from the Insurance Company will be completed in FY 2024-25 and any gain / loss will be booked in the said financial year.

This fire accident has not affected our "Going Concern" assumption. Accordingly, the Company will continue as a going concern.

### Reclassification

The company reclassifies comparative amounts, unless impracticable and whenever the company changes the presentation or classification of items in its financial statements materially. No such material reclassification has been made during the year.

## 2.2 Property, Plant And Equipment

### Recognition and measurement

The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of transition date measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase price (after deducting trade discount / rebate), non-refundable import duties and taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Spares parts procured along with the Plant and Equipment or subsequently having value of Rs. 50,000 or more individually which meets the recognition criteria of PPE are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced are de-recognized when no future economic benefits are expected from their use or upon disposal. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is de-recognised on disposal or when no future economic benefits are expected from use. Any profit or loss arising on the de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

### Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The cost of the day-to-day servicing the property, plant and equipment are recognised in the statement of profit and loss as incurred.

### Disposal

An item of property, plant and equipment is de-recognised upon the disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income / expenses in the statement of profit and loss.

### Depreciation

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is de-recognised.

The insurance claim is being assessed at the moment and hence, the depreciation as per the Companies Act, 2013 and the Income Tax Act, 1961 is being continued to charge on the entire book value and written down value respectively.

The management has estimated the useful life of the Tangible Assets as mentioned below:



| Asset Class | Years |
|---|---|
| Factory Building | 30 |
| Other Building | 10 |
| Plant & Machinery | 20 |
| Plant & Machinery (Pipelines) | 15 |
| Office Equipment | 5 |
| Factory Equipment | 10 |
| Computer Equipment (Servers & Networks) | 6 |
| Computer Equipment (Others) | 3 |
| Other Equipment | 10 |
| Furniture & Fixtures | 10 |
| Vehicle Equipment | 8 |

### Impairments of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where 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 the 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 the fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount, Impairment losses are recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## 2.3 Intangible assets

### Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Expenditure on Research activities is recognised in the statement of Profit and Loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and to use or sell the asset.

Intangible assets which comprise of the development expenditure incurred on new product and expenditure incurred on acquisition of user licenses for computer software are recorded at their acquisition price.

### Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

### Amortisation

The useful lives of intangible sets are assessed as either finite of indefinite.

Intangible assets i. e., computer software is amortized on a straight-line basis over the period of expected future benefits commencing from the date the asset is available for its use.

The management has estimated the useful life of the Intangible Assets as mentioned below:

| Asset Class | Years |
|---|---|
| Software & Licenses | 6 |
| Trade Marks | 4 |
| Other Assets | 4 |

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

### Disposal

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 de-recognized.

## 2.4. Financial Assets

### A. Fair Value Assessment

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined in such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

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

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

The Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

### B. Subsequent Measurement

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

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

### C. Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate ('EIR') method, less impairment. Amortized 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 amortization is included in finance income in the Statement of Profit And Loss. The losses arising from impairment are recognized in the Statement of Profit And Loss.

### D. Financial assets at fair value through OCI ('FVTOCI')

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are



recognized in the other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit And Loss. On de-recognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss.

### E. Financial assets at fair value through profit or loss ('FVTPL')

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit And Loss.

### F. De-recognition

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

### G. Impairment of Financial Assets

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI

ECL is measured through a loss allowance on a following basis:

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

## 2.5. Financial Liabilities

The Company's financial liabilities include trade payable.

### A. Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit And Loss.

### B. Subsequent measurement

The subsequent measurement of financial liabilities depends upon the classification as described below:-

(i) Financial Liabilities classified as Amortised Cost - Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. 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. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit And Loss.

(ii) Financial Liabilities classified as FVTPL - Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

Exports benefits are accounted for in the year of exports based on the eligibility and when there is certainty of receiving the same.

(iii) De-recognition - A financial liability is de-recognised when the obligation under the liability is discharged / cancelled / expired. 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 de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit And Loss.

(iv) Offsetting of financial instruments - Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Other incomes, other than interest and dividend are recognized when the same are due to be received and right to receive such other income is established.

### 2.6. Share Capital and Share Premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

### 2.7. Dividend Distribution to equity shareholders

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity.

### 2.8. Cash Flows and Cash and Cash Equivalents

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

The Company is banking with the below mentioned Banks for its Working Capital and Banking Requirements:
(i) ICICI Bank Ltd.
(ii) HDFC Bank Ltd.
(iii) State Bank of India

### 2.9. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) 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. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, 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 costs.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.



Claim receivable from insurance company, on account of Fire Accident on November 29, 2023 for fixed assets and loss of profit, is still under assessment and hence, the same is not recognised nor contingent asset is created in FY 2023-24.

### 2.10. Revenue Recognition and Other Income

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. 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.

Revenue from sale of goods is recognized, when the control is transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Interest income or expense is recognised using the effective interest rate method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

### 2.11. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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 Company assesses whether:

- the contract involves the use of an identified asset- this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

#### Company as Lessee
The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets re determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to e payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leasehold land is amortised over the period of lease remaining as on the date of purchase.

### Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liability for the short-term leases that have lease term of 12 months of less and leases of low-value assets. The Company recognises the lease payments associated with such leases as an expense on a straight-line basis over the lease term.

## 2.12. Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and the a tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax base 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:

- When the deferred tax liability arises from the initial recognition of goodwill or 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,
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences
- and it is probable that they 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 (including unabsorbed depreciation) 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 assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

## 2.13 Current versus Non-Current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

(a) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the 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.

All other assets are classified as non-current.

(b) liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is 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 liabilities are classified as non-current.

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

(d) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

## 2.14 Employee benefits

(i) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Un-discounted value of benefits such as salaries, incentives, allowances and bonus are recognized in the period in which the employee renders the related service.

(ii) Long term employee benefits

Defined Contribution Plans:
The Company contributes to the employee's approved provident fund scheme. The Company's contribution paid/payable under the scheme is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related services.

Defined Benefit Plans:
Gratuity Liability is a defined benefit obligation and is provided on the basis of an actuarial valuation model made at the end of each quarter. The Gratuity Liability is funded by the Company by maintaining the funds with a separate Asset Management Company, i. e., LIC of India. Contributions to such fund is charged to Profit & Loss Account. Actuarial Valuation of the Gratuity is done at the end of the Financial Year and accounted for accordingly.

## 2.15 Trade Receivables

Trade Receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered as doubtful.

## 2.16 Inventories

(i) Raw Materials, Work in Progress, Finished Goods, Packing Materials, Stores, Spares and Consumables are carried at the lower of cost and net realisable value.
(ii) In determining the cost of Raw Materials, Packing Materials, Stores, Spares and Consumables, FIFO Method is used. Cost of Inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
(iii) Cost of Finished Goods includes the cost of Raw Materials, Packing Materials, an appropriate share of fixed and variable production overheads, indirect taxes as applicable and other costs incurred in bringing the inventories to their present location and condition.
(iv) Cost of Stock in Trade procured for specific projects is assigned by specific identification of individual costs of each item.

## 2.17 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset, that necessarily takes substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost an other costs that an entity incurs in connection with the borrowings of the funds.

## 2.18 Earnings per Share

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS adjust the figures used in the determination of basic EPS to consider.

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## 2.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company have been identified as being the Chief Operating Decision Maker by the management of the Company.

## 2.20 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monitory assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monitory items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Statement of Profit and Loss.

## 2.21 Government grants and subsidies

Grants / subsidies that compensate the Company for expenses incurred are recognised in the Statement of Profit and Loss as other operating income on a



systematic basis in the periods in which such expenses are recognised.

### Export incentives

Export incentives under various schemes notified by the government are recognised when no significant uncertainties as to the amount of consideration that would be derived and that the Company will comply with the conditions associated with the grant and ultimate collection exist.

## 2.22 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the Financial Statements is required to be disclosed.

# Annexure VI - Notes to the financial information

In ₹ MM, unless otherwise stated

3. Property, plant and equipment

| | Gross Block | | | |
|---|---|---|---|---|
| Particulars | As at April 1, 2023 | Additions | Disposal | As at March 31, 2024 |
| Freehold land* | ₹ 0.00 | ₹ 12.43 | ₹ 0.00 | ₹ 12.43 |
| Factory building | ₹ 677.83 | ₹ 229.49 | ₹ 0.00 | ₹ 907.32 |
| Other building | ₹ 21.11 | ₹ 0.00 | ₹ 0.00 | ₹ 21.11 |
| Plant and machinery | ₹ 4,507.37 | ₹ 1,360.41 | ₹ 0.00 | ₹ 5,867.78 |
| Office equipment | ₹ 45.35 | ₹ 26.41 | ₹ 0.00 | ₹ 71.76 |
| Factory equipment (electric) | ₹ 463.51 | ₹ 197.95 | ₹ 0.00 | ₹ 661.46 |
| Computer equipment | ₹ 59.57 | ₹ 44.66 | ₹ 0.00 | ₹ 104.23 |
| Other equipment (laboratory) | ₹ 148.14 | ₹ 62.65 | ₹ 0.00 | ₹ 210.79 |
| Furniture and fixtures | ₹ 49.22 | ₹ 17.89 | ₹ 0.00 | ₹ 67.11 |
| Vehicle equipment | ₹ 11.50 | ₹ 10.58 | ₹ 0.00 | ₹ 22.07 |
| Total | ₹ 5,983.61 | ₹ 1,962.46 | ₹ 0.00 | ₹ 7,946.07 |

| Particulars | As at April 1, 2022 | Additions | Disposal | As at March 31, 2023 |
|---|---|---|---|---|
| Freehold land | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Factory building | ₹ 332.39 | ₹ 345.44 | ₹ 0.00 | ₹ 677.83 |
| Other building | ₹ 21.11 | ₹ 0.00 | ₹ 0.00 | ₹ 21.11 |
| Plant and machinery | ₹ 2,068.28 | ₹ 2,439.09 | ₹ 0.00 | ₹ 4,507.37 |
| Office equipment | ₹ 23.94 | ₹ 21.42 | ₹ 0.00 | ₹ 45.35 |
| Factory equipment (electric) | ₹ 208.03 | ₹ 255.49 | ₹ 0.00 | ₹ 463.51 |
| Computer equipment | ₹ 38.70 | ₹ 20.87 | ₹ 0.00 | ₹ 59.57 |
| Other equipment (laboratory) | ₹ 71.00 | ₹ 77.15 | ₹ 0.00 | ₹ 148.14 |
| Furniture and fixtures | ₹ 25.20 | ₹ 24.03 | ₹ 0.00 | ₹ 49.22 |
| Vehicle equipment | ₹ 7.95 | ₹ 3.55 | ₹ 0.00 | ₹ 11.50 |
| Total | ₹ 2,796.59 | ₹ 3,187.02 | ₹ 0.00 | ₹ 5,983.61 |

* Freehold Land, re-classified from Leasehold Land (in FY 2023-24)



In ₹ MM, unless otherwise stated

| Depreciation | | | | Net Block | |
|---|---|---|---|---|---|
| As at April 1, 2023 | Charge for the period** | Disposal | As at March 31, 2024 | As at April 1, 2023 | As at March 31, 2024 |
| ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 12.43 |
| ₹ 50.06 | ₹ 23.79 | ₹ 0.00 | ₹ 73.85 | ₹ 627.77 | ₹ 833.48 |
| ₹ 12.53 | ₹ 2.01 | ₹ 0.00 | ₹ 14.54 | ₹ 8.58 | ₹ 6.57 |
| ₹ 410.00 | ₹ 247.47 | ₹ 0.00 | ₹ 657.48 | ₹ 4,097.36 | ₹ 5,210.30 |
| ₹ 16.38 | ₹ 8.36 | ₹ 0.00 | ₹ 24.73 | ₹ 28.98 | ₹ 47.02 |
| ₹ 70.96 | ₹ 47.59 | ₹ 0.00 | ₹ 118.55 | ₹ 392.56 | ₹ 542.91 |
| ₹ 36.51 | ₹ 13.11 | ₹ 0.00 | ₹ 49.62 | ₹ 23.06 | ₹ 54.61 |
| ₹ 38.09 | ₹ 13.89 | ₹ 0.00 | ₹ 51.98 | ₹ 110.05 | ₹ 158.81 |
| ₹ 12.38 | ₹ 5.19 | ₹ 0.00 | ₹ 17.57 | ₹ 36.85 | ₹ 49.54 |
| ₹ 3.16 | ₹ 1.92 | ₹ 0.00 | ₹ 5.08 | ₹ 8.34 | ₹ 16.99 |
| ₹ 650.07 | ₹ 363.33 | ₹ 0.00 | ₹ 1,013.40 | ₹ 5,333.54 | ₹ 6,932.67 |

| As at April 1, 2022 | Charge for the period** | Disposal | As at March 31, 2023 | As at April 1, 2022 | As at March 31, 2023 |
|---|---|---|---|---|---|
| ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| ₹ 37.93 | ₹ 12.13 | ₹ 0.00 | ₹ 50.06 | ₹ 294.47 | ₹ 627.77 |
| ₹ 10.53 | ₹ 2.01 | ₹ 0.00 | ₹ 12.53 | ₹ 10.58 | ₹ 8.58 |
| ₹ 267.56 | ₹ 142.44 | ₹ 0.00 | ₹ 410.00 | ₹ 1,800.72 | ₹ 4,097.36 |
| ₹ 10.73 | ₹ 5.65 | ₹ 0.00 | ₹ 16.38 | ₹ 13.21 | ₹ 28.98 |
| ₹ 47.24 | ₹ 23.72 | ₹ 0.00 | ₹ 70.96 | ₹ 160.79 | ₹ 392.56 |
| ₹ 28.25 | ₹ 8.26 | ₹ 0.00 | ₹ 36.51 | ₹ 10.45 | ₹ 23.06 |
| ₹ 28.27 | ₹ 9.82 | ₹ 0.00 | ₹ 38.09 | ₹ 42.73 | ₹ 110.05 |
| ₹ 8.67 | ₹ 3.70 | ₹ 0.00 | ₹ 12.38 | ₹ 16.52 | ₹ 36.85 |
| ₹ 2.14 | ₹ 1.02 | ₹ 0.00 | ₹ 3.16 | ₹ 5.81 | ₹ 8.34 |
| ₹ 441.31 | ₹ 208.76 | ₹ 0.00 | ₹ 650.07 | ₹ 2,355.28 | ₹ 5,333.54 |

** With respect to the fire accident dated November 29, 2023, the insurance claim process is progressive at the moment and hence, the depreciation as per the Companies Act, 2013 and the Income Tax Act, 1961 is being continued to charge on the entire book value and written down value respectively. The insurance claim is being assessed at the moment and hence, the impairment has not been charged. Any deficit / surplus in the amount of insurance claim shall be recorded as expense / income upon final settlement of claim.

In ₹ MM, unless otherwise stated

## 4. Capital work-in-progress

| Particulars | Capital work-in-progress | | | |
|---|---|---|---|---|
| | As at April 1, 2023 | Additions during the year | Disposal during the year | As at March 31, 2024 |
| Capital work-in-progress | ₹ 371.66 | ₹ 3,304.35 | (₹ 1,414.63) | ₹ 2,261.38 |
| Total | ₹ 371.66 | ₹ 3,304.35 | (₹ 1,414.63) | ₹ 2,261.38 |

Additional disclosures as per Schedule -III requirement:

| Amount in CWIP for a period of | Projects in progress | | Projects temporarily suspended | |
|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Less than 1 Year | ₹ 2,159.95 | ₹ 182.85 | ₹ 0.00 | ₹ 0.00 |
| 1-2 Years | ₹ 101.42 | ₹ 188.81 | ₹ 0.00 | ₹ 0.00 |
| 2-3 Years | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| More than 3 Years | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 2,261.38 | ₹ 371.66 | ₹ 0.00 | ₹ 0.00 |

Note: There are no projects as at reporting date which has exceeded cost as compare to its original approved plan

## 5. Right-of-use assets

| Particulars | Gross Block | | | | Amortisation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2023 | Additions during the year | Disposal during the year | As at March 31, 2024 | As at April 1, 2023 | Charge for the period | Disposal during the year | As at March 31, 2024 | As at April 1, 2023 | As at March 31, 2024 |
| Leasehold land* | ₹ 986.00 | ₹ 519.07 | ₹ 12.43 | ₹ 1,492.65 | ₹ 11.46 | ₹ 14.58 | ₹ 0.00 | ₹ 26.04 | ₹ 974.54 | ₹ 1,466.60 |
| Properties (Land & Building) | ₹ 183.53 | ₹ 0.00 | ₹ 11.41 | ₹ 172.12 | ₹ 35.51 | ₹ 17.44 | ₹ 10.61 | ₹ 42.34 | ₹ 148.02 | ₹ 129.78 |
| Total | ₹ 1,169.53 | ₹ 519.07 | ₹ 23.84 | ₹ 1,664.76 | ₹ 46.97 | ₹ 32.02 | ₹ 10.61 | ₹ 68.38 | ₹ 1,122.55 | ₹ 1,596.38 |

| Particulars | As at April 1, 2022 | Additions during the year | Disposal during the year | As at March 31, 2023 | As at April 1, 2022 | Charge for the period | Disposal during the year | As at March 31, 2023 | As at April 1, 2022 | As at March 31, 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| Leasehold land | ₹ 162.34 | ₹ 823.66 | ₹ 0.00 | ₹ 986.00 | ₹ 6.68 | ₹ 4.78 | ₹ 0.00 | ₹ 11.46 | ₹ 155.66 | ₹ 974.54 |
| Properties (Land & Building) | ₹ 74.34 | ₹ 109.19 | ₹ 0.00 | ₹ 183.53 | ₹ 18.79 | ₹ 16.72 | ₹ 0.00 | ₹ 35.51 | ₹ 55.55 | ₹ 148.02 |
| Total | ₹ 236.68 | ₹ 932.85 | ₹ 0.00 | ₹ 1,169.53 | ₹ 25.47 | ₹ 21.50 | ₹ 0.00 | ₹ 46.97 | ₹ 211.21 | ₹ 1,122.55 |

* Freehold Land, re-classified from Leasehold Land (in FY 2023-24)



In ₹ MM, unless otherwise stated

| Particulars | Capital work-in-progress | | | |
|---|---|---|---|---|
| | As at April 1, 2022 | Additions during the year | Disposal during the year | As at March 31, 2023 |
| Capital work-in-progress | ₹ 577.42 | ₹ 3,915.11 | (₹ 4,120.86) | ₹ 371.66 |
| Total | ₹ 577.42 | ₹ 3,915.11 | (₹ 4,120.86) | ₹ 371.66 |

In ₹ MM, unless otherwise stated

## 6. Intangible assets

| Particulars | Gross Block: As at April 1, 2023 | Gross Block: Additions during the year | Gross Block: Disposal during the year | Gross Block: As at March 31, 2024 | Amortisation: As at April 1, 2023 | Amortisation: Charge for the period | Amortisation: Disposal during the year | Amortisation: As at March 31, 2024 | Net Block: As at April 1, 2023 | Net Block: As at March 31, 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| Computer Software | ₹ 14.71 | ₹ 1.15 | ₹ 0.00 | ₹ 15.86 | ₹ 9.70 | ₹ 1.05 | ₹ 0.00 | ₹ 10.75 | ₹ 5.01 | ₹ 5.11 |
| Others | ₹ 2.40 | ₹ 0.00 | ₹ 0.00 | ₹ 2.40 | ₹ 1.58 | ₹ 0.25 | ₹ 0.00 | ₹ 1.83 | ₹ 0.82 | ₹ 0.57 |
| Total | ₹ 17.11 | ₹ 1.15 | ₹ 0.00 | ₹ 18.25 | ₹ 11.27 | ₹ 1.30 | ₹ 0.00 | ₹ 12.57 | ₹ 5.83 | ₹ 5.68 |

| Particulars | Gross Block: As at April 1, 2022 | Gross Block: Additions during the year | Gross Block: Disposal during the year | Gross Block: As at March 31, 2023 | Amortisation: As at April 1, 2022 | Amortisation: Charge for the period | Amortisation: Disposal during the year | Amortisation: As at March 31, 2023 | Net Block: As at April 1, 2022 | Net Block: As at March 31, 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| Computer Software | ₹ 11.94 | ₹ 2.77 | ₹ 0.00 | ₹ 14.71 | ₹ 7.72 | ₹ 1.98 | ₹ 0.00 | ₹ 9.70 | ₹ 4.21 | ₹ 5.01 |
| Others | ₹ 1.64 | ₹ 0.75 | ₹ 0.00 | ₹ 2.40 | ₹ 1.36 | ₹ 0.21 | ₹ 0.00 | ₹ 1.57 | ₹ 0.28 | ₹ 0.82 |
| Total | ₹ 13.58 | ₹ 3.53 | ₹ 0.00 | ₹ 17.11 | ₹ 9.09 | ₹ 2.19 | ₹ 0.00 | ₹ 11.27 | ₹ 4.49 | ₹ 5.83 |

