Your essentials. Our expertise.

Meghmani Finechem Limited

Registered Office : "Meghmani House", B/h. Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad - 380 015. Gujarat. INDIA. I T : +91 79 2970 9600 / 7176 1000
E : helpdesk@meghmanifinechem.com I CIN : L24100GJ2007PLC051717

3rd June, 2023

National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (East) Mumbai 400 051 **SCRIP CODE: MFL**	**BSE Limited** Floor- 25, P J Tower, Dalal Street, Mumbai 400 001 **SCRIP CODE: 543332**

Dear Sir,

Sub: Notice of Sixteenth (16th) Annual General Meeting along with Annual Report of the Company for F.Y. 2022-23.

In compliance with the provisions of the Companies Act 2013 & rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and Circulars issued by Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI"), we wish to inform that **Sixteenth (16th)** Annual General Meeting ("AGM") of the Members of the Company is scheduled to be held on **Tuesday, 27th June, 2023 at 10:30 a.m.** through Video Conferencing / Other Audio Visual Means ("OAVM") to transact the business, as set out in the Notice of AGM.

In reference to above, we are submitting herewith the Annual Report for the F.Y. 2022-23 along with the Notice of 16th AGM, which is being sent to the Members only through electronic mode. The same is also available on Company's website at **www.meghmanifinechem.com**.

Further to inform that the Company has fixed **Tuesday, 20th June, 2023** as the "**Cut-off date**" for the purpose of remote e-voting, for ascertaining the eligibility of the Shareholders to cast their votes electronically in respect of the businesses to be transacted at the AGM.

The remote e-Voting facility would be available during the following period:

Commencement of remote e-Voting	Saturday, 24th June, 2023 at 09:00 a.m.
Conclusion of remote e-Voting	Monday, 26th June, 2023 at 05:00 p.m.
EVSN	230529006

The Company has fixed **Tuesday, 20th June, 2023** as "**Record date**" to determine the entitlement of the shareholders to receive dividend for the Financial Year 2022-23, if approved by the Members at the AGM, subject to deduction of tax at source ('TDS'), the details of which is provided in the Notice of the AGM.

You are requested to kindly take the same on your record.

Yours faithfully,
For Meghmani Finechem Limited

KAMLESH DINKARRAY MEHTA
Digitally signed by KAMLESH DINKARRAY MEHTA
Date: 2023.06.03 12:20:35 +05'30'

K. D. Mehta
Company Secretary and Compliance Officer
Membership No. FCS 2051

Encl.: As above

Meghmani Finechem Limited
Annual Report 2022-23

The power of Integration

Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information.

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Corporate Information

BOARD OF DIRECTORS

Mr. Maulik Patel (DIN: 02006947)	Chairman & Managing Director
Mr. Kaushal Soparkar (DIN: 01998162)	Managing Director & Chief Executive Officer
Mr. Karana Patel (DIN: 01727321)	Executive Director
Mr. Ankit Patel (DIN: 02180007)	Executive Director
Mr. Darshan Patel (DIN: 02047676)	Executive Director
Mr. Manubhai Patel (DIN: 00132045)	Non-Executive, Independent Director
Ms. Nirali Parikh (DIN: 05309425)	Non-Executive, Independent (Woman) Director
Mr. Sanjay Asher (DIN: 00008221)	Non-Executive, Independent Director
Mr. Kanubhai Patel (DIN: 00008395)	Non-Executive, Independent Director
Mr. Raju Swamy (DIN: 03032679)	Non-Executive, Independent Director

AUDIT COMMITTEE

Mr. Manubhai Patel	Chairman
Mr. Kanubhai Patel	Member
Ms. Nirali Parikh	Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Manubhai Patel	Chairman
Mr. Sanjay Asher	Member
Ms. Nirali Parikh	Member