## 7. Intangible assets under development

Gross Block

| Particulars | As at April 1, 2023 | Additions during the year | Capitalised during the year | As at March 31, 2024 |
|---|---|---|---|---|
| Computer Software | ₹ 0.00 | ₹ 61.29 | ₹ 0.00 | ₹ 61.29 |
| Total | ₹ 0.00 | ₹ 61.29 | ₹ 0.00 | ₹ 61.29 |

Gross Block

| Particulars | As at April 1, 2022 | Additions during the year | Capitalised during the year | As at March 31, 2023 |
|---|---|---|---|---|
| Computer Software | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |

In ₹ MM, unless otherwise stated

## 8. Investments

As at March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Unquoted equity shares | | |
| 9 (March 31, 2023: 9) equity shares of Sachin Industrial Co. Op. Society Limited, of Rs.500 each fully paid-up | ₹ 0.00 | ₹ 0.00 |
| 1,16,851 (March 31, 2023: 1,16,851 ) equity shares of Globe Enviro Care Limited, of Rs.10 each fully paid-up | ₹ 2.09 | ₹ 2.09 |
| Total | ₹ 2.10 | ₹ 2.10 |

| | | |
|---|---|---|
| Aggregate value of unquoted investments | ₹ 2.10 | ₹ 2.10 |
| Aggregate amount of impairment in value of investments | ₹ 0.00 | ₹ 0.00 |

## 9. Other financial assets

As at March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| (Unsecured, considered good) | | |
| Security deposits | ₹ 92.95 | ₹ 27.02 |
| Total | ₹ 92.95 | ₹ 27.02 |

## 10. Other non-current assets

As at March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| (Unsecured, considered good) | | |
| Pre-operative expense | ₹ 0.00 | ₹ 0.02 |
| Capital advances | ₹ 25.80 | ₹ 184.68 |
| Prepaid expenses | ₹ 2.65 | ₹ 0.00 |
| Total | ₹ 28.45 | ₹ 184.70 |

## 11. Inventories

As at March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Raw material | ₹ 856.71 | ₹ 607.88 |
| Work in progress | ₹ 1,670.81 | ₹ 1,062.81 |
| Finished goods | ₹ 492.15 | ₹ 536.19 |
| Stores and spares | ₹ 59.56 | ₹ 46.28 |
| Others : | | |
| Packing materials | ₹ 22.44 | ₹ 14.70 |





## 11. Inventories

As at March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Research and development materials | ₹ 332.04 | ₹ 219.80 |
| Total | ₹ 3,434.71 | ₹ 2,487.66 |

Notes:

- Raw Materials, Work in Progress, Finished Goods, Packing Materials, Stores, Spares and Consumables are carried at the lower of cost and net realisable value.
- In determining the cost of Raw Materials, Packing Materials, Stores, Spares and Consumables, FIFO Method is used. Cost of Inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- Cost of Finished Goods includes the cost of Raw Materials, Packing Materials, an appropriate share of fixed and variable production overheads, indirect taxes as applicable and other costs incurred in bringing the inventories to their present location and condition.
- Cost of Stock in Trade procured for specific projects is assigned by specific identification of individual costs of each item.
- Inventories are pledge / hypothecated as primary security with the bankers (lenders) against the Working Capital Facilities availed by the Company.
- Refer Note No. 30 for the loss of stock due to Fire Accident.

## 12. Investments

As at March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Investment in mutual funds - Quoted | | |
| 0 (March 31, 2023: 2839.999) SBI Liquid Fund Direct Growth | ₹ 0.00 | ₹ 10.01 |
| Total | ₹ 0.00 | ₹ 10.01 |

| | | |
|---|---|---|
| Aggregate book value of quoted investments | ₹ 0.00 | ₹ 10.01 |
| Aggregate market value of quoted investments | ₹ 0.00 | ₹ 10.01 |

## 13. Trade receivables

As at March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Trade Receivables considered good - Secured | ₹ 23.25 | ₹ 48.46 |
| Trade Receivables considered good - Unsecured | ₹ 2,305.50 | ₹ 2,541.35 |
| Trade Receivables which have significant increase in credit risk | ₹ 0.00 | ₹ 0.00 |
| Trade Receivables - credit impaired | ₹ 0.00 | ₹ 0.00 |
| | ₹ 2,328.76 | ₹ 2,589.82 |
| Less: Allowance for doubtful receivables | ₹ 0.00 | ₹ 0.00 |
| Total trade receivables (Net) | ₹ 2,328.76 | ₹ 2,589.82 |
| The above amount includes | | |
| Receivable from related parties | ₹ 0.00 | ₹ 0.00 |
| Receivable from other than related parties | ₹ 2,328.76 | ₹ 2,589.82 |
| Total | ₹ 2,328.76 | ₹ 2,589.82 |

In ₹ MM, unless otherwise stated

## 13. Trade receivables

Note:
The average credit period on sales of goods is 90 days. Payment terms vary from Advance Payments, LC for 60 to 90 Days, DA for 60 to 90 Days and open credits for 60 to 90 Days. No interest is charged on outstanding trade receivables.

| | Outstanding for following periods from due date of Payment | | | | | |
|---|---|---|---|---|---|---|
| March 31, 2024 | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| (i) Undisputed Trade Receivables - considered good | ₹ 2,304.68 | ₹ 15.97 | ₹ 4.49 | ₹ 0.55 | ₹ 0.00 | ₹ 2,325.69 |
| (ii) Undisputed Trade Receivables - which have significant increase in Credit risk | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| (iii) Undisputed Trade Receivables - credit impaired | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| (iv) Disputed Trade Receivables - considered good | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| (v) Disputed Trade Receivables - which have significant increase in Credit risk | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 3.06 | ₹ 0.00 | ₹ 3.06 |
| (vi) Disputed Trade Receivables - credit impaired | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 2,304.68 | ₹ 15.97 | ₹ 4.49 | ₹ 3.61 | ₹ 0.00 | ₹ 2,328.76 |

| | Outstanding for following periods from due date of Payment | | | | | |
|---|---|---|---|---|---|---|
| March 31, 2023 | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| (i) Undisputed Trade Receivables - considered good | ₹ 2,516.04 | ₹ 67.08 | ₹ 6.69 | ₹ 0.00 | ₹ 0.00 | ₹ 2,589.82 |
| (ii) Undisputed Trade Receivables - which have significant increase in Credit risk | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| (iii) Undisputed Trade Receivables - credit impaired | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| (iv) Disputed Trade Receivables - considered good | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| (v) Disputed Trade Receivables - which have significant increase in Credit risk | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| (vi) Disputed Trade Receivables - credit impaired | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 2,516.04 | ₹ 67.08 | ₹ 6.69 | ₹ 0.00 | ₹ 0.00 | ₹ 2,589.82 |



In ₹ MM, unless otherwise stated

## 14. Cash and cash equivalents

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Cash in hand | ₹ 1.34 | ₹ 1.07 |
| Balances with banks | | |
| Current Accounts | ₹ 9.15 | ₹ 2.05 |
| EEFC Accounts | ₹ 37.72 | ₹ 148.30 |
| Cash Credit Accounts | ₹ 5.45 | ₹ 557.66 |
| Total | ₹ 53.66 | ₹ 709.08 |

## 15. Bank balance other than cash and cash equivalent

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Other bank balances | | |
| Margin money - Fixed deposits | ₹ 12.45 | ₹ 23.81 |
| Other - Fixed deposits (maturing between 3 to 12 months) | ₹ 5,490.43 | ₹ 290.00 |
| Total | ₹ 5,502.88 | ₹ 313.81 |

## 16. Loans

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Loans to employees* | ₹ 11.15 | ₹ 11.38 |
| Total | ₹ 11.15 | ₹ 11.38 |
| Breakup of security details | | |
| Loans, considered good - secured | ₹ 0.00 | ₹ 0.00 |
| Loans, considered good - unsecured | ₹ 11.15 | ₹ 11.38 |
| Loans, considered doubtful / credit impaired | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 11.15 | ₹ 11.38 |
| Less: Loans, considered doubtful / credit impaired | ₹ 0.00 | ₹ 0.00 |
| Total loans receivables (net) | ₹ 11.15 | ₹ 11.38 |

*Loan to employees do not include any loan given to promoters, directors, KMPs and any other related parties

## 17. Other financial assets

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Interest receivable (from fixed deposits with banks) | ₹ 303.03 | ₹ 0.36 |
| Gratuity asset (Refer note 45 for further disclosures) | ₹ 2.71 | ₹ 2.91 |

In ₹ MM, unless otherwise stated

## 17. Other financial assets

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Security Deposit | ₹ 21.44 | ₹ 0.00 |
| GST Credit Receivable (FI) | ₹ 25.00 | ₹ 0.00 |
| Total | ₹ 352.18 | ₹ 3.27 |

## 18. Other current assets

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Advances recoverable in cash/in kind | ₹ 242.86 | ₹ 89.98 |
| Balances with government authorities | ₹ 963.17 | ₹ 495.08 |
| Prepaid expenses | ₹ 125.80 | ₹ 31.98 |
| Solar benefit | ₹ 11.35 | ₹ 9.67 |
| Total | ₹ 1,343.18 | ₹ 626.71 |

## 19. Share Capital

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Authorised | | |
| 14,00,00,000 (March 31, 2023: 14,00,00,000) equity shares of Rs.10 each | ₹ 1,400.00 | ₹ 1,400.00 |
| Total | ₹ 1,400.00 | ₹ 1,400.00 |
| Issued and subscribed and paid up | | |
| 13,25,50,273 (March 31, 2023: 12,45,10,721) equity shares of Rs.10 each fully paid-up | ₹ 1,325.50 | ₹ 1,245.11 |
| Total | ₹ 1,325.50 | ₹ 1,245.11 |

### Reconciliation of number of shares outstanding at the beginning and end of the year/period

| Equity shares | As at March 31, 2024 | 2023 |
|---|---|---|
| Outstanding at the beginning of the year/period | 12,45,10,721 | 11,26,91,397 |
| Add: Issued during the period | 80,39,552 | 1,18,19,324 |
| Outstanding at the end of the year/period | 13,25,50,273 | 12,45,10,721 |

* Number of shares is presented as absolute number.



In ₹ MM, unless otherwise stated

## 19. Share Capital

### Terms / Rights attached to each classes of shares

### Rights, preferences and restrictions attached to equity shares

Equity shares

| | |
|---|---|
| As to dividend | The Shareholders are entitled to receive dividend in proportion to the amount of paid up equity shares held by them. The Company has not declared any dividend during the year. |
| As to repayment of capital | In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining asset 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. |
| As to voting | The Company has one class of shares referred to as Equity Shares having par value of Rs. 10/-. Each holder of the equity share is entitled to one vote per share. |

| Shareholders holding More than 5% shareholding in the Company (₹ 10 each fully paid) | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No. of Shares | % | No. of Shares | % |
| Purnima Ashwin Desai | 3,20,57,403 | 24.19% | 3,20,57,403 | 25.75% |
| Ashwin Jayantilal Desai | 67,20,417 | 5.07% | 67,20,417 | 5.40% |
| Rohan Ashwin Desai | 22,21,681 | 1.68% | 22,21,681 | 1.78% |
| Aman Ashwin Desai | 1,10,000 | 0.08% | 1,10,000 | 0.09% |
| AJD Family Trust | 1,35,60,206 | 10.23% | 1,35,60,206 | 10.89% |
| PAD Family Trust | 1,35,60,206 | 10.23% | 1,35,60,206 | 10.89% |
| RAD Family Trust | 2,00,17,162 | 15.10% | 2,00,17,162 | 16.08% |
| AAD Business Trust | 2,00,17,162 | 15.10% | 2,00,17,162 | 16.08% |

| Promoters shareholding in the Company (₹ 10 each fully paid) | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No. of Shares | % | No. of Shares | % |
| Purnima Ashwin Desai | 3,20,57,403 | 24.19% | 3,20,57,403 | 25.75% |
| Ashwin Jayantilal Desai | 67,20,417 | 5.07% | 67,20,417 | 5.40% |
| Rohan Ashwin Desai | 22,21,681 | 1.68% | 22,21,681 | 1.78% |
| Aman Ashwin Desai | 1,10,000 | 0.08% | 1,10,000 | 0.09% |
| AJD Family Trust | 1,35,60,206 | 10.23% | 1,35,60,206 | 10.89% |
| PAD Family Trust | 1,35,60,206 | 10.23% | 1,35,60,206 | 10.89% |
| RAD Family Trust | 2,00,17,162 | 15.10% | 2,00,17,162 | 16.08% |
| AAD Business Trust | 2,00,17,162 | 15.10% | 2,00,17,162 | 16.08% |

In ₹ MM, unless otherwise stated

## 20. Other equity

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| **Reserves and surplus** | | |
| A. Retained earnings | ₹ 3,845.30 | ₹ 3,022.85 |
| B. Securities premium | ₹ 15,416.17 | ₹ 8,162.55 |
| C. Employee Share Option Reserve | ₹ 46.24 | ₹ 15.56 |
| Total | ₹ 19,307.73 | ₹ 11,200.95 |

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| **A. Retained earnings** | | |
| Opening balance | ₹ 3,022.85 | ₹ 1,720.29 |
| Profit for the period / year | ₹ 824.90 | ₹ 1,304.15 |
| Changes in the Lease Liabilities | ₹ 0.89 | (₹ 0.33) |
| Other comprehensive (loss)/ income | | |
| -Remeasurements of defined benefit liability/(asset) (net of tax) | (₹ 3.34) | (₹ 1.25) |
| Closing balance | ₹ 3,845.30 | ₹ 3,022.85 |
| **B. Securities Premium** | | |
| As at beginning and end of the period/year | ₹ 8,162.55 | ₹ 1,015.73 |
| Add: Preferential Allotment of 8012820 Equity Shares of Rs. 10 each at a Premium of Rs. 926 per shares (FY 2022-23 Preferential Allotment of 202492 Equity Shares Rs. 10 each at a Premium of Rs. 632 per share) | ₹ 7,419.87 | ₹ 1,279.75 |
| Allotment of Shares in IPO (9766355 Equity Shares of Rs. 10 each at a Premium of Rs. 632 per share) | ₹ 0.00 | ₹ 6,172.34 |
| Shares based payment options outstanding (ESOPs exercised) | ₹ 6.07 | ₹ 5.92 |
| QIP/IPO Expenses | (₹ 180.63) | (₹ 319.91) |
| Allotment of 26,732 Shares of Rs. 10 each at a Premium of Rs. 311 per shares) under exercise of ESOPs (28048 Equity Shares of Rs. 10 each at a Premium of Rs. 311 per share) | ₹ 8.31 | ₹ 8.72 |
| Closing balance | ₹ 15,416.17 | ₹ 8,162.55 |
| **C. Employee Share Option Reserve** | | |
| Opening balance | ₹ 15.56 | ₹ 5.96 |
| Add: Additions during the year | ₹ 36.76 | ₹ 15.51 |
| Less: Transferred to Securities Premium on exercise of stock options | ₹ 6.07 | ₹ 5.92 |
| Closing balance | ₹ 46.24 | ₹ 15.56 |
| Total other equity | ₹ 19,307.73 | ₹ 11,200.95 |



In ₹ MM, unless otherwise stated

## 21. Borrowings

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| **Unsecured – measured at fair value through profit or loss account (FVTPL)** | | |
| Secured | | |
| Rupee Term Loans from Banks | ₹ 0.00 | ₹ 0.00 |
| Rupee Vehicle Loans from Banks | ₹ 0.00 | ₹ 0.00 |
| Others (Unsecured) | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 0.00 | ₹ 0.00 |

## 22. Lease liabilities

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Lease Liabilities | ₹ 119.37 | ₹ 145.32 |
| Total | ₹ 119.37 | ₹ 145.32 |

## 23. Borrowings

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| **Working capital loan (Refer note 1)** | | |
| Secured | ₹ 1,686.18 | ₹ 0.00 |
| **Current maturities of long term debt** | | |
| Secured | | |
| Vehicle loans from banks | ₹ 0.00 | ₹ 1.06 |
| Unsecured | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 1,686.18 | ₹ 1.06 |

Notes:
1. The primary security for working capital loan is outstanding receivables and inventories.
2. The company has used the loans towards the specific purposes for which it had borrowed the funds from the bank and there is no deviation in that regards.
3. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.
4. Break-up of the Working capital loan:

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Working Capital Limits with SBI | ₹ 0.00 | ₹ 0.00 |
| Working Capital Limits with HDFC Bank | ₹ 363.44 | ₹ 0.00 |
| Working Capital Limits with ICICI Bank | ₹ 1,321.88 | ₹ 0.00 |
| Closing balance | ₹ 1,685.31 | ₹ 0.00 |

In ₹ MM, unless otherwise stated

## 23. Borrowings

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Foreign exchange valuation impact on PCFC loans | ₹ 0.87 | ₹ 0.00 |
| Net outstanding | ₹ 1,686.18 | ₹ 0.00 |

## 24. Lease liabilities

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Lease Liabilities | ₹ 24.46 | ₹ 10.76 |
| Total | ₹ 24.46 | ₹ 10.76 |

## 25. Trade payables

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Trade payables | | |
| Total outstanding dues of MSME (Refer note 40) | ₹ 86.06 | ₹ 191.09 |
| Total outstanding dues of creditors other than MSME | ₹ 949.29 | ₹ 624.09 |
| Total | ₹ 1,035.34 | ₹ 815.18 |

Notes:
1. Refer note 40 - Related Party for related party disclosure.
2. Trade payables principally comprise amounts outstanding for trade purchases. The average credit period taken for trade purchases is 90 days.

Outstanding for following periods from due date of Payment

| March 31, 2024 | Unbilled dues | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| (i) MSME | ₹ 0.00 | ₹ 86.06 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 86.06 |
| (ii) Others | ₹ 0.00 | ₹ 949.29 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 949.29 |
| (iii) Disputed dues - MSME | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| (iv) Disputed dues - Others | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 0.00 | ₹ 1,035.34 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 1,035.34 |

| March 31, 2023 | Unbilled dues | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| (i) MSME | ₹ 0.00 | ₹ 191.09 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 191.09 |
| (ii) Others | ₹ 0.00 | ₹ 623.43 | ₹ 0.57 | ₹ 0.09 | ₹ 0.00 | ₹ 624.09 |
| (iii) Disputed dues - MSME | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |



In ₹ MM, unless otherwise stated

Outstanding for following periods from due date of Payment

| March 31, 2023 | Unbilled dues | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| (iv) Disputed dues - Others | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 0.00 | ₹ 814.52 | ₹ 0.57 | ₹ 0.09 | ₹ 0.00 | ₹ 815.18 |

## 26. Other financial liabilities

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Employee related payable | | |
| Salary and other benefits | ₹ 33.09 | ₹ 23.72 |
| Bonus payable | ₹ 15.28 | ₹ 12.45 |
| Other payables | ₹ 19.31 | ₹ 1.52 |
| Bills payable | ₹ 0.81 | ₹ 0.01 |
| Creditors for expenses | ₹ 47.60 | ₹ 59.25 |
| Total | ₹ 116.08 | ₹ 96.94 |

## 27. Other current liabilities

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| Advance received from customers | ₹ 6.41 | ₹ 2.05 |
| Statutory dues payables | ₹ 22.38 | ₹ 14.03 |
| Total | ₹ 28.79 | ₹ 16.08 |

## 28. Revenue from operations

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Sale of products | | |
| Manufactured goods | | |
| Local sales | ₹ 3,393.81 | ₹ 1,952.23 |
| Export sales | ₹ 1,735.08 | ₹ 2,169.84 |
| Deemed exports | ₹ 34.99 | ₹ 1,571.29 |
| Export sales - CRAMS | ₹ 447.94 | ₹ 448.11 |
| Domestic sales - CRAMS | ₹ 22.12 | ₹ 63.47 |
| Deemed exports - CRAMS | ₹ 41.40 | ₹ 3.38 |

In ₹ MM, unless otherwise stated

## 28. Revenue from operations

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Sale of services | | |
| Export services | ₹ 315.15 | ₹ 302.43 |
| Domestic services | ₹ 0.00 | ₹ 0.00 |
| Total revenue from operations | ₹ 5,990.49 | ₹ 6,510.74 |
| Less: Rebate and discount | ₹ 8.76 | ₹ 0.00 |
| Net revenue from operations | ₹ 5,981.72 | ₹ 6,510.74 |

Note:
Refer note no. 46 Revenue for further disclosures.

## 29. Other income

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Interest | | |
| Interest on fixed deposits | ₹ 335.21 | ₹ 74.23 |
| Interest accrued on loans to employees | ₹ 1.47 | ₹ 1.11 |
| Interest on deposits | ₹ 0.20 | ₹ 0.09 |
| Interest - others | ₹ 0.30 | ₹ 0.00 |
| Others | | |
| Foreign exchange fluctuation | ₹ 35.45 | ₹ 36.65 |
| Duty drawback - exports | ₹ 11.35 | ₹ 8.84 |
| MEIS duty credit | ₹ 2.09 | ₹ 1.31 |
| SEIS Duty Credit | ₹ 0.00 | ₹ 23.22 |
| Income from mutual funds | ₹ 5.31 | ₹ 8.34 |
| Income accrued from mutual funds | ₹ 0.07 | ₹ 0.20 |
| Income From Bonds NCD CP | ₹ 0.00 | ₹ 0.00 |
| Interest subsidy (term loan) | ₹ 0.00 | ₹ 9.96 |
| Income Tax Refund | ₹ 0.00 | ₹ 1.18 |
| Misc. income | ₹ 0.62 | ₹ 0.50 |
| Total | ₹ 392.07 | ₹ 165.65 |

Note:
Subsidies from the Government:
Subsidies from the Government are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the subsidies will be received or when actually will be received by the Company. Subsidies from the Government are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the subsidies are intended to compensate.
Subsidies from the Government that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they are received.



In ₹ MM, unless otherwise stated

## 30. Cost of materials consumed

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Raw materials | | |
| Opening | ₹ 607.88 | ₹ 450.01 |
| Add: Purchases | ₹ 3,796.83 | ₹ 3,728.30 |
| Add: Custom duty and clearing forwarding charges | ₹ 71.44 | ₹ 75.85 |
| Less: Discount on purchase of raw material | ₹ 7.39 | ₹ 5.98 |
| | ₹ 4,468.77 | ₹ 4,248.18 |
| Less: Closing | ₹ 856.72 | ₹ 607.88 |
| Consumption of raw materials | ₹ 3,612.05 | ₹ 3,640.30 |
| Packing materials | | |
| Opening | ₹ 14.70 | ₹ 15.41 |
| Add: Purchases | ₹ 86.36 | ₹ 63.46 |
| | ₹ 101.06 | ₹ 78.87 |
| Less: Closing | ₹ 22.42 | ₹ 14.70 |
| Consumption of packing materials | ₹ 78.64 | ₹ 64.17 |
| Store and spares | | |
| Opening | ₹ 46.28 | ₹ 52.77 |
| Add: Purchases | ₹ 155.90 | ₹ 141.25 |
| Less: Discount on purchase | ₹ 0.00 | ₹ 0.96 |
| | ₹ 202.18 | ₹ 193.06 |
| Less: Closing | ₹ 59.56 | ₹ 46.28 |
| Consumption of stores and spares | ₹ 142.62 | ₹ 146.78 |
| Other material | | |
| Opening | ₹ 219.80 | ₹ 133.01 |
| Add: Purchases | ₹ 53.07 | ₹ 31.69 |
| | ₹ 272.86 | ₹ 164.70 |
| Less: Closing | ₹ 332.06 | ₹ 219.80 |
| Consumption of stores and spares | (₹ 59.19) | (₹ 55.10) |
| Total cost of materials consumed | ₹ 3,774.13 | ₹ 3,796.14 |

In ₹ MM, unless otherwise stated

## 31. Changes in inventories

For the year ended March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Opening inventories | | |
| Finished goods | ₹ 536.19 | ₹ 549.57 |
| Work-in-progress | ₹ 1,062.81 | ₹ 426.68 |
| Total (A) | ₹ 1,599.00 | ₹ 976.25 |
| Closing inventories | | |
| Finished goods | ₹ 493.14 | ₹ 536.19 |
| Work-in-progress | ₹ 1,809.78 | ₹ 1,062.81 |
| Total (B) | ₹ 2,302.93 | ₹ 1,599.00 |
| Goods destroyed due to fire (C) | (₹ 138.97) | ₹ 0.00 |
| Total (A-B-C) | (₹ 564.95) | (₹ 622.76) |

Note:
Inventory destroyed by fire written off:
On November 29, 2023, an accidental fire broke out at Manufacturing Facility - II, i.e. Plot No. 8203, Road No. 8, GIDC Industrial Estate, Sachin, Surat - 394230, Gujarat (India). The said accident was duly reported to the Insurance Company. The Company is adequately insured to the extent of damage occurred in the fire accident, including impacted property, plant & equipment, inventories and the business losses. The process of assessment of claim settlement is underway and yet to be finalized by Insurance Company. At present, we have written off the carrying value of the impacted inventory amounting to Rs.138.97 MM.

## 32. Employee benefit expenses

For the year ended March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Salaries, wages and bonus | ₹ 279.00 | ₹ 251.89 |
| Contribution to gratuity | ₹ 8.75 | ₹ 6.67 |
| Contribution to provident fund | ₹ 17.88 | ₹ 12.72 |
| Contribution to provident fund - Admin Charges | ₹ 0.73 | ₹ 0.55 |
| Staff welfare expenses | ₹ 9.79 | ₹ 22.45 |
| Leave encashment expenses | ₹ 23.25 | ₹ 5.22 |
| Employee medical insurance expenses | ₹ 3.47 | ₹ 2.68 |
| ESOPs (Employee Benefit) | ₹ 36.76 | ₹ 15.51 |
| Other employee related expenses | ₹ 6.62 | ₹ 26.88 |
| Total | ₹ 386.25 | ₹ 344.57 |

## 33. Finance costs

For the year ended March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Interest on term loan | ₹ 0.00 | ₹ 11.18 |
| Interest on term loan - ECGLS | ₹ 0.00 | ₹ 3.06 |
| Interest on cash credit | ₹ 33.28 | ₹ 6.92 |



In ₹ MM, unless otherwise stated

## 33. Finance costs

For the year ended March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Interest on PCFC | ₹ 9.50 | ₹ 5.08 |
| Interest on bill discounting | ₹ 14.26 | ₹ 3.76 |
| Interest on SLC | ₹ 0.00 | ₹ 0.11 |
| Interest on car loan | ₹ 0.06 | ₹ 0.15 |
| Bank charges | ₹ 6.50 | ₹ 8.57 |
| Interest on financial liabilities at amortized cost | ₹ 15.68 | ₹ 12.09 |
| Interest Expense on OD | ₹ 5.89 | ₹ 0.00 |
| Total | ₹ 85.17 | ₹ 50.93 |

## 34. Depreciation and amortization expenses

For the year ended March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Depreciation of property, plant and equipment (refer note 3) | ₹ 363.33 | ₹ 208.76 |
| Amortisation of right-of-use asset (refer note 5) | ₹ 32.02 | ₹ 21.50 |
| Amortisation of intangible assets (refer note 6) | ₹ 1.30 | ₹ 2.19 |
| Total | ₹ 396.65 | ₹ 232.45 |

## 35. Other expenses

For the year ended March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Manufacturing service cost expenses | | |
| Power and fuel | ₹ 268.52 | ₹ 364.18 |
| Water charges | ₹ 12.38 | ₹ 8.31 |
| Other manufacturing costs | ₹ 236.22 | ₹ 197.85 |
| Administrative and general expenses | | |
| Telephone and postage | ₹ 3.39 | ₹ 2.79 |
| Printing and stationery | ₹ 2.36 | ₹ 1.53 |
| Rent | ₹ 3.44 | ₹ 6.88 |
| Rates and taxes | ₹ 11.42 | ₹ 6.77 |
| Payment to statutory auditors (Refer note below) | ₹ 1.83 | ₹ 0.77 |
| Directors' sitting fees | ₹ 2.52 | ₹ 3.04 |
| Managerial remuneration | ₹ 29.73 | ₹ 34.74 |
| Repairs and maintenance expenses | ₹ 36.64 | ₹ 31.49 |
| Electricity expenses | ₹ 135.11 | ₹ 191.45 |

In ₹ MM, unless otherwise stated

## 35. Other expenses

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Travelling expenses | ₹ 17.06 | ₹ 10.56 |
| Legal and professional expenses | ₹ 80.42 | ₹ 64.39 |
| Insurance expenses | ₹ 45.79 | ₹ 31.97 |
| Vehicle running expenses | ₹ 6.52 | ₹ 4.66 |
| Other administrative and general expenses | ₹ 27.35 | ₹ 22.62 |
| Selling and distribution expenses | ₹ 100.16 | ₹ 113.23 |
| Research and development expenses | ₹ 2.28 | ₹ 3.18 |
| Other expenses | ₹ 40.69 | ₹ 29.89 |
| Total | ₹ 1,063.82 | ₹ 1,130.30 |

| (a) Payment to auditors | 2024 | 2023 |
|---|---|---|
| Statutory audit fee | ₹ 0.98 | ₹ 0.77 |
| Other matters | ₹ 0.85 | ₹ 0.00 |
| Total | ₹ 1.83 | ₹ 0.77 |

Note: The auditors were also paid a fee of Rs. 0.75 MM towards their various certifications etc. during the QIP, which has been debited to the securities premium account as QIP expense.

## 36. Exceptional items*

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Brokerage expenses | ₹ 0.04 | ₹ 0.00 |
| Conveyance expenses for fire accident | ₹ 0.53 | ₹ 0.00 |
| Electricity expense : fire accident | ₹ 0.01 | ₹ 0.00 |
| FI/IP1/Consumables- FU expenses | ₹ 0.51 | ₹ 0.00 |
| Fire charges (Foam) | ₹ 1.26 | ₹ 0.00 |
| Fire charges (Water) | ₹ 0.07 | ₹ 0.00 |
| Food expenses for fire accident | ₹ 1.12 | ₹ 0.00 |
| Freight charges for fire accident | ₹ 0.24 | ₹ 0.00 |
| Insurance expenses - FI | ₹ 29.57 | ₹ 0.00 |
| Legal & Professional expense - FI | ₹ 4.04 | ₹ 0.00 |
| Medical expenses to staff - FI | ₹ 29.57 | ₹ 0.00 |
| Penalty/Fine - FI | ₹ 5.00 | ₹ 0.00 |
| Rent expenses - 7/103/B | ₹ 0.44 | ₹ 0.00 |
| Rent expenses - Plot No. 326/2 | ₹ 0.07 | ₹ 0.00 |



In ₹ MM, unless otherwise stated

## 36. Exceptional items*

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Security expenses | ₹ 0.14 | ₹ 0.00 |
| Staff welfare expenses | ₹ 69.64 | ₹ 0.00 |
| Fire accident expenses (Scrap Sales) | (₹ 4.62) | ₹ 0.00 |
| Total | ₹ 137.62 | ₹ 0.00 |

*Exceptional Items includes Company's all the expenses made towards the fire accident occurred at Manufacturing Facility-2 i.e. Plot No. 8203, GIDC Sachin, Surat, Gujarat (India), which also includes the revenue from selling the scrap.

## 37. Taxes

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| (a) Statement of profit or loss | | |
| Current tax | | |
| Current income tax charge | ₹ 172.90 | ₹ 311.22 |
| Deferred tax | ₹ 96.20 | ₹ 128.97 |
| Tax expense reported in the statement of profit or loss | ₹ 269.10 | ₹ 440.19 |
| (b) Other comprehensive income (OCI) | | |
| Taxes related to items recognised in OCI during the period | | |
| Deferred tax | | |
| Remeasurement gains and losses on post employment benefits | (₹ 1.12) | (₹ 0.42) |
| Income tax recognised in OCI | (₹ 1.12) | (₹ 0.42) |
| (c) Balance sheet | | |
| Non- current tax assets | ₹ 0.00 | ₹ 0.00 |
| Current tax assets | ₹ 0.00 | ₹ 0.00 |
| Total tax assets | ₹ 0.00 | ₹ 0.00 |
| Current tax liabilities | | |
| Income tax (net of advance tax) | ₹ 0.00 | ₹ 0.00 |
| Total current tax liabilities | ₹ 0.00 | ₹ 0.00 |
| (d) Deferred tax liabilities / (assets) | | |
| Excess of depreciation/amortisation on property plant and equipment under income tax act | ₹ 399.49 | ₹ 269.91 |
| Fair valuation of mutual funds | ₹ 0.00 | (₹ 0.05) |

In ₹ MM, unless otherwise stated

37. Taxes

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| (d) Deferred tax liabilities / (assets) | | |
| Fair valuation of security deposits | (₹ 0.07) | ₹ 0.00 |
| Prepaid rent | ₹ 0.07 | ₹ 0.00 |
| Provision for employee benefits | ₹ 0.68 | ₹ 0.42 |
| Leases | (₹ 36.20) | (₹ 2.51) |
| Net deferred tax liability/(asset) | ₹ 363.97 | ₹ 267.76 |
| (e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate | | |
| Accounting profit before tax | ₹ 1,095.12 | ₹ 1,744.76 |
| Tax rate | 25.17% | 25.17% |
| Tax as per IT Act on above | ₹ 275.62 | ₹ 439.12 |
| Tax expenses (P&L) | | |
| (i) Current tax | ₹ 172.90 | ₹ 311.22 |
| (ii) Deferred tax | ₹ 96.20 | ₹ 128.97 |
| (iii) Taxation in respect of earlier years | ₹ 0.00 | ₹ 0.00 |
| | ₹ 269.10 | ₹ 440.19 |
| Tax expenses (OCI) | (₹ 1.12) | (₹ 0.42) |
| Difference | ₹ 7.64 | (₹ 0.65) |
| Tax reconciliation | | |
| Adjustments | | |
| Effect of permanent adjustments | ₹ 0.00 | ₹ 0.00 |
| (i) Impact as a result of Tax Rate Change | ₹ 0.00 | ₹ 0.00 |
| (ii) Impact as a result of Capital Gains | ₹ 0.00 | ₹ 0.00 |
| (ii) Others | (₹ 7.64) | ₹ 0.65 |
| Total | ₹ 0.00 | ₹ 0.00 |



In ₹ MM, unless otherwise stated

37. Taxes

| Particulars | As at April 1, 2023 | Recognised in profit or loss during the year | Recognised in OCI during the year | As at March 31, 2024 |
|---|---|---|---|---|
| (f) Movement in temporary differences | | | | |
| Deferred tax liabilities (DTL) | | | | |
| Excess of depreciation/amortisation on property plant and equipment under income tax act | ₹ 269.91 | ₹ 129.58 | ₹ 0.00 | ₹ 399.49 |
| Fair value of mutual funds | (₹ 0.05) | ₹ 0.05 | ₹ 0.00 | ₹ 0.00 |
| Fair valuation of security deposits | ₹ 0.00 | (₹ 0.07) | ₹ 0.00 | (₹ 0.07) |
| Prepaid rent | ₹ 0.00 | ₹ 0.07 | ₹ 0.00 | ₹ 0.07 |
| Provision for employee benefits | ₹ 0.42 | ₹ 1.38 | (₹ 1.12) | ₹ 0.68 |
| Leases | (₹ 2.51) | (₹ 33.69) | ₹ 0.00 | (₹ 36.20) |
| Net deferred tax liability/(asset) | ₹ 267.76 | ₹ 97.32 | (₹ 1.12) | ₹ 363.97 |

| | As at April 1, 2022 | Recognised in profit or loss during the year | Recognised in OCI during the year | As at March 31, 2023 |
|---|---|---|---|---|
| (f) Movement in temporary differences | | | | |
| Deferred tax liabilities (DTL) | | | | |
| Excess of depreciation/amortisation on property plant and equipment under income tax act | ₹ 139.50 | ₹ 130.41 | ₹ 0.00 | ₹ 269.91 |
| Fair value of mutual funds | ₹ 0.00 | (₹ 0.05) | ₹ 0.00 | (₹ 0.05) |
| Fair valuation of security deposits | ₹ 0.01 | (₹ 0.01) | ₹ 0.00 | ₹ 0.00 |
| Prepaid rent | (0.18) | ₹ 0.18 | ₹ 0.00 | ₹ 0.00 |
| Provision for employee benefits | (₹ 0.78) | ₹ 1.62 | (₹ 0.42) | ₹ 0.42 |
| Leases | ₹ 0.25 | (₹ 2.76) | ₹ 0.00 | (₹ 2.51) |
| Net deferred tax liability/(asset) | ₹ 138.79 | ₹ 129.39 | (₹ 0.42) | ₹ 267.76 |

In ₹ MM, unless otherwise stated

## 38. Earnings per share

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| **Basic earnings per share** | | |
| Profit for basic earning per share of Rs. 10 each | ₹ 824.90 | ₹ 1,304.17 |
| Weighted average number of equity shares outstanding during the period | 13,07,38,033 | 12,45,10,721 |
| **Basic EPS** | ₹ 6.31 | ₹ 10.47 |
| **Diluted earnings per share** | | |
| Profit for basic earning per share of Rs. 10 each | ₹ 824.90 | ₹ 1,304.17 |
| Weighted average number of equity shares outstanding during the period | 13,07,46,670 | 12,45,10,721 |
| **Diluted EPS** | ₹ 6.31 | ₹ 10.47 |
| **Weighted average number of equity shares for Basic EPS** | | |
| Balance at the beginning and at the end of the period | 12,45,10,721 | 11,26,91,397 |
| Issued during the period | 62,27,312 | 1,18,19,324 |
| **Weighted average number of equity shares outstanding during year** | 13,07,38,033 | 12,45,10,721 |
| **Weighted average number of equity shares for Diluted EPS** | | |
| Balance at the beginning and at the end of the period | 12,45,10,721 | 11,26,91,397 |
| Issued during the period | 62,35,949 | 1,18,19,324 |
| **Weighted average number of equity shares outstanding during year** | 13,07,46,670 | 12,45,10,721 |

## 39. Contingent liabilities, contingent assets and commitments

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| **Contingent Liabilities** | | |
| Bank Guarantees Issued for | | |
| Customs | ₹ 8.89 | ₹ 8.89 |
| Gujarat Gas Ltd. | ₹ 20.71 | ₹ 20.71 |
| DGVCL | ₹ 54.55 | ₹ 47.40 |
| NHI | ₹ 0.25 | ₹ 0.00 |
| GPCB | ₹ 0.75 | ₹ 0.00 |
| **Total Margin for above items** | ₹ 11.83 | ₹ 14.37 |
| Raw Material FLC | $ 0.06 | $ 1.10 |
| **Total Margin for above items** | ₹ 0.62 | ₹ 8.94 |



In ₹ MM, unless otherwise stated

## 39. Contingent liabilities, contingent assets and commitments

| | As at March 31, 2024 | 2023 |
|---|---|---|
| **Income tax demand** | | |
| AY 2017-18 (PY: 2016-17) | ₹ 0.15 | ₹ 0.15 |
| AY 2018-19 (PY: 2017-18) | ₹ 0.94 | ₹ 0.94 |
| AY 2020-21 (PY: 2019-20) | ₹ 1.00 | ₹ 1.00 |

All the Contingent Liabilities, except Income Tax Demands, listed above, which are outstanding as on current Balance Sheet date are not 100% secured through cash margins placed with the banks. Company is enjoying Bank Guarantee and LC Limit facilities from the banks, which require 15% Margin Money on Bank Guarantees and 15% Margin Money on LC Facilities. Margin reduced to maximum 2.5% in FY 2023-24 on BG and LC.

The Income Tax Demands are under CIT appeal by the Company and the outcome of the same is not known and hence the demand amount has been considered as contingent liability.