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Mr. Manubhai Patel	Chairman
Ms. Nirali Parikh	Member
Mr. Maulik Patel	Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Manubhai Patel	Chairman
Mr. Maulik Patel	Member
Mr. Kaushal Soparkar	Member
Mr. Ankit Patel	Member

RISK MANAGEMENT COMMITTEE

Mr. Manubhai Patel	Chairman
Mr. Sanjay Asher	Member
Mr. Maulik Patel	Member

COMPANY SECRETARY

Mr. Kamlesh Mehta

CHIEF FINANCIAL OFFICER

Mr. Sanjay Jain

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
C 101, 247 Park, L. B. S. Marg, Vikhroli (West),
Mumbai – 400083.
Tel: +91 22 4918 6270
Fax: +91 22 4918 6060

PRINCIPAL BANKERS

State Bank of India
Overseas Branch, ISCON Elegance,
Near Prahladnagar Crossroads, SG Highway, Ahmedabad – 380015

ICICI Bank Limited
JMC House, Opp. Parimal Garden,
Ambawadi, Ahmedabad – 380 009

Federal Bank Limited
11, Zodiac Square, Opp. Gurudwara,
S G Highway, Ahmedabad – 380 054

HDFC Bank Limited
Ground Floor, Astral Towers, Nr. Mithakhali Six Road,
Navrangpura, Ahmedabad – 380 009

Standard Chartered Bank
Abhijeet- II, Ground Floor, Near Mithakhali Six Road,
Ahmedabad – 380006

Kotak Mahindra Bank Limited
7th Floor, B-Wing, Venus Amadeus, Jodhpur Cross Roads,
Ahmedabad – 380015

REGISTERED OFFICE

"Meghmani House",
B/h. Safal Profitaire, Corporate Road, Prahladnagar,
Ahmedabad - 380 015, Gujarat, India.
helpdesk@meghmanifinechem.com

PLANT LOCATION

Plot No.CH1/CH2, GIDC Industrial Estate, Dahej,
Tal. Vagra, Dist. Bharuch 392 130, Gujarat, India.

MUMBAI OFFICE

"Alpha" 303/B, 3rd Floor, Hiranandani Business Park,
Powai, Mumbai – 400076

HYDERABAD OFFICE

Regus Mid-Town 1st Floor, 101, Mid Town Plaza, Road No. 1,
Banjara Hills, Hyderabad – 500033, Telangana (India).

STATUTORY AUDITOR

S R B C & CO LLP
Assurance Services, 21st Floor, B Wing, Privilon,
Ambli BRT Road, Behind ISKCON Temple,
Off S. G. Highway, Ahmedabad – 380 059.

INTERNAL AUDITOR

C N K Khandwala & Associates
Chartered Accountants, 2nd Floor, "HRISHIKESH",
Vasantbaug Society, Opposite Water Tank, Gulbai Tekra,
Ahmedabad – 380006

INVESTOR SERVICES E - MAIL ID

helpdesk@meghmanifinechem.com
ir@meghmanifinechem.com

This is where we are

India's largest capacity of CPVC Resin at 30,000 TPA

India's first Epichlorohydrin plant of 50,000 TPA – based on 100% renewable resources

Third largest capacity of Hydrogen Peroxide at 60,000 TPA and Caustic Potash at 21,000 TPA

Fourth largest capacity of Caustic Soda in India at 4,00,000 TPA

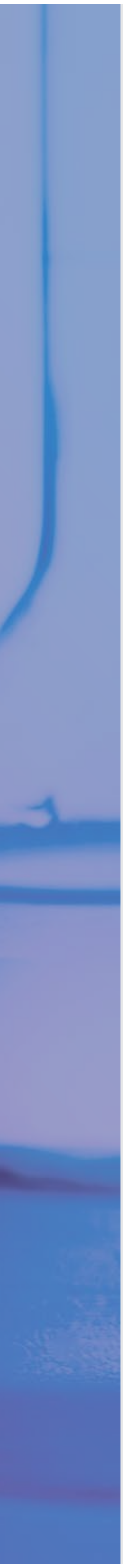
This is what we are engaged in

Expanding CPVC Resin capacity to 75,000 TPA by adding 45,000 TPA

Embarking on the manufacture of Chlorotoluene and its related value chain

Setting up a 18.34 MW Wind-Solar Hybrid Power Plant to address Captive consumption, a step towards green energy

Setting upon R&D Centre near Ahmedabad to strengthen the Company's position in the Specialty Chemicals segment



The power of Integration

Meghmani Finechem Limited is at an inflection point.