## 40.Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

| Particulars | As at March 31, 2024 | 2023 |
|---|---|---|
| **Principal amount remaining unpaid to any supplier as at the end of the period/year** | | |
| Trade payables | ₹ 86.06 | ₹ 191.09 |
| Capital creditors | ₹ 0.00 | ₹ 0.00 |
| **Interest due thereon remaining unpaid to any supplier as at the end of the period/year** | | |
| Trade payables | ₹ 0.00 | ₹ 0.00 |
| Capital creditors | ₹ 0.00 | ₹ 0.00 |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006 | ₹ 0.00 | ₹ 0.00 |
| The amount of payment made to micro and small supplier beyond the appointed day during each accounting year | ₹ 0.00 | ₹ 0.00 |
| The amount of interest due and payable for 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 MSMED Act 2006. | ₹ 0.00 | ₹ 0.00 |
| The amount of interest accrued and remaining unpaid at the end of the accounting year. | ₹ 0.00 | ₹ 0.00 |
| The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006 | ₹ 0.00 | ₹ 0.00 |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

In ₹ MM, unless otherwise stated

## 41. Related party disclosers

### (a) List of Related Parties and description of relationship

**Subsidiary Companies**

Aether Speciality Chemicals Limited

**Entities where Directors are interested**

Ashwin Jayantilal Desai (Managing Director)

- Aether Foundation
- Aether Speciality Chemicals Limited
- Globe Enviro Care Limited

Purnima Ashwin Desai (Whole time Director)

- Aether Foundation
- Aether Speciality Chemicals Limited

Rohan Ashwin Desai (Whole time Director)

- Aether Foundation
- Aether Speciality Chemicals Limited

Aman Ashwin Desai (Whole time Director)

- Aether Speciality Chemicals Limited

Kamalvijay Ramchandra Tulsian (Director)

- J R Dyeing and Printing Mills Ltd.

Ishita Surendra Manjrekar (Director)

- Sunanda Speciality Coatings Pvt. Ltd.

**Key Managerial Personnel (KMP)**

| Name | Designation |
|---|---|
| Ashwin Jayantilal Desai | Managing Director |
| Purnima Ashwin Desai | Whole time Director |
| Rohan Ashwin Desai | Whole time Director |
| Aman Ashwin Desai | Whole time Director |
| Faiz Arif Nagariya | Chief Financial Officer |





41. Related party disclosers

**Key Managerial Personnel (KMP)**

| Name | Designation |
|---|---|
| Chitrarth Rajan Parghi | Company Secretary and Compliance Officer |

**Relative of Key Management Personnel**

| Name | Designation |
|---|---|
| Payal Rohan Desai | Spouse of Rohan Ashwin Desai |
| Kamalvijay Ramchandra HUF | HUF of Director - Kamalvijay Ramchandra Tulsian |
| Pramilaben Kamalvijay Tulsian | Spouse of Kamalvijay Tulsian |

**Other Directors on Board**

| Name | Designation |
|---|---|
| Kamalvijay Ramchandra Tulsian | Chairperson Non-Executive Director |
| Ishita Surendra Manjrekar | Non-Executive Director |
| Amol Arvindrao Kulkarni | Independent Director |
| Arun Brijmohan Kanodiya | Independent Director |
| Jeevanlal Nagori | Independent Director |
| Jitendra Popatlal Vakharia | Independent Director |
| Leja Satish Hattiangadi | Independent Director |
| Rajkumar Mangilal Borana | Independent Director |

For the year ended March 31, 2024

| (b) Related Party transactions | Promoters and their relatives | Companies Controlled by Directors / Relatives | Other Directors on Board | Total |
|---|---|---|---|---|
| Rent Paid | ₹ 6.60 | ₹ 0.00 | ₹ 0.00 | ₹ 6.60 |
| Loan accepted | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Managerial Remuneration | ₹ 67.25 | ₹ 0.00 | ₹ 0.00 | ₹ 67.25 |
| Purchase of Consumables | ₹ 0.00 | ₹ 27.93 | ₹ 0.00 | ₹ 27.93 |
| Purchase of Material for Building & Structure | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| ETP Expenses | ₹ 0.00 | ₹ 87.06 | ₹ 0.00 | ₹ 87.06 |
| CSR Activities | ₹ 0.00 | ₹ 1.27 | ₹ 0.00 | ₹ 1.27 |
| Salary | ₹ 6.64 | ₹ 0.00 | ₹ 0.00 | ₹ 6.64 |

In ₹ MM, unless otherwise stated

For the year ended March 31, 2024

| (b) Related Party transactions | Promoters and their relatives | Companies Controlled by Directors / Relatives | Other Directors on Board | Total |
|---|---|---|---|---|
| Sitting Fee | ₹ 0.00 | ₹ 0.00 | ₹ 2.54 | ₹ 2.54 |
| Charitable Trust | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Total | ₹ 80.49 | ₹ 116.26 | ₹ 2.54 | ₹ 199.29 |

For the year ended March 31, 2023

| (b) Related Party transactions | Promoters and their relatives | Companies Controlled by Directors / Relatives | Other Directors on Board | Total |
|---|---|---|---|---|
| Rent Paid | ₹ 6.00 | ₹ 0.00 | ₹ 0.00 | ₹ 6.00 |
| Loan accepted | (₹ 149.20) | ₹ 0.00 | ₹ 0.00 | (₹ 149.20) |
| Managerial Remuneration | ₹ 67.25 | ₹ 0.00 | ₹ 0.00 | ₹ 67.25 |
| Purchase of Consumables | ₹ 0.00 | ₹ 0.06 | ₹ 0.00 | ₹ 0.06 |
| Purchase of Material for Building & Structure | ₹ 0.00 | ₹ 14.81 | ₹ 0.00 | ₹ 14.81 |
| ETP Expenses | ₹ 0.00 | ₹ 47.23 | ₹ 0.00 | ₹ 47.23 |
| CSR Activities | ₹ 0.00 | ₹ 2.10 | ₹ 0.00 | ₹ 2.10 |
| Salary | ₹ 5.41 | ₹ 0.00 | ₹ 0.00 | ₹ 5.41 |
| Sitting Fee | ₹ 0.00 | ₹ 0.00 | ₹ 3.04 | ₹ 3.04 |
| Charitable Trust | ₹ 0.00 | ₹ 0.00 | ₹ 0.60 | ₹ 0.60 |
| Total | (₹ 70.54) | ₹ 64.20 | ₹ 3.64 | (₹ 2.71) |

As at March 31,

| (c) Balances outstanding at the end of the period / year | 2024 | 2023 |
|---|---|---|
| Rent payable | ₹ 0.59 | ₹ 0.58 |
| Managerial remuneration payable | ₹ 5.18 | ₹ 2.91 |
| Salary Payable | ₹ 0.50 | ₹ 0.25 |

During the above periods, the Company did not enter into any material transaction (as defined in the Company's policy on related party transactions) with related parties. All other transactions of the company with related parties were in the ordinary course of business and at an arm's length.



In ₹ MM, unless otherwise stated

For the year ended March 31,

| (d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year | 2024 | 2023 |
|---|---|---|
| Rent paid | | |
| Payal Desai | ₹ 1.80 | ₹ 1.20 |
| Kamalvijay Ramchandra HUF | ₹ 2.40 | ₹ 2.40 |
| Pramilaben Kamalvijay Tulsian | ₹ 2.40 | ₹ 2.40 |
| Total | ₹ 6.60 | ₹ 6.00 |
| Managerial remuneration | | |
| Ashwin Desai | ₹ 13.65 | ₹ 13.65 |
| Purnima Desai | ₹ 13.65 | ₹ 13.65 |
| Rohan Desai | ₹ 19.47 | ₹ 19.47 |
| Aman Desai | ₹ 20.48 | ₹ 20.48 |
| Total | ₹ 67.25 | ₹ 67.25 |
| Transactions with Companies Controlled by Directors / Relatives | | |
| Sunanda Speciality Coatings Pvt. Ltd. (Consumables) | ₹ 27.93 | ₹ 0.06 |
| Sunanda Speciality Coatings Pvt. Ltd. (Building Material) | ₹ 0.00 | ₹ 14.81 |
| Globe Enviro Care Limited (ETP Expenses) | ₹ 87.06 | ₹ 47.23 |
| Aether Foundation (CSR Expenses) | ₹ 1.27 | ₹ 2.10 |
| KBN Charitable Trust (CSR Expenses) | ₹ 0.00 | ₹ 0.60 |
| Total | ₹ 116.26 | ₹ 64.80 |
| Loans accepted | | |
| Ashwin Jayantilal Desai | ₹ 0.00 | (₹ 35.02) |
| Purnima Ashwin Desai | ₹ 0.00 | (₹ 11.11) |
| Rohan Ashwin Desai | ₹ 0.00 | (₹ 59.18) |
| Aman Ashwin Desai | ₹ 0.00 | (₹ 12.91) |
| Payal Rohan Desai | ₹ 0.00 | (₹ 4.70) |
| Ishita Surendra Manjrekar | ₹ 0.00 | (₹ 26.29) |
| Total | ₹ 0.00 | (₹ 149.20) |

In ₹ MM, unless otherwise stated

| (d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| **Salary paid** | | |
| Faiz Arif Nagariya | ₹ 5.69 | ₹ 4.63 |
| Chitrarth Rajan Parghi | ₹ 0.95 | ₹ 0.78 |
| **Total** | **₹ 6.64** | **₹ 5.41** |
| **Payment received for ESOPs exercised** | | |
| Faiz Arif Nagariya | ₹ 0.37 | ₹ 0.37 |
| Chitrarth Rajan Parghi | ₹ 0.05 | ₹ 0.05 |
| **Total** | **₹ 0.42** | **₹ 0.42** |
| **Sitting fees to Directors** | | |
| Amol Arvindrao Kulkarni | ₹ 0.28 | ₹ 0.40 |
| Arun Brijmohan Kanodiya | ₹ 0.43 | ₹ 0.60 |
| Ishita Surendra Manjrekar | ₹ 0.27 | ₹ 0.32 |
| Jeevanlal Nagori | ₹ 0.33 | ₹ 0.43 |
| Jitendra Popatlal Vakharia | ₹ 0.34 | ₹ 0.25 |
| Kamalvijay Ramchandra Tulsian | ₹ 0.44 | ₹ 0.53 |
| Leja Satish Hattiangadi | ₹ 0.28 | ₹ 0.32 |
| Rajkumar Mangilal Borana | ₹ 0.17 | ₹ 0.22 |
| **Total** | **₹ 2.54** | **₹ 3.04** |

## 42. Section 35(2AB) of Income Tax Act, 1961 disclosure

For the year ended March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| **Revenue expenditure** | | |
| **Salary, wages & PF** | | |
| Salary expense | ₹ 86.90 | ₹ 54.53 |
| Overtime wages | ₹ 6.39 | ₹ 1.60 |
| Employer's contribution to PF | ₹ 1.48 | ₹ 1.05 |
| **Employee medical insurance expenses** | | |
| Employer's contribution to ESI | ₹ 3.00 | ₹ 0.21 |



In ₹ MM, unless otherwise stated

## 42. Section 35(2AB) of Income Tax Act, 1961 disclosure

For the year ended March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| **Leave encashment expenses** | | |
| Leave encashment expenses | ₹ 5.06 | ₹ 1.00 |
| **Other employee related expenses** | | |
| Bonus | ₹ 7.94 | ₹ 6.04 |
| **Managerial remuneration** | | |
| Salaries to Directors | ₹ 9.45 | ₹ 5.99 |
| Bonus to Directors | ₹ 0.79 | ₹ 0.50 |
| **Consumption of material** | | |
| R&D Material | ₹ 43.22 | ₹ 24.59 |
| **Power and fuel** | | |
| Diesel expenses | ₹ 4.15 | ₹ 18.44 |
| **Repairs and maintenance** | | |
| Plant and machinery | ₹ 1.21 | ₹ 1.69 |
| Buildings | ₹ 0.59 | ₹ 0.57 |
| Others | ₹ 0.92 | ₹ 0.47 |
| **Electricity expenses** | | |
| Electricity expenses | ₹ 32.26 | ₹ 29.89 |
| **Vehicle running expenses** | | |
| Petrol and other expenses | ₹ 1.42 | ₹ 0.68 |
| Vehicle Repairing Expenses | ₹ 0.50 | ₹ 0.21 |
| Vehicle Hiring Charges | ₹ 0.90 | ₹ 0.60 |
| **Rent, rates and taxes** | | |
| Rent | ₹ 8.78 | ₹ 7.42 |
| **Other administrative and general expenses** | | |
| Security expenses | ₹ 1.97 | ₹ 2.29 |
| **Total Revenue Expenditure (A)** | **₹ 216.91** | **₹ 157.75** |
| **Capital expenditure** | | |
| Buildings | ₹ 50.35 | ₹ 50.00 |
| Computers | ₹ 1.12 | ₹ 4.64 |
| Factory Equipment (Electric) | ₹ 74.03 | ₹ 33.64 |
| Furniture & Fixtures | ₹ 0.74 | ₹ 8.35 |

In ₹ MM, unless otherwise stated

## 42. Section 35(2AB) of Income Tax Act, 1961 disclosure

For the year ended March 31,

| Particulars | 2024 | 2023 |
|---|---|---|
| Capital expenditure | | |
| Other Equipment (Lab) | ₹ 33.98 | ₹ 44.87 |
| Office Equipment | ₹ 0.67 | ₹ 9.98 |
| Plant & Machinery | ₹ 500.33 | ₹ 188.75 |
| Computer Software | ₹ 0.75 | ₹ 0.07 |
| Vehicle Equipment | ₹ 1.33 | ₹ 0.00 |
| CWIP | ₹ 106.87 | ₹ 3.34 |
| Total Capital Expenditure (B) | ₹ 770.17 | ₹ 343.64 |
| Total R&D Expenditure (A + B) | ₹ 987.08 | ₹ 501.39 |

Approval for registration of in- house R&D unit by Department of Science and Industrial Research (DSIR) was received vide letter dated 24th November 2020 and the same was subsequently renewed on June 13, 2023, by DSIR. As the above note is for the discloser of requirements of Section 35(2AB) of the Income Tax Act, 1961, we have not considered Depreciation here.

## 43. Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies. The board regularly meets to decide its risk management activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The Company has exposure to the following risks arising from financial instruments:

- credit risk - see note (a) below
- liquidity risk - see note (b) below
- market risk - see note (c) below

### (a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.



In ₹ MM, unless otherwise stated

## 43. Financial risk management

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The Company uses a matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and Company's historical experience for customers.

(i) The company has not made any provision on expected credit loss on trade receivables and other financials assets, based on the management estimates.
(ii) Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

### (b) Liquidity Risk

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

The Company's treasury department within the Finance Department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from the operations.

As at March 31,

| Working Capital of the Company | 2024 | 2023 |
|---|---|---|
| Total current assets (A) | ₹ 13,026.52 | ₹ 6,751.75 |
| Total current liabilities (B) | ₹ 2,890.87 | ₹ 940.02 |
| Working capital (A-B) | ₹ 10,135.66 | ₹ 5,811.73 |
| Current Ratio | 4.51 | 7.18 |

As at March 31, 2024

| Contractual cash flows | Carrying value | Less than 1 year | More than 1 year | Total |
|---|---|---|---|---|
| Borrowings | ₹ 1,686.18 | ₹ 1,686.18 | ₹ 0.00 | ₹ 1,686.18 |
| Trade payables | ₹ 1,035.34 | ₹ 1,035.34 | ₹ 0.00 | ₹ 1,035.34 |
| Lease liabilities | ₹ 143.84 | ₹ 24.46 | ₹ 119.37 | ₹ 143.83 |
| Other liabilities | ₹ 116.08 | ₹ 116.08 | ₹ 0.00 | ₹ 116.08 |

As at March 31, 2023

| Contractual cash flows | Carrying value | Less than 1 year | More than 1 year | Total |
|---|---|---|---|---|
| Borrowings | ₹ 1.06 | ₹ 1.06 | ₹ 0.00 | ₹ 1.06 |

In ₹ MM, unless otherwise stated

## 43. Financial risk management

| Contractual cash flows | As at March 31, 2023 Carrying value | Less than 1 year | More than 1 year | Total |
|---|---|---|---|---|
| Trade payables | ₹ 815.18 | ₹ 814.52 | ₹ 0.66 | ₹ 815.18 |
| Lease liabilities | ₹ 156.07 | ₹ 10.76 | ₹ 145.32 | ₹ 156.07 |
| Other liabilities | ₹ 96.94 | ₹ 96.94 | ₹ 0.00 | ₹ 96.94 |

(c) Market Risk

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (INR) and in other foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where revenue or expense is denominated in a foreign currency.

Following is outstanding foreign currency unhedged exposure:

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| (i) Financial Assets | Foreign currency | Equivalent amount in rupees | Foreign currency | Equivalent amount in rupees |
| US $ | | | | |
| Trade receivables | $ 16.52 | ₹ 1,377.54 | $ 18.54 | ₹ 1,523.75 |
| Balance with banks - in EEFC accounts | $ 0.45 | ₹ 37.72 | $ 1.80 | ₹ 148.30 |
| Total | $ 16.98 | ₹ 1,415.26 | $ 20.34 | ₹ 1,672.05 |

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| (ii) Financial Liabilities | Foreign currency | Equivalent amount in rupees | Foreign currency | Equivalent amount in rupees |
| US $ | | | | |
| Trade Payable | $ 0.10 | ₹ 8.27 | $ 3.09 | ₹ 254.16 |
| Total | $ 0.10 | ₹ 8.27 | $ 3.09 | ₹ 254.16 |

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.



In ₹ MM, unless otherwise stated

## 43. Financial risk management

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| (iii) Currency wise net exposure (Financial assets - Financial liabilities) | Foreign currency | Equivalent amount in rupees | Foreign currency | Equivalent amount in rupees |
| US $ | $ 16.88 | ₹ 1,406.99 | $ 17.25 | ₹ 1,417.90 |
| Total | $ 16.88 | ₹ 1,406.99 | $ 17.25 | ₹ 1,417.90 |

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

| (iv) Sensitivity analysis | As at March 31, 2024 | 2023 |
|---|---|---|
| Impact on profit/equity (1% strengthening) (US $) | ₹ 14.07 | ₹ 14.18 |
| Total | ₹ 14.07 | ₹ 14.18 |
| Impact on profit/equity (1% weakening) (US $) | (₹ 14.07) | (₹ 14.18) |
| Total | (₹ 14.07) | (₹ 14.18) |

Note: Amounts seen as (0.00) are below the disclosure threshold of the company.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rates by selection appropriate type of borrowings and by negotiation with the bankers.

The exposure of the borrowings (long term and short term ) to interest rate changes at the end of the reporting period are as follows:

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Variable rate borrowings | ₹ 1,686.18 | ₹ 0.00 |
| Fixed rate borrowings | ₹ 0.00 | ₹ 1.06 |
| Total | ₹ 1,686.18 | ₹ 1.06 |

| Sensitivity analysis | | |
|---|---|---|
| Increase by 50 basis points | (₹ 8.43) | (₹ 0.01) |
| Decrease by 50 basis points | ₹ 8.43 | ₹ 0.01 |

In ₹ MM, unless otherwise stated

## 44. Capital management

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

| | As at March 31, | |
|---|---|---|
| Particulars | 2024 | 2023 |
| Total liabilities | ₹ 3,374.20 | ₹ 1,353.10 |
| Less: cash and cash equivalents and bank balances | ₹ 5,556.54 | ₹ 1,022.89 |
| Net debt | (₹ 2,182.33) | ₹ 330.20 |
| Total equity | ₹ 20,689.23 | ₹ 12,446.06 |
| Net Debt-equity ratio | (0.11) | 0.03 |

## 45. Fair value measurement

As at March 31, 2024

| (a) Categories of financial instruments | Carrying Amount | FVTPL (Level 1) | FVTPL (Level 3) | FVTOCI (Level 3) | Amortised cost (Level 2) |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| Trade receivables | ₹ 2,328.76 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 2,328.76 |
| Cash and cash equivalents | ₹ 53.66 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 53.66 |
| Other bank balances | ₹ 5,502.88 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 5,502.88 |
| Investment in mutual funds - Quoted | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Investments in equity shares- Unquoted | ₹ 2.10 | ₹ 0.00 | ₹ 0.00 | ₹ 2.10 | ₹ 0.00 |
| Loans | ₹ 11.15 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 11.15 |
| Other financial assets | ₹ 445.13 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 445.13 |
| Total financial assets | ₹ 8,343.67 | ₹ 0.00 | ₹ 0.00 | ₹ 2.10 | ₹ 8,341.58 |
| Financial liabilities | | | | | |
| Borrowings | ₹ 1,686.18 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 1,686.18 |
| Trade payables | ₹ 1,035.34 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 1,035.34 |
| Other financial liabilities | ₹ 259.92 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 259.92 |
| Total financial liabilities | ₹ 2,981.45 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 2,981.45 |



In ₹ MM, unless otherwise stated

## 45. Fair value measurement

As at March 31, 2024

| (a) Categories of financial instruments | Carrying Amount | FVTPL (Level 1) | FVTPL (Level 3) | FVTOCI (Level 3) | Amortised cost (Level 2) |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| Trade receivables | ₹ 2,589.82 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 2,589.82 |
| Cash and cash equivalents | ₹ 709.08 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 709.08 |
| Other bank balances | ₹ 313.81 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 313.81 |
| Investment in mutual funds - Quoted | ₹ 10.01 | ₹ 10.01 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 |
| Investments in equity shares- Unquoted | ₹ 2.10 | ₹ 0.00 | ₹ 0.00 | ₹ 2.10 | ₹ 0.00 |
| Loans | ₹ 11.38 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 11.38 |
| Other financial assets | ₹ 30.29 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 30.29 |
| Total financial assets | ₹ 3,666.49 | ₹ 10.01 | ₹ 0.00 | ₹ 2.10 | ₹ 3,654.38 |
| Financial liabilities | | | | | |
| Borrowings | ₹ 1.06 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 1.06 |
| Trade payables | ₹ 815.18 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 815.18 |
| Other financial liabilities | ₹ 253.01 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 253.01 |
| Total financial liabilities | ₹ 1,069.26 | ₹ 0.00 | ₹ 0.00 | ₹ 0.00 | ₹ 1,069.26 |

(b) Fair value hierarchy

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the company which are carried at amortized cost approximates the fair value (except for which the fair values are mentioned). Investments in Mutual Funds which are designated at FVTPL & investment in shares which are classified as FVTOCI are at fair value.

## 46. Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under"

(i) Defined contribution plan - Provident fund and other funds

The company has recognized following amounts in the profit & loss account for the year:

| | For the year ended March 31, | |
|---|---|---|
| Particulars | 2024 | 2023 |
| Provident fund | | |
| Employer's Contribution | ₹ 17.88 | ₹ 12.72 |
| Administration charges | ₹ 0.73 | ₹ 0.55 |

In ₹ MM, unless otherwise stated

46. Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under"

| Particulars | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Employer's Contribution to ESI (Employee State Insurance) | ₹ 3.17 | ₹ 2.68 |
| Total | ₹ 21.77 | ₹ 15.95 |

(ii) Defined benefit plan

1) The defined benefit plan comprises gratuity, which is funded.
2) Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive Income (OCI).

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972.
These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

| Changes in the present value of the defined benefit obligation | As at March 31, 2024 | 2023 |
|---|---|---|
| Present Value of Benefit Obligation at the Beginning of the Period | ₹ 33.33 | ₹ 25.12 |
| Interest cost | ₹ 2.50 | ₹ 1.82 |
| Current service cost | ₹ 8.29 | ₹ 6.48 |
| Benefits paid | (₹ 0.34) | (₹ 1.20) |
| Actuarial (Gains)/Losses on Obligations | | |
| Due to Change in Demographic Assumptions | ₹ 0.00 | ₹ 0.00 |
| Due to Change in Financial Assumptions | ₹ 1.69 | (₹ 1.12) |
| Due to Experience | ₹ 2.33 | ₹ 2.24 |
| Present value of obligation at the end of the period / year | ₹ 47.79 | ₹ 33.33 |
| **Changes in the fair value of plan assets** | | |
| Fair value of plan assets at the beginning of the period / year | ₹ 36.24 | ₹ 27.46 |
| Interest income | ₹ 2.72 | ₹ 1.99 |
| Contributions | ₹ 12.32 | ₹ 8.55 |
| Mortality charges and taxes | ₹ 0.00 | ₹ 0.00 |
| Benefits paid | (₹ 0.34) | (₹ 1.20) |
| Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss) | (₹ 0.44) | (₹ 0.55) |
| Fair value of Plan assets at end of the year | ₹ 50.49 | ₹ 36.24 |



In ₹ MM, unless otherwise stated

46. Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under"

| Net interest cost for current period | For the year ended March 31, 2024 | 2023 |
|---|---|---|
| Present Value of Benefit Obligation at the Beginning of the Period | ₹ 33.33 | ₹ 25.12 |
| Fair Value of Plan Assets at the Beginning of the Period | (₹ 36.24) | (₹ 27.46) |
| Net Liability/(Asset) at the Beginning | (₹ 2.91) | (₹ 2.34) |
| Interest Cost | ₹ 2.50 | ₹ 1.82 |
| Interest Income | (₹ 2.72) | (₹ 1.99) |
| Fair value of Plan assets at end of the year | (₹ 0.22) | (₹ 0.17) |
| **Net employee benefit expense on account of gratuity recognised in employee benefit expenses** | | |
| Current service cost | ₹ 8.29 | ₹ 6.48 |
| Net interest (Income)/ Expense | (₹ 0.22) | (₹ 0.17) |
| Net benefit expense | ₹ 8.07 | ₹ 6.31 |
| **Amount recognised in the statement of other comprehensive income** | | |
| Re-measurement for the year - obligation (gain) / loss | ₹ 4.02 | ₹ 1.12 |
| Re-measurement for the year - plan assets (gain) / loss | ₹ 0.44 | ₹ 0.55 |
| Total re-measurements cost / (credit) for the period / year recognised in other comprehensive income | ₹ 4.46 | ₹ 1.67 |
| **Net Defined Benefit Liability/(Asset) for the period / year** | | |
| Defined Benefit Obligation | ₹ 47.79 | ₹ 33.33 |
| Fair value of plan assets | ₹ 50.49 | ₹ 36.24 |
| Closing net defined benefit liability/(asset) | (₹ 2.70) | (₹ 2.91) |
| Current | (₹ 2.70) | (₹ 2.91) |
| Non-Current | ₹ 0.00 | ₹ 0.00 |

In ₹ MM, unless otherwise stated

## 46. Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under"

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Mortality table | % Indian Assured Lives Mortality 2012-14 (Urban) | % Indian Assured Lives Mortality 2012-14 (Urban) |
| Discount rate | 7.22% | 7.50% |
| Rate of increase in compensation levels | 8.00% | 8.00% |
| Expected rate of return on plan assets | 7.22% | 7.50% |
| Withdrawal rate (for all age groups) | 5.00% | 5.00% |

A quantitative sensitivity analysis for significant assumption as at 31 March 2024 & 31 March 2023 is as shown below:

| Assumptions | Defined benefit obligation as at March 31, 2024 | | 2023 | |
|---|---|---|---|---|
| | Increase by 100 basis points | Decrease by 100 basis points | Increase by 100 basis points | Decrease by 100 basis points |
| Delta effect of 1% change in rate of discounting | (₹ 5.63) | ₹ 6.88 | (₹ 3.97) | ₹ 4.85 |
| Delta effect of 1% change in rate of salary increase | ₹ 6.34 | (₹ 5.47) | ₹ 4.59 | (₹ 3.93) |
| Delta effect of 1% change in rate of employee turnover | (₹ 0.64) | ₹ 0.71 | (₹ 0.39) | ₹ 0.42 |

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Expected future benefit payments

The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

| | As at March 31, 2024 | 2023 |
|---|---|---|
| 1st Following Year | ₹ 2.09 | ₹ 1.23 |
| 2nd Following Year | ₹ 1.98 | ₹ 1.39 |
| 3rd Following Year | ₹ 2.24 | ₹ 1.57 |
| 4th Following Year | ₹ 2.36 | ₹ 1.75 |
| 5th Following Year | ₹ 2.54 | ₹ 1.84 |





46. Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under"

| | As at March 31, 2024 | 2023 |
|---|---|---|
| Sum of Years 6 To 10 | ₹ 14.25 | ₹ 10.24 |
| Sum of Years 11 and above | ₹ 132.37 | ₹ 100.33 |

## 47. Stock option scheme

Aether Industries Limited - Employee Stock Option Scheme - 2021 (AIL ESOS 2021)

The Company has instituted equity-settled Employee Stock Option Scheme - 2021 duly approved by the shareholders in the extra-ordinary general meeting of the Company held on 18 November 2021. The Company introduced the AIL ESOS 2021 primarily with a view to attract, retain and incentivise the existing and new employees of the Company and motivate them to contribute to the growth and profitability of the Company. The shareholders by way of special resolution have authorised the Nomination and Remuneration Committee to grant options not exceeding 11,00,000 to the eligible employees under the AIL ESOS 2021, in one or more tranches, with each such option conferring a right upon the Eligible employee to apply for one share of the Company.

As per AIL ESOS 2021, the Nomination and Remuneration Committee shall determine the eligibility criteria for employees to whom the options would be granted and shall approve the grant of options. The options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 7 (seven) years from the date of grant of options. Vesting of options would be subject to continued employment with the Company. The exercise period shall be 7 (seven) years from the date of vesting of options. The vested options can be exercised by the employee any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter.

The scheme was modified on 27 September 2022 and the revised terms are prospectively applicable to all grants under the scheme. The modified terms are defined as follows:

The vesting period is minimum 1 (one) year but not later than 15 (fifteen) years from the date of grant of options. Vesting of options would be subject to continued employment with the Company. The exercise period shall be 15 (fifteen) years from the date of vesting of options, subject to exceptional circumstances. The vested options can be exercised by the employee any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter

Under the said scheme Nomination and Remuneration Committee of the board of directors has granted following options to its eligible employees:

| Grant Date | Tranche number | Number of options | Total number of options |
|---|---|---|---|
| November 20, 2021 | Tranche 1 | 1,81,122 | |
| November 20, 2022 | Tranche 2 | 12,461 | |
| November 20, 2022 | Tranche 3 | 24,922 | 3,61,492 |
| November 20, 2022 | Tranche 4 | 3,181 | |
| May 09, 2023 | Tranche 5 | 1,35,114 | |
| August 18, 2023 | Tranche 6 | 4,692 | |

## 47. Stock option scheme

| Reconciliation of outstanding stock options | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Weighted average exercise price per option (Rs.) | Number of options | Weighted average exercise price per option (Rs.) | Number of options |
| Opening Balance | ₹ 321.00 | 1,74,156 | ₹ 321.00 | 1,74,831 |
| Granted during the year | ₹ 885.00 | 1,39,806 | ₹ 335.27 | 40,564 |
| Exercised during the year | ₹ 321.00 | 26,732 | ₹ 321.00 | 28,048 |
| Forfeited / Lapsed during the year | ₹ 643.69 | 7,998 | ₹ 321.00 | 13,191 |
| Closing Balance | ₹ 597.39 | 2,79,232 | ₹ 324.32 | 1,74,156 |
| Options exercisable at the end of the period | ₹ 0.00 | 0 | ₹ 0.00 | 0 |

Weighted average share price on the date of exercise is Rs. 894.45/- (Previous Year: 985.35*)

*Weighted average exercise price of shares is required to be disclosed, where share options are exercised during the period.

| Grant date | Expiry date | Exercise Price | Options outstanding | |
|---|---|---|---|---|
| | | | As at March 31, 2024 | As at March 31, 2023 |
| November 20, 2021 | November 20, 2023 | ₹ 321.00 | | 26,730 |
| November 20, 2021 | November 20, 2024 | ₹ 321.00 | 26,616 | 26,730 |
| November 20, 2021 | November 20, 2025 | ₹ 321.00 | 24,072 | 24,262 |
| November 20, 2021 | November 20, 2026 | ₹ 321.00 | 21,044 | 21,048 |
| November 20, 2021 | November 20, 2027 | ₹ 321.00 | 19,969 | 19,973 |
| November 20, 2021 | November 20, 2028 | ₹ 321.00 | 13,308 | 13,315 |
| November 20, 2022 | November 20, 2026 | ₹ 321.00 | 4,154 | 4,154 |
| November 20, 2022 | November 20, 2027 | ₹ 321.00 | 10,384 | 10,384 |
| November 20, 2022 | November 20, 2028 | ₹ 321.00 | 10,384 | 10,384 |
| November 20, 2022 | November 20, 2029 | ₹ 321.00 | 6,231 | 6,231 |
| November 20, 2022 | November 20, 2030 | ₹ 321.00 | 6,231 | 6,231 |
| November 20, 2022 | November 01, 2025 | ₹ 503.00 | | 748 |
| November 20, 2022 | November 01, 2026 | ₹ 503.00 | | 748 |
| November 20, 2022 | November 01, 2027 | ₹ 503.00 | | 748 |
| November 20, 2022 | November 01, 2028 | ₹ 503.00 | | 748 |
| November 20, 2022 | November 01, 2029 | ₹ 503.00 | | 748 |
| November 20, 2022 | November 01, 2030 | ₹ 503.00 | | 748 |





| Grant date | Expiry date | Exercise Price | Options outstanding | |
|---|---|---|---|---|
| | | | As at March 31, 2024 | As at March 31, 2023 |
| November 20, 2022 | November 01, 2031 | ₹ 503.00 | | 228 |
| May 09, 2023 | May 09, 2027 | ₹ 885.00 | 44,049 | |
| May 09, 2023 | May 09, 2028 | ₹ 885.00 | 44,049 | |
| May 09, 2023 | May 09, 2029 | ₹ 885.00 | 44,049 | |
| August 18, 2023 | May 09, 2027 | ₹ 885.00 | 1,564 | |
| August 18, 2023 | May 09, 2028 | ₹ 885.00 | 1,564 | |
| August 18, 2023 | May 09, 2029 | ₹ 885.00 | 1,564 | |
| Total | | | 2,79,231 | 1,74,156 |
| Weighted average remaining contractual life of the options outstanding at the end of the period | | | 3.52 Years | 2.17 Years |

### Fair value of the options granted

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes-Merton model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grant made on August 18, 2023:

| Grant: AIL ESOS 2021 | Vesting dates - May 9, | | |
|---|---|---|---|
| Grant Date: August 18, 2023 | 2025 | 2026 | 2027 |
| Input variables | | | |
| Stock Price per share (Rs.) | ₹ 1,040.55 | ₹ 1,040.55 | ₹ 1,040.55 |
| Standard Deviation (Volatility) | 34.07% | 38.42% | 37.42% |
| Risk-free Rate | 7.22% | 7.22% | 7.21% |
| Exercise Price (Rs.) | ₹ 885.00 | ₹ 885.00 | ₹ 885.00 |
| Time to Maturity (in years) | 2.72 | 3.72 | 4.72 |
| Dividend yield | 0.00% | 0.00% | 0.00% |
| Output | | | |
| Fair value of option (Rs.) | ₹ 389.24 | ₹ 468.17 | ₹ 513.85 |

## 47. Stock option scheme

Fair value and assumptions for the equity-settled grant made on 9 May 2023

| Grant: AIL ESOS 2021 | Vesting dates - May 9, | | |
|---|---|---|---|
| Grant Date: May 9, 2023 | 2025 | 2026 | 2027 |
| Input variables | | | |
| Stock Price per share (Rs.) | ₹ 931.90 | ₹ 931.90 | ₹ 931.90 |
| Standard Deviation (Volatility) | 44.72% | 43.19% | 43.10% |
| Risk-free Rate | 6.99% | 7.00% | 7.03% |
| Exercise Price (Rs.) | ₹ 885.00 | ₹ 885.00 | ₹ 885.00 |
| Time to Maturity (in years) | 3.00 | 4.00 | 5.00 |
| Dividend yield | 0.00% | 0.00% | 0.00% |
| Output | | | |
| Fair value of option (Rs.) | ₹ 400.29 | ₹ 443.53 | ₹ 487.97 |

Fair value and assumptions for the equity-settled grant made on November 20, 2022 - Tranche 1

| Grant: AIL ESOS 2021 | Vesting dates - November 20, | | |
|---|---|---|---|
| Tranche 1: Grant Date: November 20, 2022 | 2023 | 2024 | 2025 |
| Input variables | | | |
| Stock Price per share (Rs.) | ₹ 985.35 | ₹ 985.35 | ₹ 985.35 |
| Standard Deviation (Volatility) | 44.39% | 45.90% | 44.84% |
| Risk-free Rate | 7.03% | 7.12% | 7.16% |
| Exercise Price (Rs.) | ₹ 321.00 | ₹ 321.00 | ₹ 321.00 |
| Time to Maturity (in years) | 2.50 | 3.50 | 4.50 |
| Dividend yield | 0.00% | 0.00% | 0.00% |
| Output | | | |
| Fair value of option (Rs.) | ₹ 720.47 | ₹ 744.50 | ₹ 764.60 |

Fair value and assumptions for the equity-settled grant made on November 20, 2022 - Tranche 2

| Grant: AIL ESOS 2021 | Vesting dates - November 20, | | | |
|---|---|---|---|---|
| Tranche 2: Grant Date: November 20, 2022 | 2023 | 2024 | 2025 | 2026 |
| Input variables | | | | |
| Stock Price per share (Rs.) | ₹ 985.35 | ₹ 985.35 | ₹ 985.35 | ₹ 985.35 |
| Standard Deviation (Volatility) | 46.81% | 44.37% | 44.20% | 42.66% |





47. Stock option scheme

| Grant: AIL ESOS 2021 | Vesting dates - November 20, | | | |
|---|---|---|---|---|
| Tranche 2: Grant Date: November 20, 2022 | 2023 | 2024 | 2025 | 2026 |
| Input variables | | | | |
| Risk-free Rate | 7.08% | 7.12% | 7.18% | 7.31% |
| Exercise Price (Rs.) | ₹ 321.00 | ₹ 321.00 | ₹ 321.00 | ₹ 321.00 |
| Time to Maturity (in years) | 3.00 | 4.00 | 5.00 | 6.00 |
| Dividend yield | 0.00% | 0.00% | 0.00% | 0.00% |
| Output | | | | |
| Fair value of option (Rs.) | ₹ 733.86 | ₹ 753.56 | ₹ 773.65 | ₹ 791.09 |

Fair value and assumptions for the equity-settled grant made on November 20, 2021

| Grant: AIL ESOS 2021 | Vesting dates November 20, | | | | | | |
|---|---|---|---|---|---|---|---|
| Grant Date: November 20, 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Input variables | | | | | | | |
| Stock Price per share (Rs.) | ₹ 411.81 | ₹ 411.81 | ₹ 411.81 | ₹ 411.81 | ₹ 411.81 | ₹ 411.81 | ₹ 411.81 |
| Standard Deviation (Volatility) | 41.64% | 40.62% | 41.21% | 40.77% | 41.31% | 41.35% | 41.89% |
| Risk-free Rate | 5.72% | 5.96% | 6.19% | 6.29% | 6.36% | 6.37% | 6.48% |
| Exercise Price (Rs.) | ₹ 321.00 | ₹ 321.00 | ₹ 321.00 | ₹ 321.00 | ₹ 321.00 | ₹ 321.00 | ₹ 321.00 |
| Time to Maturity (in years) | 4.50 | 5.50 | 6.50 | 7.50 | 8.50 | 9.50 | 10.50 |
| Dividend yield | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Output | | | | | | | |
| Fair value of option (Rs.) | ₹ 210.91 | ₹ 226.79 | ₹ 244.51 | ₹ 257.65 | ₹ 271.43 | ₹ 282.50 | ₹ 294.59 |

Rationale for principal variables used

- Time to maturity of options is the period of time from the grant date to the date on which option is expected to be exercised. The minimum life of stock option is the minimum period before which the options cannot be exercised, and maximum life is the period after which the options cannot be exercised.
- The expected price volatility is based on the historic volatility, adjusted for any changes to future volatility due to publicly available information.

The company has recorded employee share-based compensation expense in the current year amounting to ₹ 36.76 MM (Previous year: ₹ 15.51 MM) for the options issued to the employees.