The Company is making an unprecedented investment in specialty chemicals manufacturing capacities strengthening its brand as an integrated solutions provider.

The Company has embarked on a family of inter-linked products where one output becomes a raw material for another.

The Company has selected to manufacture these products at a single location, capitalising on existing economies and synergies.

This extensively integrated approach represents a robust strategic framework that is expected to enhance the Company's any-market competitiveness and business sustainability.

Meghmani Finechem. At the cusp of a major transformation.

Our manufacturing capacity is expected to increase significantly, strengthening our brand.

We are evolving our portfolio towards a larger proportion of specialty chemicals and value-added derivatives.

We are poised at the cusp of net worth-driven growth, strengthening sustainability.

The combination of these developments is expected to enhance value in a sustainable way for all stakeholders.

Vision

To be a responsible chemical conglomerate with a diversified portfolio, focused on providing quality products and services and respect stakeholders as partners in growth.

Mission

We will lead through empowered work environment, speed of decision making, ethical way of functioning, business integrity, honouring commitments and focusing on results, innovation and efficiency.

Values

Trust: We prioritize transparent and clear communication with all stakeholders.

Integrity: We are dedicated to preserving the environment and supporting the communities in which we operate and reside.

Ethics: We strive for transparency and adhere to high ethical standards in all our interactions.

Adaptability: We cultivate a culture of ongoing improvement and sustainable growth.

Diversity: We encourage diverse employee involvement to boost productivity and creativity and believe in equal employment opportunities.

Background

Meghmani Finechem Limited (MFL) was established as a subsidiary of Meghmani Organics Limited (MOL) in 2007 and became a separate publicly traded entity on August 18, 2021 after being spun off from MOL.

The Chlor-Alkali operations of the Company commenced in 2009; production capacity had increased from 1,67,000 TPA in 2015 to 4,21,000 TPA for Chlor-Alkali and 1,90,000 TPA for Derivatives and Specialty Chemicals by the end of FY 2022-23.

Promoters

MFL is managed by a new generation of leadership. The Chairman & Managing Director (41 years old) of the Company is Mr. Maulik Patel and he is supported by a team of professionals possessing extensive industry experience.

Manufacturing location

The Company manufactures out of a 60 hectare location in Dahej (Gujarat). The integrated location comprises production facilities, water reserve, treatment system, testing center and a power plant. By the virtue of being located in the Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR), designated by the Gujarat government, provides easy access to raw materials and customers in addition to being logistically proximate (near road, rail and sea ports like Hazira, Nhava Sheva, Mundra, Dahej and Ankleshwar ICD).

Portfolio

The Company offers a range of products – CPVC Resin, Epichlorohydrin, Chloromethanes, Hydrogen Peroxide, Caustic Soda, Chlorine, Hydrogen and Caustic Potash that are used in more than 15 downstream industries like CPVC pipes & fittings, paints & coatings, windmills, construction, pharmaceuticals, chemicals, agrochemicals, refineries, textiles, alumina, paper & pulp, soap & detergents and lithium, among others.

The Company, by entering into Derivatives and Specialty chemicals, is strengthening its integrated complex by the virtue of combining an investment in broad-based infrastructure at one end and niche products at the other.