In ₹ MM, unless otherwise stated

## 48. Revenue from contracts with customers

(a) Reconciliation of revenue recognised with the contracted price is as follows:

| | For the year ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| Gross Sales (Contracted Price) | ₹ 5,990.49 | ₹ 6,510.74 |
| Reductions towards variable consideration (Discount & Delayed Delivery Charges) | (₹ 8.76) | ₹ 0.00 |
| Revenue recognised | ₹ 5,981.72 | ₹ 6,510.74 |

The Company derives its revenue from contracts with customers for the transfer of goods and services at a point in time and over the period in the following major product lines. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108.

| | For the year ended March 31, | |
|---|---|---|
| (b) Revenue by Business Classification | 2024 | 2023 |
| Large Scale Manufacturing | ₹ 3,564.52 | ₹ 3,356.91 |
| Contract Manufacturing | ₹ 1,534.53 | ₹ 2,233.79 |
| Contract Research And Manufacturing Services (CRAMS) | ₹ 826.61 | ₹ 816.59 |
| Others | ₹ 56.06 | ₹ 103.45 |
| Total revenue | ₹ 5,981.72 | ₹ 6,510.74 |

| | For the year ended March 31, | |
|---|---|---|
| (c) Revenue by Geographies / Regions | 2024 | 2023 |
| India (including Deemed Exports) | ₹ 3,483.62 | ₹ 3,590.36 |
| India (SEZ) | ₹ 347.59 | ₹ 281.07 |
| Italy | ₹ 644.75 | ₹ 976.57 |
| Germany | ₹ 432.86 | ₹ 266.57 |
| USA | ₹ 342.98 | ₹ 519.38 |
| Spain | ₹ 232.41 | ₹ 120.00 |
| Japan | ₹ 210.49 | ₹ 67.70 |
| Israel | ₹ 58.45 | ₹ 59.33 |
| Mexico | ₹ 57.53 | ₹ 51.42 |
| Netherlands | ₹ 55.76 | ₹ 358.20 |
| China | ₹ 44.91 | ₹ 105.16 |
| Hungary | ₹ 21.83 | ₹ 0.00 |
| Romania | ₹ 14.94 | ₹ 5.24 |



In ₹ MM, unless otherwise stated

48. Revenue from contracts with customers

| | For the year ended March 31, | |
|---|---|---|
| (c) Revenue by Geographies / Regions | 2024 | 2023 |
| Sweden | ₹ 12.76 | ₹ 13.45 |
| United Kingdom | ₹ 9.11 | ₹ 16.70 |
| Switzerland | ₹ 6.56 | ₹ 41.50 |
| Others - Asia | ₹ 4.00 | ₹ 13.55 |
| Others - Europe | ₹ 1.17 | ₹ 24.52 |
| Total revenue | ₹ 5,981.72 | ₹ 6,510.74 |

## 49. Leases

(a) For Right-of-use assets schedule - Please refer note 5

| | Financial Year | |
|---|---|---|
| (b) Lease liabilities | 2024 | 2023 |
| Current | ₹ 24.46 | ₹ 10.76 |
| Non Current | ₹ 119.37 | ₹ 145.32 |
| Total | ₹ 143.84 | ₹ 156.07 |
| (c) Interest expenses on lease liabilities | | |
| Interest on lease liabilities | ₹ 15.68 | ₹ 12.09 |
| Total | ₹ 15.68 | ₹ 12.09 |
| (d) Expenses on short term leases / low value assets | | |
| Short-term lease | ₹ 3.21 | ₹ 6.88 |
| Low value assets | ₹ 0.23 | ₹ 0.00 |
| Total | ₹ 3.44 | ₹ 6.88 |
| (e) Amounts recognised in the statement of cash flow | | |
| Total cash outflow for leases | ₹ 26.23 | ₹ 11.03 |
| (f) Maturity analysis – contractual un-discounted cash flows | | |
| Less than one year | ₹ 24.46 | ₹ 26.59 |
| One to five years | ₹ 70.54 | ₹ 97.66 |
| More than five years | ₹ 202.79 | ₹ 202.31 |
| Total | ₹ 297.80 | ₹ 326.56 |

In ₹ MM, unless otherwise stated

(g) Other notes

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2018 is 9.50%.

Operating lease payable as per previous GAAP as at transition date is considered for calculation of lease liabilities under Ind AS 116.

## 50. Operating segment

| | For the year ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| Sales value | | |
| India | ₹ 3,831.21 | ₹ 3,871.43 |
| Rest of the World | ₹ 2,150.51 | ₹ 2,639.31 |
| Total sales value | ₹ 5,981.72 | ₹ 6,510.74 |

| | As at March 31, | |
|---|---|---|
| | 2024 | 2023 |
| Carrying amount of assets* | | |
| India | ₹ 951.22 | ₹ 1,066.06 |
| Rest of the World | ₹ 1,377.54 | ₹ 1,523.75 |
| Total carrying amount of assets | ₹ 2,328.76 | ₹ 2,589.81 |

*Segment assets represent trade receivables

| | For the year ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| Additions to property, plant and equipment, right of use assets and intangible assets | | |
| India | ₹ 2,482.68 | ₹ 4,123.39 |
| Total | ₹ 2,482.68 | ₹ 4,123.39 |

## 51. Corporate social responsibility

As per the provisions of section 135 of Companies Act 2013, the Company was required to spend Rs. 27.65 MM (March 31, 2023: Rs. 19.75 MM). being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. However, the Company has spent Rs. 27.97 MM (March 31, 2023: Rs. 19.98 MM) towards Corporate Social Responsibility activities. Below are the details of the amount spent during the year:



In ₹ MM, unless otherwise stated

| | | For the year ended March 31, | |
|---|---|---|---|
| Payment to | CSR Activity | 2024 | 2023 |
| Aether Foundation | Training for sport which is recognised at national level and also for furtherance to olympics | ₹ 1.27 | ₹ 2.10 |
| Ambika Education Trust, Dodipada | Promoting education in rural area | ₹ 13.90 | ₹ 1.50 |
| Kagzi Traders | To celebrate Azadi ka Amrut Mahotsav - Education | ₹ 0.00 | ₹ 0.16 |
| Surat Municipal Corporation | To celebrate Azadi ka Amrut Mahotsav - Education | ₹ 0.00 | ₹ 0.02 |
| Indian Chemical Society | Promoting Education | ₹ 1.60 | ₹ 0.00 |
| Kajorimal Basantilal Nagori Trust | Promoting education in rural area | ₹ 0.00 | ₹ 0.60 |
| Shivam Education Trust | Nursing College Building | ₹ 1.15 | ₹ 2.50 |
| Surat Manav Seva Sangh | Disaster management, including relief, rehabilitation and reconstruction activities (CoVID-19) | ₹ 0.35 | ₹ 0.00 |
| Surat Raktadan Kendra and Research Centre | Preventive health-care measure | ₹ 0.30 | ₹ 0.00 |
| Institute of Chemical Technology | Promoting Education | ₹ 1.30 | ₹ 0.00 |
| Vanvasi Vikas Mandal, Waghai | Promoting education in tribal and rural area for gilrs | ₹ 0.00 | ₹ 3.10 |
| Shree Mahavir Health and Medical Relief Society | New Cancer Research Project / Preventive health-care measure | ₹ 0.00 | ₹ 10.00 |
| Mahala Education Charitable Trust | Promoting Education | ₹ 0.45 | ₹ 0.00 |
| Bardoli Pradesh Kelvani Mandal | Promoting Education | ₹ 0.75 | ₹ 0.00 |
| Manav Seva Trust | Facilities to old age homes - senior citizens | ₹ 0.02 | ₹ 0.00 |
| Seva Foundation | Providing Healthcare | ₹ 4.95 | ₹ 0.00 |
| Stranctuary Foundation | For Animal Welfare | ₹ 0.10 | ₹ 0.00 |
| Shree Ramnath Ghela Smasan Bhumi Trust | For reducing in-equalities in socially and economically backward groups | ₹ 1.10 | ₹ 0.00 |
| Chimney Charitable Trust | For Medical Support | ₹ 0.73 | ₹ 0.00 |
| Total CSR expenditure | | ₹ 27.97 | ₹ 19.98 |

## 52. Events subsequent to March 31, 2024

None

**For Birju S. Shah & Associates**
Chartered Accountants | ICAI Firm Reg. No.: 131554W

**Birju S. Shah - Proprietor**
Membership No.: 107086 | UDIN: 24107086BKAPID2756

Place: Surat | Date: May 21, 2024

**For and behalf of Board of Directors**
**Ashwin Desai** - Managing Director DIN: 00038386
**Rohan Desai** - Whole Time Director DIN: 00038379
**Faiz Nagariya** - Chief Financial Officer PAN: ADBPN8514G
**Chitrarth Parghi** - Company Secretary Mem. No.: F12563
Place: Surat | Date: May 21, 2024

In ₹ MM, unless otherwise stated

53. Ratios as per the Schedule III requirements

(a) Current Ratio

| | As at March 31, | |
|---|---|---|
| Current assets divided by Current liabilities | 2024 | 2023 |
| Current Assets | ₹ 13,026.52 | ₹ 6,751.75 |
| Current Liabilities | ₹ 2,890.87 | ₹ 940.02 |
| Current Ratio (Times) | 4.51 | 7.18 |
| % Change from previous year | (37.26%) | |

(b) Debt Equity ratio

| | As at March 31, | |
|---|---|---|
| Total debt divided by total equity | 2024 | 2023 |
| Total Debt | ₹ 1,686.18 | ₹ 1.06 |
| Total Equity | ₹ 20,633.23 | ₹ 12,446.09 |
| Debt Equity Ratio (Times) | 0.08 | 0.00 |
| % Change from previous year | 95,899.38% | |

(c) Debt Service Coverage Ratio (DSCR)

| | As at March 31, | |
|---|---|---|
| Earnings available for debt services divided by total interest and principal repayments | 2024 | 2023 |
| Profit for the year | ₹ 824.90 | ₹ 1,304.17 |
| Add: Non cash operating expenses and finance cost | ₹ 0.00 | ₹ 0.00 |
| Depreciation and amortisation expense | ₹ 396.65 | ₹ 232.45 |
| Finance costs | ₹ 85.17 | ₹ 50.93 |
| Earnings available for debt services | ₹ 1,306.72 | ₹ 1,587.55 |
| Interest cost on borrowings | ₹ 62.98 | ₹ 30.26 |
| Principal repayments (including certain prepayments ) | ₹ 1.06 | ₹ 1,695.93 |
| Total Interest and principal repayments | ₹ 64.04 | ₹ 1,726.19 |
| Debt Equity Ratio (Times) | 20.40 | 0.92 |
| % Change from previous year | 2,118.55% | |

(d) Return on equity ratio/Return on investment ratio

| | As at March 31, | |
|---|---|---|
| Net profit after tax divided by Equity | 2024 | 2023 |
| Profit for the year | ₹ 824.90 | ₹ 1,304.15 |
| Total Equity | ₹ 20,689.23 | ₹ 12,446.06 |
| Return on Equity Ratio (%) | 4.00% | 10.48% |
| % Change from previous year | (61.85%) | |



In ₹ MM, unless otherwise stated

53. Ratios as per the Schedule III requirements

(e) Inventory turnover ratio

| | As at March 31, | |
|---|---|---|
| Closing Inventory divided by Cost of Material Consumed plus Changes in Inventory in to 365/366 | 2024 | 2023 |
| Credit Sales | ₹ 5,981.72 | ₹ 6,510.74 |
| Closing Inventory | ₹ 3,434.71 | ₹ 2,487.66 |
| Inventory Turnover Ratio (Days) | 210 | 139 |
| % Change from previous year | 50.28% | |

(f) Trade receivables turnover ratio

| | As at March 31, | |
|---|---|---|
| Credit Sales divided by Closing Trade Receivables in to 365/366 | 2024 | 2023 |
| Credit Sales | ₹ 5,981.72 | ₹ 6,510.74 |
| Closing Trade Receivables | ₹ 2,328.76 | ₹ 2,589.82 |
| Trade Receivables Ratio (Days) | 142 | 145 |
| % Change from previous year | (2.13%) | |

(g) Trade payables turnover ratio

| | As at March 31, | |
|---|---|---|
| Closing trade payables divided by Cost of Materials Consumed in to 365/366 | 2024 | 2023 |
| Cost of materials consumed | ₹ 3,209.17 | ₹ 3,173.39 |
| Closing Trade Payables | ₹ 1,035.34 | ₹ 815.18 |
| Inventory Turnover Ratio (Days) | 118 | 94 |
| % Change from previous year | 25.59% | |

(h) Net capital Turnover Ratio

| | As at March 31, | |
|---|---|---|
| Revenue from operations divided by Net Working capital | 2024 | 2023 |
| Revenue from operations | ₹ 5,981.72 | ₹ 6,510.74 |
| Net Working Capital | ₹ 10,135.66 | ₹ 5,811.73 |
| Net Capital Turnover Ratio (Times) | 0.59 | 1.12 |
| % Change from previous year | (47.32%) | |

In ₹ MM, unless otherwise stated

53. Ratios as per the Schedule III requirements

(i) Net profit ratio

| Net profit after tax divided by Revenue from operations | As at March 31, 2024 | 2023 |
|---|---|---|
| Profit for the year | ₹ 824.90 | ₹ 1,304.15 |
| Revenue from operations | ₹ 5,981.72 | ₹ 6,510.74 |
| Net profit ratio (Times) | 0.14 | 0.20 |
| % Change from previous year | (31.15%) | |

(j) Return on Capital employed - pre cash (ROCE)

| Earnings before interest and taxes(EBIT) divided by Capital Employed- pre cash | As at March 31, 2024 | 2023 |
|---|---|---|
| Profit/(Loss) before tax (A) | ₹ 1,095.12 | ₹ 1,744.76 |
| Finance Costs (B) | ₹ 85.17 | ₹ 50.93 |
| Other income (C) | ₹ 392.07 | ₹ 165.65 |
| EBIT (D) = (A)+(B)-(C) | ₹ 788.22 | ₹ 1,630.04 |
| Capital Employed - Pre Cash (K) = (E)+(F)+(G)-(H)-(I)-(J) | ₹ 16,762.88 | ₹ 11,414.22 |
| Total Equity (E) | ₹ 20,633.23 | ₹ 12,446.06 |
| Non-Current Borrowings (F) | ₹ 0.00 | ₹ 0.00 |
| Current Borrowings (G) | ₹ 1,686.18 | ₹ 1.06 |
| Current Investments (H) | ₹ 0.00 | ₹ 10.01 |
| Cash and Cash equivalents (I) | ₹ 53.66 | ₹ 709.08 |
| Bank balances other than cash and cash equivalents (J) | ₹ 5,502.88 | ₹ 313.81 |
| Ratio (D)/(K) (%) | 4.70% | 14.28% |
| % Change from previous year | (67.07%) | |



In ₹ MM, unless otherwise stated

54. Other matters

a. Registration of charges or satisfaction with Registrar of Companies (ROC)

The Company had registered various charges with the ROC within the statutory time period. During the financial year, the Company has repaid all its Term Loans and hence the collaterals have been released from the bank and accordingly the charges registered with ROC, have been satisfied.

b. Details of Benami Property held

The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, hence no proceedings initiated or pending against the Company under the said Act and Rules.

c. Loans and advances granted to specified person

Except as stated in the notes to accounts and financial statements, there are no other loans or advances granted to specified persons namely the promoters, directors, KMPs and related parties.

d. Utilisation of borrowed funds, share premium and other funds

The Company has not received any funds from any person or entity with the understanding that the Company would directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiary) or provided any guarantee or security or the like on behalf of the ultimate beneficiary,

The Company has not advanced or loaned or invested to any other person(s), including foreign entities (Intermediaries) with the understanding that the intermediary shall:

i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

Ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

e. Compliance with the number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

f. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

g. Undisclosed Income

There is no transaction, which has not been recorded in the books of accounts, that has been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961.

h. Relationship with struck off companies

The Company has not have any transactions with companies, which are struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

# Notice of AGM

Notice is hereby given that the 12th Annual General Meeting (Meeting No. AGM-2024/25) of the Aether Industries Limited will be held on Tuesday, September 10, 2024, through Video Conference / Other Audio-Video Means at 16:00 Hrs. (IST) to transact the following businesses:

## Ordinary Businesses

Following Business transactions be considered as 'Ordinary Business'

(a) To receive, consider and adopt the audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024, and the Report of the Board and the Auditors thereon.

(b) To appoint a Director in place of Mr. Rohan Ashwin Desai (DIN: 00038379), who retires by rotation and being eligible, offers himself for re-appointment as Whole-time Director

(c) To appoint a Director in place of Ms. Ishita Surendra Manjrekar (DIN: 06731016), who retires by rotation and being eligible, offers herself for re-appointment as Non-Executive Non-Independent Director

## Special Businesses

Following Business transactions be considered as 'Special Business'

(d) To ratify the remuneration payable to the Cost Auditor for the FY 2024-25

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

"RESOLVED THAT pursuant to the Section 148(3) of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the annual remuneration of ₹ 1,00,000 (Rupees One Lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses for the Financial Year 2024-25, as recommended by the Audit Committee and approved by the Board of Directors of the Company in their Meeting held on July 19, 2024, to be paid to M/s. PAAA & Associates, Cost and Accountants, (Firm Registration No.: 006283) for conducting cost audit of the applicable products be and is hereby ratified and confirmed."

(e) To re-appoint Ms. Leja Satish Hattiangadi (DIN: 00198720), as Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force), read with Schedule IV of the Act and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded to re-appoint Ms. Leja Satish Hattiangadi (DIN: 00198720), as Independent Director of the Company for the second and final term of 3 (three) years commencing from October 1, 2024 upto September 30, 2027 at the prevailing terms of appointment."

"RESOLVED FURTHER THAT the said consent shall not have any impact on the prevailing terms of her appointment for the remaining tenure."



(f) To re-appoint Mr. Rajkumar Mangilal Borana (DIN: 01091166), as Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force), read with Schedule IV of the Act and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded to re-appoint Mr. Rajkumar Mangilal Borana (DIN: 01091166), as Independent Director of the Company for the second and final term of 3 (three) years commencing from November 17, 2024 upto November 16, 2027 at the prevailing terms of appointment."

"RESOLVED FURTHER THAT the said consent shall not have any impact on the prevailing terms of his appointment for the remaining tenure."

(g) To re-appoint Mr. Jitendra Popatlal Vakharia (DIN: 00191088), as Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force), read with Schedule IV of the Act and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded to re-appoint Mr. Jitendra Popatlal Vakharia (DIN: 00191088), as Independent Director of the Company for the second and final term of 3 (three) years commencing from November 17, 2024 upto November 16, 2027 at the prevailing terms of appointment."

"RESOLVED THAT pursuant to the Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the members of the Company be and is hereby accorded to the continue the tenure of Mr. Jitendra Popatlal Vakharia (DIN: 00191088) as the Independent Director of the Company upon attaining the age of75 (seventy five) years in the coming year."

"RESOLVED FURTHER THAT the said consent shall not have any impact on the prevailing terms of his appointment for the remaining tenure."

(h) To re-appoint Dr. Amol Arvindrao Kulkarni (DIN: 09311097), as Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force), read with Schedule IV of the Act and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded to re-appoint Dr. Amol Arvindrao Kulkarni (DIN: 09311097), as Independent Director of the Company for the second and final term of 3 (three) years commencing from November 17, 2024 upto November 16, 2027 at the prevailing terms of appointment."

"RESOLVED FURTHER THAT the said consent shall not have any impact on the prevailing terms of his appointment for the remaining tenure.

(i) To grant employee stock options to employees of the Subsidiary Company(ies) under the 'Aether Industries Limited Employee Stock Options Scheme 2021'

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

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, pursuant to the provisions of Regulation 6(3)(c) of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 read with all circulars and notifications issued thereunder, the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary, subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Members be and is hereby accorded authorizing the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee, including the Nomination & Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this Resolution) to offer, grant, issue and transfer from time to time, in one or more tranches of such number of employee stock options ('Options') under the 'Aether Industries Limited Employee Stock Options Scheme, 2021 (herein referred to as the 'AIL ESOS 2021') within the limit prescribed therein to the eligible employees of any Subsidiary Company(ies) of the Company whether in or outside India, as may be decided under AIL ESOS 2021, exercisable into a corresponding number of equity shares of face value of ₹ 10 (Rupees Ten only) each fully paid-up."

"RESOLVED FURTHER THAT the copy of the said Resolution to place / submit before any concerned Authority(s) / Regulator(s)."

(j) To auhtorise issuance of securities through permissible modes of fund-raising

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

"RESOLVED THAT pursuant to the provisions of Sections 23, 41, 42, 62(1)(c), 71, 179 and other applicable provisions, if any, of the Companies Act, 2013, read with the rules framed thereunder, including the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules and regulations made thereunder (including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force), (the "Companies Act"), the provisions of the Memorandum of Association and the Articles of Association of the Company, all other



applicable laws, rules and regulations, including the provisions of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations"), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended ("SEBI ILDS Regulations"), the Foreign Exchange Management Act, 1999, ("FEMA") including any amendment(s), statutory modification(s), variation(s) or re-enactment(s) thereof, or the rules and regulations issued thereunder, and the circulars or notifications issued thereunder including the Master Directions on External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019, as amended from time to time and the Master Direction on Reporting under Foreign Exchange Management Act, 1999 dated January 1, 2016, as amended, the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as amended (together the "ECB Guidelines"), the Companies (Issue of Global Depository Receipts) Rules, 2014, the Depository Receipts Scheme, 2014, as amended (the "2014 Scheme"), the Framework for issue of Depository Receipts dated October 10, 2019 issued by the Securities and Exchange Board of India ("SEBI") and as amended from time to time, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended (the "1993 Scheme"), the extant consolidated Foreign Direct Investment Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce, Government of India, as amended and replaced from time to time and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004, including any amendments, statutory modification(s) and / or re-enactment(s) thereof, and such other applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications issued/ to be issued thereon by the Government of India, Ministry of Finance (Department of Economic Affairs), Department for Promotion of Industry and Internal Trade, Ministry of Corporate Affairs ("MCA"), the Reserve Bank of India ("RBI"), SEBI, BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE", and together with BSE, the "Stock Exchanges") or any other stock exchange where the equity shares of face value of ₹ 10 (Rupees ten only) each ("Equity Shares") of the Company are listed (together the "Stock Exchanges"), and/ or any other relevant law/ guideline(s) and/or any other regulatory/ statutory authorities under any other applicable law, from time to time (hereinafter singly or collectively referred to as the "Appropriate Authorities"), to the extent applicable and subject to the term(s), condition(s), modification(s), consent(s), permission(s) sanction(s) and approval(s) of any of the Appropriate Authorities and guidelines and clarifications issued thereon from time to time and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall deemed to mean and include any committee(s) duly constituted/ to be constituted by the Board, from time to time, to exercise its powers including powers conferred by this resolution) to create, offer, issue and allot (including with provisions for reservations on firm and/or competitive basis, or such part of issue and for such categories of persons as may be permitted) such number of Securities (as defined hereinafter), it may also include the Offer For Sale ('OFS') by way of an offer document/ prospectus or such other document, in India or abroad, such number of Equity Shares of the face value of ₹ 10 (Rupees ten only) each and aggregating up to ₹ 13,000 Million (Rupees Thirteen Thousand Million only) (inclusive of premium amount, if any), whether at a discount (subject to Section 53 of the Companies Act, 2013) or premium to the market price, from time to time in one or more tranches, including but not limited to one or more of the existing shareholders/members, employees of the Company, qualified institutional buyers within the meaning prescribed under SEBI ICDR Regulations ("QIBs") pursuant to a qualified institutions placement ("QIP"), through a placement document and at such price and such terms and conditions as may be determined in accordance with the relevant provisions of SEBI ICDR Regulations or such other entities, authorities or any other category of investors who are authorized to subscribe to the equity shares of the Company as per the extant regulations/guidelines, as deemed appropriate by the Board, and/or any securities convertible or exchangeable into such number of Equity Shares, including but not limited to convertible debentures and/or preference shares (compulsory and/or optionally, fully and/or partly) and/or warrants with or without non-convertible debentures with the rights exercisable by the warrant holders to exchange such warrants with Equity Shares and/or foreign currency convertible bonds ("FCCB") and/or debentures/non-convertible debt instruments along with warrants / convertible debentures / securities and/or foreign currency exchangeable bonds ("FCEB") which are convertible or exchangeable into equity shares at the option of the Company, by way of public issuance or private placement or any other method permitted under applicable laws, and/or preference shares and/or global depository receipts ("GDRs") and/or American depository receipts ("ADRs") and/or any other financial instruments/securities convertible into and/or linked to Equity Shares (including warrants (detachable or not), or otherwise, in registered or bearer form) (all of which are hereinafter referred to as "Securities"), secured/un-secured, listed on recognized stock exchanges in India or abroad, whether Rupee denominated or denominated in one or more permissible foreign currencies, and/or any combination of any of the aforementioned Securities in one or more tranches and/or one or more issuances simultaneously or otherwise for aggregating up to ₹ 13,000 Million (Rupees Thirteen Thousand Million only) or its equivalent in any other currency(ies) (inclusive of such premium as may be fixed on such Securities), through one or more public issue(s), rights issue(s), private placement(s), QIP pursuant to Chapter VI of SEBI ICDR Regulations, and/or any combination thereof or any other method as may be permitted under applicable laws to one or more eligible investors, for the purpose of inter alia achieving the minimum public shareholding (MPS) applicable to the Company in terms of the Securities Contracts (Regulation) Rules, 1957, to QIBs, in the course of domestic or international offerings, through issue of prospectus and/or letter of offer and/or placement document and/or offering circular and/or other permissible/ requisite offer documents to any eligible person, including QIBs, foreign/ resident investors (whether institutions, banks, incorporated bodies, mutual funds, individuals, trustees, stabilizing agent or otherwise), venture capital funds (foreign or Indian), alternative investment funds, foreign portfolio investors, public financial institutions, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, pension funds, insurance companies, provident fund with minimum applicable corpus and/or any other categories of persons or entities who are authorized to invest in the Securities of the Company as per extant regulations/guidelines or any combination of the above as may be deemed appropriate by the Board/committee in its absolute discretion and, whether or not such investors are Members of the Company, (collectively referred to as the "Investors"), at such price or at a discount or premium to market price, as may be permitted under applicable laws, with authority to retain over subscription up to such percentage as may be permitted under applicable regulations, in such manner and on such terms and conditions as the Board may determine and without requiring any further



approval or consent from the members at the time of such issue and allotment, considering the prevailing market conditions and other relevant factors, where necessary in consultation with the lead managers, merchant bankers, underwriters, guarantors, financial and / or legal advisors, depositories, registrars and other agencies, and as may be deemed appropriate by the Board in its absolute discretion including the discretion to determine the mode of issuance of Securities and/or categories of Investors to whom to offer, issue and allot such Securities as may be permitted under applicable laws and regulations."

"RESOLVED FURTHER THAT such issue, offer or allotment shall be by one or more of the following modes, i.e., by way of public issue, rights issue, and/or on a private placement basis, including QIP, with or without over-allotment option and that such offer, issue, placement and allotment be made as per the applicable and relevant laws/guidelines, as the Board may deem fit.

"RESOLVED FURTHER THAT in accordance with the provisions of the SEBI ICDR Regulations, SEBI Listing Regulations and 1993 Scheme, as applicable, the relevant date for determining the price of the Securities to be issued by way of QIP/FPO/rights issue/FCCBs/FCEBs or any other permissible mode shall be the date of the meeting in which the Board decides to open the proposed issue or such other date, as may be prescribed in accordance with applicable laws."

"RESOLVED FURTHER THAT, if the Company proposes to issue and allot any Securities by way of QIP to QIBs pursuant to and in terms of Chapter VI of the SEBI ICDR Regulations and SEBI Listing Regulations:

1. the issue and allotment of Securities by way of QIP to QIBs shall be completed within 365 days from the date of passing of this resolution or such other time as may be allowed under the Companies Act and/or the SEBI ICDR Regulations, from time to time;
2. the "relevant date" for determination of the floor price of the Equity Shares to be issued shall be:
   a. in case of allotment of Equity Shares in a QIP, the date of meeting in which the Board decides to open the issue, and/or
   b. in case of allotment of eligible convertible securities in a QIP, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as may be determined by the Board.
3. the QIP shall be made at such price not less than the price determined in accordance with the pricing formula provided under the SEBI ICDR Regulations ("QIP Floor Price"), and the price determined for a QIP shall be subject to appropriate adjustments in accordance with the provisions of the SEBI ICDR Regulations, as may be applicable and the Board, at its absolute discretion, may offer a discount of up to 5% (five per cent) or such other discount as may be permitted under applicable law for any of Securities.
4. the issue and allotment of fully paid-up Securities, except as may be permitted under the SEBI ICDR Regulations, the ECB Guidelines, the 1993 Scheme and other applicable laws (or any combination of the Securities as decided by the Board), shall only be to QIBs within the meaning of Chapter VI of the SEBI ICDR Regulations and no allotment shall be made, either directly or indirectly, to any person who is a

promoter or any person related to promoters in terms of the SEBI ICDR Regulations.

5. the allotment to a single QIB in the proposed QIP issue will not exceed 50% of the total issue size or such other limit as may be permitted under applicable law as well as the minimum number of allottees specified in SEBI regs shall be complied with.
6. no partly paid-up Equity Shares or other Securities shall be issued/allotted.
7. The Company shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to this special resolution.
8. The tenure of the convertible or exchangeable Eligible Securities issued through the QIP shall not exceed sixty months from the date of allotment
9. the Securities shall not be eligible to be sold for a period of one year from the date of allotment, except on the recognized Stock Exchanges, or except as may be permitted under the SEBI ICDR Regulations from time to time."

"RESOLVED FURTHER THAT in case of issue of Equity Shares, by way of QIP as per Chapter VI of SEBI ICDR Regulations, the prices determined for the QIP shall be subject to appropriate adjustments if the Company, pending allotment under this resolution:

1. makes an issue of Equity Shares by way of capitalization of profits or reserves, other than by way of dividend on shares;
2. makes a rights issue of Equity Shares;
3. consolidates its outstanding Equity Shares into a smaller number of shares;
4. divides its outstanding Equity Shares including by way of stock split;
5. re-classifies any of its Equity Shares into other securities of the issuer;
6. and is involved in such other similar events or circumstances, which in the opinion of the concerned stock exchange, requires adjustments.

"RESOLVED FURTHER THAT the Board be and hereby authorized to enter into any arrangement with any agencies or bodies for the issue of GDRs and / or ADRs represented by underlying equity shares in the share capital of the Company with such features and attributes as are prevalent in international / domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and / or international practice and regulations and under the norms and practices prevalent in the domestic / international capital markets and subject to applicable laws and regulations and the Articles of Association of the Company." "RESOLVED FURTHER THAT in pursuance of the aforesaid resolution the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing Securities of the Company, if any, and the Equity Shares, issue and allotted pursuant to and in terms of this resolution shall rank pari passu in all respects with the then existing Equity Shares of the Company."



"RESOLVED FURTHER THAT in pursuance of the aforesaid resolution the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing Securities of the Company, if any, and the Equity Shares, issue and allotted pursuant to and in terms of this resolution shall rank pari passu in all respects with the then existing Equity Shares of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized, in consultation with the merchant banker(s), advisors and / or other intermediaries as may be appointed in relation to the issue of Securities, to do all such acts, deeds, matters and take all such steps as may be necessary including without limitation to sign and execute all deeds, documents, undertakings, agreements, papers and writings as may be required in this regard including without limitation, the private placement offer letter (along with the application form), information memorandum, offering circular, disclosure documents, subscription or purchase agreement, escrow agreement, trust deed, agency agreement, placement document, placement agreement and any other documents as may be required, and to settle all questions, difficulties or doubts that may arise at any stage from time to time, and to engage, appoint all intermediaries including without limitation consultants, lead managers, co-lead managers, managers, merchant bankers, advisors, counsels, bankers, escrow agent, depository, custodian, registrar, trustee, etc, and to enter into and execute all such agreements/arrangements/ memorandum of understanding with them, as may be considered necessary or appropriate to finalize, approve and issue any document(s), including but not limited to prospectus and/or letter of offer and/or circular, documents and agreements including filing of such documents (in draft or final form) with any Indian or foreign regulatory authority or Stock Exchanges and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, as it may in its absolute discretion deem fit."

"RESOLVED FURTHER THAT the Board be and hereby authorized to enter into any arrangement with any agencies or bodies for the issue of GDRs and / or ADRs represented by underlying equity shares in the share capital of the Company with such features and attributes as are prevalent in international / domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and / or international practice and regulations and under the norms and practices prevalent in the domestic / international capital markets and subject to applicable laws and regulations and the Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers, herein conferred, to Executive Directors and / or Chief Financial Officer and / or Company Secretary & Compliance Officer or any other Senior Executive of the Company and/or to any committee of the Board, which may be/ have been constituted to exercise its powers including the powers conferred by this Resolution."

"RESOLVED FURTHER THAT the Board or duly constituted committee, thereof is authorised to open one or more bank accounts in the name of the Company, as may be required, subject to requisite approvals, if any, and to give such instructions including closure thereof as may be required and deemed appropriate by the Board."

"RESOLVED FURTHER THAT the Board/committee be and is hereby authorised to seek any approval that is required in relation to the creation, issuance and allotment and listing of the Securities, from any statutory or regulatory authority or the Stock Exchanges and/or internationally recognised stock exchanges. Any approvals that may have been applied for by the Board in relation to the creation, issuance and allotment and listing of the Securities are hereby approved and ratified by the members."

For Aether Industries Limited
Chitrarth Rajan Parghi - Company Secretary & Compliance Officer
Membership No.: F12563
Place: Surat | Date: August 16, 2024

Registered Office:
Aether Industries Limited
CIN: L24100GJ2013PLC073434
Plot No. 8203, GIDC Sachin,
Surat - 394230, GJ



## Notes

1. In view of the continuing CoVID-19 pandemic, the Ministry of Corporate Affairs, vide its General Circular Nos. 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021, 20/2021, 21/2021, 02/2022, 10/2022 and 09/2023 dated 8th April, 2020, 13th April, 2020, 15th June, 2020, 28th September, 2020, 31st December, 2020, 23rd June, 2021, 8th December, 2021, 14th December, 2021, 5th May, 2022, 28th December, 2022 and September 25, 2023 respectively and Securities and Exchange Board of India, vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, read with Circular number SEBI/HO/DDHS/P/CIR/2022/0063 dated 13th May, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023, along with SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023, allowed the Companies to conduct the AGM through Video Conferencing (VC) / Other Audio Visual Means (OAVM) whose AGMs are due in year 2024. The procedure for participating in the meeting through VC/OAVM is explained in the notes below and is also available on the website of the Company at www.aether.co.in and at the website of Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com. For the purpose of proceedings, the AGM will be deemed to be convened at Registered Office of the Company at Plot No. 8203, GIDC Sachin, Surat-394230, GJ. and Members are requested to join the Meeting through their places through VC mode.

2. Since the Annual General Meeting (AGM) is being held through Video Conferencing (VC) / Other Audio Visual Means (OAVM), physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and route map of the AGM venue are not annexed to this Notice. However, a member may appoint a representative as per applicable provisions of the Companies Act, 2013 to attend and / or vote.

3. The Financial Statements (including the Report of Board of Directors, Auditor's Report or other documents required to be attached herewith), including the Notice of the Annual General Meeting are being sent only in electronic mode to Members whose e-mail address is registered with the Company / Registrar & Share Transfer Agent or Depository Participants (DP). Printed copies of the Annual Report (including the Notice) are not being sent to members in view of the circular.

4. Members may note that the Notice of the Annual General Meeting and the Annual Report for the Fiscal Year 2023-24 will also be available on the website of the Company at www.aether.co.in, which can be downloaded.

5. The electronic copies of the documents that are referred to this Notice but not attached to it will be made available for inspection. For inspection, members can send an e-mail on compliance@aether.co.in with their Depository Participant and Client ID or Folio number. Electronic copies of the Register of Directors and Key Managerial Personnel and their shareholding maintained under Companies Act, 2013 will be available for inspection by sending a request on the above given e-mail.

6. The voting rights of the Equity Shareholders shall be in the same proportion to the paid-up share capital of the Company.

7. The members desiring any information relating to the accounts or having any questions are requested to write to the Company on compliance@aether.co.in at least seven days before the date of the Annual General Meeting (AGM) so as to enable the Management to keep the responses ready and expeditiously provide them at the AGM, as required.

8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL

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

10. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013 and the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC / OAVM and cast their votes through e-voting.

## E-voting instructions for Shareholders

The voting period begins on September 7, 2024 from 09:00 Hrs. and ends on September 9, 2024 at 17:00 Hrs. During this period Shareholders of the Company, holding shares as on the cut-off date of September 4, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



## Access through Depositories e-Voting system in case of individual shareholders holding shares in demat mode

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

| Type of Shareholder | Log-in method |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL Depository | (a) Users who have opted for CDSL Myeasi facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to the e-voting are https://web.cdslindia.com/myeasinew/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.<br>(b) After successful login, the Myeasi user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL, so that the user can visit the e-Voting service providers' website directly.<br>(c) If the user is not registered for Myeasi, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br>(d) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a e-Voting link available on www.cdslindia.com home page.<br>(e) The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the eVoting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers. |

| Type of Shareholder | Log-in method |
|---|---|
| Individual Shareholders holding securities in Demat mode with NSDL Depository | (a) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e Voting services. Click on "Access to e Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e Voting period or joining virtual meeting & voting during the Meeting.<br>(b) If the user is not registered for IDeAS e Services, option to register is available at https:/eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at: https://eservices.nsdl.com SecureWeb/IdeasDirectReg.jsp<br>(c) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your 16 (sixteen) digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting of all e-Voting Service Providers. |



| Type of Shareholder | Log-in method |
|---|---|
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP) | (a) You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility.<br>(b) After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting. |

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

Help-desk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

| Login type | Help-desk details: |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | CDSL Helpdesk:<br>E-mail: helpdesk.evoting@cdslindia.com<br>Toll-free No.: 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with NSDL | NSDL Helpdesk:<br>E-mail: evoting@nsdl.co.in<br>Toll-free No.: 1800 1020 990 and 1800 22 44 30 |

## Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode

Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1. The shareholders should log on to the e-voting website https://web.cdslindia.com/myeasinew/home/login.
2. Click on "Shareholders" module.
3. Now enter your User ID For CDSL:
    a. 16 digits beneficiary ID,
    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company
4. Next enter the Image Verification as displayed and Click on Login
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used

## Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode

Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1. The shareholders should log on to the e-voting website https://web.cdslindia.com.
2. Click on "Shareholders" module.
3. Now enter your User ID For CDSL:
   a. 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company
4. Next enter the Image Verification as displayed and Click on Login
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used
6. If you are a first-time user follow the steps given below:

| | For Physical shareholders and other than individual shareholders holding shares in Demat |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br><br>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA. |

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For shareholders holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
10. Click on the EVSN for the relevant 'Aether Industries Limited' on which you choose to vote.
11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that your assent to the Resolution and option NO implies that you dissent to the Resolution.
12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
13. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
16. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
17. Additional Facility for Non-Individual Shareholders and Custodians (For Remote Voting only):
    a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
    b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
    c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
    d. The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
    e. It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
    f. Alternatively Non-Individual shareholders are required mandatory to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz. compliance@aether.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## Instructions for Shareholders attending the AGM through VC/OAVM & e-voting during Meeting are as under

1. The procedure for attending Meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend Meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / Tablets for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views / ask questions during the Meeting may register themselves as a speaker by sending their request in advance at least seven days prior to Meeting mentioning their name, demat account number / Folio number, Email id, Mobile number at compliance@aether.co.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance seven days prior to Meeting mentioning their Name, Demat account number / Folio number, Email id, Mobile number at compliance@aether.co.in. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the Meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-Voting during the Meeting is available only to the shareholders attending the Meeting.

## Process for those Shareholders whose Email / Mobile No. are not registered with the Company / Depositories

1. For Physical shareholders: Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company / RTA email id. At current instance, there is no physical shareholder.
2. For Demat shareholders: Please update your Email id & Mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders: Please update your Email id & Mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual Meetings through Depository.
4. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

1. M/s. Dhirren R. Dave & Company, Company Secretaries has been appointed as the Scrutiniser to scrutinise the remote e-voting and the voting process at the AGM in a fair and transparent manner.
2. The Scrutiniser will within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, and forward it to the Chairman of the Company.
3. The results will be declared at or after the AGM. The results declared along with the Scrutiniser's Report will be placed at: https://aether.co.in/investor-relations/, the website of the Company and on www.evotingindia.com the website of CDSL within two days of passing of the Resolutions at the AGM and also will be communicated to the BSE Ltd. and the National Stock Exchange of India Ltd.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

## Additional information pursuant to the SS-2 on General Meetings and Regulation 33(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

None of the below Directors are debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other Authority.

| Particulars | Mr. Rohan Ashwin Desai | Ms. Ishita Surendra Manjrekar |
|---|---|---|
| Age | 45 Years | 40 Years |
| Date of Birth | September 16, 1979 | September 22, 1984 |
| Date of first appointment | January 13, 2013 (Since inception) | June 20, 2018 |
| Director Identification Number (DIN) | 00038379 | 06731016 |
| Qualification | Bachelor of Commerce (B.Com.) from the Veer Narmad South Gujarat University | Bachelor's degree in Chemical Engineering from the Institute of Chemical Technology (ICT, formerly known as the University Department of Chemical Technology, UDCT, Mumbai) and a Master's degree in Chemical Engineering from Rensselaer Polytechnic Institute (RPI, USA) |
| Brief Resume and Experience | Rohan Ashwin Desai is among the three Founder Promoters of the Company and a Whole-time Director.<br>He has extensive experience in the speciality chemical industry and looks after the entire commercial portfolio (including sales, finance, strategic procurements, | Ishita Surendra Manjrekar is a Non-Executive Director of our Company.<br>She is currently serving as director (Technology) in Sunanda Speciality Coatings Private Limited (Sunanda) and leads their Research and Development department and Business |

| Particulars | Mr. Rohan Ashwin Desai | Ms. Ishita Surendra Manjrekar |
|---|---|---|
| | human resources and systems) of our Company. | Development. Prior to working at Sunanda, Ishita Manjrekar worked as the Vertical Head (Clean Technology) for Primary Global Research, USA. She is a director on the Board of American Concrete Institute (ACI, USA) and was conferred the ACI Young Member Award for Professional Achievement in 2016. |
| Experience in specific functional areas | Commercial, Financial, Sales, Marketing, Human Resources, Strategic Procurement and Human Resource | Science & Technology<br>Commercial |
| Disclosure of relationships between Directors inter-se | Son of Mr. Ashwin Jayantilal Desai, Managing Director and Ms. Purnima Ashwin Desai, Whole-time Director<br><br>Brother of Dr. Aman Ashwinbhai Desai, Whole-time Director and<br><br>Son-in-law of Mr. Kamalvijay Ramchandra Tulsian, Chairman Non-Executive Non-Independent Director | Spouse of Dr. Aman Ashwinbhai Desai, Whole-time Director<br><br>Daughter-in-law of Mr. Ashwin Jayantilal Desai, Managing Director and Ms. Purnima Ashwin Desai, Whole-time Director |
| Terms of appointment | Remains unchanged | Remains unchanged |
| Number of Board Meetings attended | 6 out of 6 Board Meetings | 5 out of 6 Board Meetings |



| Particulars | Ms. Leja Satish Hattiangadi | Mr. Rajkumar Mangilal Borana |
|---|---|---|
| Qualification | Bachelor's degree in Chemical Engineering from Indian Institute of Technology (IIT, Bombay) and a Master's degree in Chemical Engineering from Lowell Technological Institute (Massachusetts, USA) | Bachelor of Commerce (B.Com) from the Veer Narmad South Gujarat University |
| Brief Resume and Experience | Leja Satish Hattiangadi is a Non-Executive Independent Director of our Company. She has been elected as a Member of the American Institute of Chemical Engineers (AIChE). She has multiple decades of experience in the engineering contracting and chemical industry.<br>She has previously worked at Tata Consulting Engineers Limited (a TATA Enterprise), at Jacobs India for 9 years as Director (Business Development), including Whole Time Director. She was also on the Board of M/s. Artson Engineering Limited as Independent Director.<br>She was an Adjunct Professor in the Department of Chemical Engineering at, the Indian Institute of Technology (IIT, Bombay). Currently she is serving as Independent Director on the Board of M/s. Alkyl Amines Chemicals Limited. | Rajkumar Mangilal Borana is a Non-Executive Independent Director of our Company. He has extensive experience in the textile industry<br>and is currently associated with R&B Denim Limited. |
| Experience in specific functional areas | Science & Technology | Management / Administration |
| Disclosure of relationships between Directors inter-se | None | None |
| Terms of appointment | Remains unchanged | Remains unchanged |
| Number of Board Meetings attended | 5 out of 6 Board Meetings | 3 out of 6 Board Meetings |

| Particulars | Mr. Jitendra Popatlal Vakharia | Dr. Amol Arvindrao Kulkarni |
|---|---|---|
| Age | 73 Years | 48 Years |
| Date of Birth | April 18, 1951 | December 3, 1976 |
| Date of first appointment | November 17, 2021 | November 17, 2021 |
| Director Identification Number (DIN) | 00191088 | 09311097 |
| Qualification | Diploma in Textile Chemistry from the Maharaja Sayajirao University of Baroda (MSU-B) | Bachelor's degree, a Masters' degree and a Doctor of Philosophy (PhD) degree in Chemical Engineering from the Institute of Chemical Technology, University of Mumbai (ICT, formerly known as University Department of Chemical Technology, UDCT, Mumbai) Post Doctorate at the Max Planck Inst. Magdeburg (Germany) and IUSSTF Research Fellow at Massachusetts Institute of Technology (MIT, USA) |
| Brief Resume and Experience | Jitendra Popatlal Vakharia is a Non-Executive Independent Director of our Company. He has multiple decades of experience in the chemical and textile industry. He is currently serving as a partner at Narayan Processors and a Director at Pandesara Infrastructure Limited. Also, he is a member in various industry, trade and other bodies. | Dr. Amol Arvindrao Kulkarni is a Non-Executive Independent Director of our Company. He is currently a Senior Principal Scientist in the Chemical Engineering & Process Development Division at the National Chemical Laboratory (NCL, Pune). He has established the first of its kind micro-reactor laboratory in India. He is the recipient of numerous awards including the prestigious Shanti Swaroop Bhatnagar Award in Engineering Sciences (2020), VASVIK award for technology development (2016), Young Associate of Indian Academy of Sciences (2011), CSIR Young Scientist Award (2011), and Indian |



| Particulars | Mr. Jitendra Popatlal Vakharia | Dr. Amol Arvindrao Kulkarni |
|---|---|---|
| | | National Science Academy's (INSA) Medal for Young Scientists (2009). He is the author/co-author of several publications in international technical journals and has been granted patents in India, USA, and worldwide. He has been inducted as a Fellow of the Indian National Academy of Engineering (INAE). |
| Experience in specific functional areas | Commercial | Science & Technology |
| Disclosure of relationships between Directors inter-se | None | None |
| Terms of appointment | Remains unchanged | Remains unchanged |
| Number of Board Meetings attended | 5 out of 6 Board Meetings | 5 out of 6 Board Meetings |

## Explanatory Statement

Explanatory Statements under Section 102 of the Companies Act, 2013 for Item No. 4 to 10 being Special Businesses to be transacted are as below:

### Item No. 4

Pursuant to the provisions of Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Cost Auditor of ₹ 1,00,000 (Rupees One Lakh only) for the Fiscal Year 2024-25, as recommended by the Audit Committee and approved by the Board in their Meeting held on July 19, 2024, is proposed before the Members for ratification. The Auditor had certified that they are eligible for appointment as Cost Auditors in terms of Section 141 read with Section 148 of the Companies Act, 2013.

On the recommendation of the Audit Committee, the Board considered and approved the appointment of the Cost Auditors, M/s. PAAA & Associates, Cost and Management Accountants, (Firm Registration No.: 00198720), for conducting the cost audit of the applicable products at a remuneration of ₹ 1,00,000 (Rupees One Lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses for the Fiscal Year 2024-25.

The Board seeks ratification of the aforesaid remuneration by the Members by way of passing an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said Resolution.

### Item No. 5 to 8

Ms. Leja Satish Hattiangadi on October 1, 2021 and Mr. Rajkumar Mangilal Borana, Mr. Jitendra Popatlal Vakharia and Dr. Amol Arvindrao Kulkarni were appointed on November 17, 2021 as Independent Directors for a period of 3 (three) years of first term.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their Meeting held on July 19, 2024, recommended the re-appointment of Ms. Leja Satish Hattiangadi effective from October 1, 2024, Mr. Rajkumar Mangilal Borana, Mr. Jitendra Popatlal Vakharia and Dr. Amol Arvindrao Kulkarni effective from November 17, 2024, for a period of another 3 (three) years of second term, subject to the approval of the Members.

The profile and specific areas of expertise of all 4 Independent Directors are separate to this Notice. All above Independent Directors have given their declarations to the Board that they continue to meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 ('the Act') and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and are not restrained from acting as a Director under any order passed by the SEBI or any such authority and is eligible to be appointed as a Director in terms of Section 164 of the Act. They have also given their consent for such re-appointment. In the opinion of the Board, all of them are persons of integrity, possess the relevant expertise / experience,



and fulfil the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director and they are independent of the management. In terms of Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, they have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Also, Mr. Jitendra Popatlal Vakharia, who will soon complete the age of 75 (Seventy-five) years, considering his exceptional contribution and notable input to the Board process, it is proposed that he continue to be on the Board of the Company.

Given their experience, the Board considers it desirable and in the interest of the Company to continue with aforesaid Independent Directors on the Board of the Company and accordingly, the Board recommends his re-appointment as an Independent Director for a second term of 3 (three) years, as proposed for approval by the Members as a Special Resolution.

The terms of appointment are placed on the website, accessible at: https://aether.co.in/wp-content/uploads/2024/09/Terms of Appointment of Independent Directors.pdf

Except the above, no other Directors, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

### Item No. 9

The Company implemented the 'Aether Employee Stock Option Scheme 2021' ('AIL ESOS 2021') with a view to attracting, retaining and incentivising employee talent working with the Company to motivate them to contribute to the overall corporate growth, profitability and to augment shareholders' value. In addition, it is a well-understood construct to create employee co-ownership and align the interest of employees with that of the Members of the Company.

The AIL ESOS 2021 was originally approved by the Members of the Company by way of Special Resolutions dated November 18, 2021, and subsequently ratified and amended by way of Special Resolutions dated September 27, 2022, in due compliance with the then prevailing provisions of the Companies Act, 2013 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other circulars thereunder.

Earlier, when the scheme was introduced there was no any Subsidiary of the Company. Later, in September, 2022, a Subsidiary of the Company was formed in the name of M/s. Aether Speciality Chemicals Limited was incorporated and now it is operational in all aspects. Employees have been hired to scale up the activities of the Subsidiary. Also, for the ease of operations and to provide the experience for the new manufacturing activities thereby, several employees who were serving in Aether Industries Limited, have been also transferred to the Subsidiary.

The Beneficiaries to the above modification / alteration will be the employee(s) to whom the options may be granted in future and who are / will be transferred from this Company to the Subsidiary.

The main rationale behind the proposal is allowing the employees to enjoy the right of vesting and executing the options even after their transfer to Subsidiary and offering grants to new employees of the Subsidiary. This will also cover employees of all the Subsidiaries of Aether Industries Limited, even incorporated after the approval of this proposal by the Shareholders.

## Item No. 10

The Company has been exploring opportunities for its growth including capitalising of acquired plots vide setting up operational facilities in-line with the core business object of the Company. This would require sufficient resources including funds to be available and to be allocated, from time to time. The generation of internal funds may not always be adequate to meet all the requirements of the Company's growth plans. It would be therefore, prudent for the Company to have the requisite enabling approvals in place for meeting the fund requirements for its growth, capital expenditure, working capital, financing organic or inorganic growth opportunities, general corporate purposes, investment in subsidiaries, refinancing the existing borrowings and also such other corporate purposes as may be permitted under the applicable laws and as may be specified in the appropriate approvals]. This would also help the Company to take quick and effective action to capitalize on the opportunities as and when available. The raising of funds through equity will also assist the Company towards meeting its Minimum Public Shareholding ("MPS") in accordance with Rule 19(2) of the Securities Contracts (Regulation) Rules, 1957 read along with instructions received from the Securities and Exchange Board of India.

The requirement of funds is proposed to be met from both equity and debt from the issuance of appropriate securities as defined in the resolutions and from both domestic and international markets. Prudence would require the funding to be structured with an appropriate mix of equity and debt to meet the objective of optimization of the cost as well as conservative financial management.

The Board of Directors, accordingly, at their meeting held on July 19, 2024 has recommended to the shareholders to give their consent through special resolution to the Board of Directors or any Committee of the Board to raise funds through issuance of securities and / or Global Depository Receipts ("GDRs") and / or American Depository Receipts ("ADRs") and / or Foreign Currency Convertible Bonds ("FCCBs") and/or Convertible Bonds / Debentures non-convertible debt instruments along with warrants / securities or any equity based instrument(s) ("Securities") as may be appropriate to persons who may or may not be the existing shareholders through private placement and / or qualified institutions placement ("QIP") and / or rights issue and / or any other permitted modes at a price to be determined as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, as amended (the "SEBI ICDR Regulations") or as per other applicable rules and regulations, for raising of the funds aggregating up to ₹ 13,000 Million (Rupees Thirteen Thousand Million only) or its equivalent in any other currency(ies) under section 62 read with section 179 of the Companies Act, 2013, as amended or other applicable laws. While no



specific instrument or instruments of Securities has been identified at this stage, the Board may opt for the exact combination of the Securities to be issued, issue price, timing and detailed terms and conditions of issuance etc. shall be finalized by the Board, in consultation with lead managers, advisors and such other authorities and intermediaries, as may be required to be consulted by the Company in due considerations of prevailing market conditions and other relevant factors and in the best interest of the Company. Such issue shall be subject to the provisions of the Companies Act, 2013, as amended and rules made there under from time to time, the Memorandum and Articles of Association of the Company, SEBI ICDR Regulations and other applicable laws.

The enabling resolution is proposed to be passed as a special resolution pursuant to Sections 42 and 62(1)(c) of the Companies Act, 2013 which, read with Regulation 41(4) of the SEBI Listing Regulations provides that whenever any further issue or offer is being made by the Company, the existing shareholders should be offered the same on pro-rata basis unless the shareholders in the general meeting decide otherwise. The said resolution, if passed, shall have the effect of allowing the Board on behalf of the Company to issue and allot the securities on pro-rata basis to the existing shareholders or otherwise.

The Resolution further seeks to empower the Board of Directors to undertake a QIP with QIBs as prescribed by SEBI ICDR Regulations. The Board of Directors may, in their discretion, adopt this mechanism as prescribed under Chapter VI of the SEBI ICDR Regulations for raising funds for the Company, without seeking fresh approval from the shareholders.

Maximum Amount to be raised / number of Securities to be Issued:
The total amount to be raised, in one or more tranches, by the issuance of Securities through any of the modes or combination thereof as mentioned in the resolution would be up to ₹ 13,000 Million (Rupees Thirteen Thousand Million only) its equivalent in any other currency(ies).

Pricing:
The pricing would be arrived at by the Board, depending on market conditions and in accordance with the SEBI ICDR Regulations, the 1993 Scheme or other applicable laws. In the event of a QIP pricing of the Equity Shares that may be issued to QIBs shall be freely determined subject to such price not being less than floor price calculated in accordance with Chapter VI of the SEBI ICDR Regulations, provided that the Company may offer a discount not exceeding 5% of the floor price or such other permissible limit as may be specified under Chapter VI of the SEBI ICDR Regulations.

Relevant Date
The relevant date for determining the issue price of the Securities by way of QIP/FPO/rights issue/ FCCB/ FCEB or by way of any other mode of issuance shall, subject to and in accordance with the SEBI ICDR Regulations and the 1993 Scheme, be:

a. in case of allotment of Equity Shares in a QIP or upon conversion of FCCBs pursuant to the 1993 Scheme, the date of meeting in which the Board decides to open the issue, and/or;
b. in case of allotment of eligible convertible securities in a QIP, either the date of the meeting in which the Board decides to open the issue of such convertible Securities or the date on which the holders of such convertible Securities become entitled to apply for the Equity Shares, as may be determined by the Board.

Change in Control
There would be no change in control pursuant to the said issue of Securities.

Listing
The Securities to be issued will be listed on one or more recognized stock exchanges in India and / or abroad.

Class or Classes of persons to whom the Securities will be offered
The Securities will be offered and issued to such Investors including QIBs who are eligible to acquire such Securities in accordance with the applicable laws, rules regulations and guidelines. The proposed allottees may be resident of India or abroad and whether or not such persons are members.

Intention of the Promoters, Directors, Key Managerial Personnel or Senior Management
The Promoters, Directors, KMPs or Senior Management shall not be eligible to subscribe to the proposed issue of Securities, except in accordance with Applicable Laws.

Transferability of Securities
The Securities shall not be eligible to be sold for a period of one year from the date of allotment, except on the recognized Stock Exchanges, or except as may be permitted under the SEBI ICDR Regulations from time to time.

Proposed time within which the allotment shall be completed
In case of the QIP, the allotment of the Securities shall be completed within a period of 365 days from the date of passing of resolution as set out.

The allotment to a single QIB in the proposed QIP issue will not exceed 50% of the total issue size or such other limit as may be permitted under applicable law.

The detailed terms and conditions for the offer will be determined in consultation with the Advisors, Lead Managers and Underwriters and such other authority or authorities as may be required, considering the prevailing market conditions and other regulatory requirements for various types of issues including rights issue or QIP.



Pursuant to Section 62 of the Companies Act, 2013 and the SEBI Listing Regulations, whenever it is proposed to increase the subscribed capital of a company by a further issue and allotment of shares, such shares need to be offered to the existing members in the manner laid down in the said section unless the members decide otherwise in a General Meeting.

The equity shares to be allotted shall rank pari passu in all respects with the existing equity shares of the Company.

The Board, accordingly, recommends passing of the resolution for the approval of the members as Special Resolution.

It is submitted that none of the Directors, Key Managerial Personnel or Senior Management of the Company or their relatives is, whether directly or indirectly, concerned or interested, financial or otherwise, in the passing of the aforesaid resolution except to the extent of their shareholding, if any, in Company.

For Aether Industries Limited
Chitrarth Rajan Parghi - Company Secretary & Compliance Officer
Membership No.: F12563
**Place:** Surat | **Date:** August 16, 2024

Registered Office:
Aether Industries Limited
CIN: L24100GJ2013PLC073434
Plot No. 8203, GIDC Sachin,
Surat - 394230, GJ

aether
elementally innovative

August 16, 2024

Ref. No.: **AIL/SE/33/2024-25**

To,

| | |
|---|---|
| **BSE Limited**<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street, Fort,<br>Mumbai-400001, MH. | **National Stock Exchange of India Limited**<br>Exchange Plaza,<br>Bandra Kurla Complex, Bandra (E),<br>Mumbai-400051, MH. |
| Scrip Code: **543534** | Symbol: **AETHER** |

Dear Madam / Sir,

**Subject: <u>Annual Report for the FY 2023-24</u>**

In accordance with Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Annual Report for the FY 2023-24, including the Notice of the 12th Annual General Meeting (includes e-voting instructions), is annexed herewith.

The Annual Report is dispatched electronically to Members whose e-mail id is registered with the Company / Registrar & Share Transfer Agent / Depositories.

The above document is also available on website of the Company, accessible at:
**https://aether.co.in/wp-content/uploads/2024/02/Annual%20Report%20FY%202023-24.pdf**

We request you to kindly take the information on your records.

Thank you.

**For Aether Industries Limited**

AETHER INDUSTRIES LIMITED SURAT

**Chitrarth Rajan Parghi**
Company Secretary & Compliance Officer
Mem. No.: F12563

Encl.: As annexed



**Aether Industries Limited**
**Registered Office:** Plot No. 8203, GIDC Sachin, Surat-394230, Gujarat, India.
**Phone:** +91-261-6603000 || **Email:** accounts@aether.co.in || **Web:** www.aether.co.in II **CIN:** L24100GJ2013PLC073434
**Factory:** Plot No. 8203, Beside Shakti Distillery, Near Rajkamal Chokdi, Road No. 8, Sachin GIDC, Sachin, Surat-394230, Gujarat, India.