Manufacturing capacities

As of March 31, 2023, the Company possessed a complement of the following capabilities:

CPVC Resin (KTPA)	30
Epichlorohydrin (KTPA)	50
Caustic Soda (KTPA)	400
Caustic Potash (KTPA)	21
Chloromethanes (KTPA)	50
Hydrogen Peroxide (KTPA)	60
Captive power plant (MW)	132

The scale of its manufacturing capacities provides the Company with attractive economies of scale, resulting in a capacity to remain competitive across market cycles.

Employees

The Company employed 936 full-time professionals as on March 31, 2023. The average age of the Company's workforce stood at 36 years as on March 31, 2023.

Certifications

The integrity of MFL manufacturing processes has been validated by certifications. The Company received recognition from ICC for responsible practices (Responsible Care Certificate). The Company has been certified for ISO 9001, ISO 14001, ISO 45001 and ISO 50001. The Company's practices are aligned with Quality Management System, Good Manufacturing Practices and Standard Operating Procedures.

Credit rating

The Company's credit rating was re-affirmed at AA-(stable outlook) in FY 2022-23 as per CRISIL ratings. This reflects the Company's creditworthiness and its ability to address long-term financial obligations.

The strengths of our business

Sustainability

- Business driven by responsibility, governance and sustainability
- Progressive investment in technologies, systems, processes and certifications
- Committed to run a clean and progressively 'green' company
- Setting up 18.34 MW wind solar hybrid power plant to address internal energy requirements
- Epichlorohydrin based on the Glycerol process – raw materials from a renewable resource

Scope

- Portfolio-driven growth approach, comprising the Chlor-Alkali and Chlorotoluene value chain eco-system
- Focus on import substitution, synergies and cost competitiveness
- Consistent focus on value-addition (measured by realizations, margins and RoCE)

Synergy

- Built the business around the manufacture of basic and value-added chemicals
- Co-products from Chlor-Alkalis largely consumed within
- Growing focus on the manufacture of value-added chemicals

Established brand

- MFL is a respected brand in the Indian and global chemicals sector
- Servicing the growing needs of domestic customers for 13 years
- Pan-India and global sales reach; wide distributor network

Strategic location

- Proximity to raw materials (domestic and imported); close to suppliers and ports
- Proximate to customers in the PCPIR region, moderating logistic costs
- Easy access to chemical industry talent

Focused on efficiency

- Competitive cost of operations on account of integration (backward and forward)
- Fully automated manufacturing complex; high operating efficiency
- Growth in the proportion of revenues from value-added products

Fully integrated complex

- Bought 60 hectares in 2007 to create a large integrated complex
- Selected to make high value downstream products
- Created an intricate maze of pipeline network inter-connected within the plant for smooth raw material flows

Diversified application base

- Addressing more than 15 downstream industries
- Revenues broadbased evenly across sectors and customers
- Downstream sectors riding the India consumption story

Technically qualified leadership

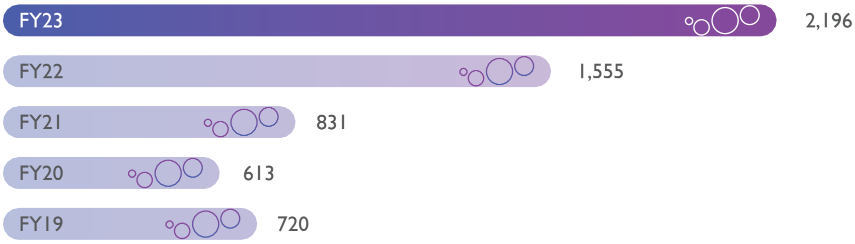
- Technocrat promoters
- Lean management with professional and experienced teams at all levels
- Creating teams for growth

Invested in Infrastructure

- Invested in basic utilities and infrastructure at the current plant for a faster capex execution
- Bought land in Dahej (2 kms from current plant) for growth across next 5 to 7 years
- Invested in tank capacity at ports in India, Europe and USA to cater to global customers

How we have grown our business in the last few years

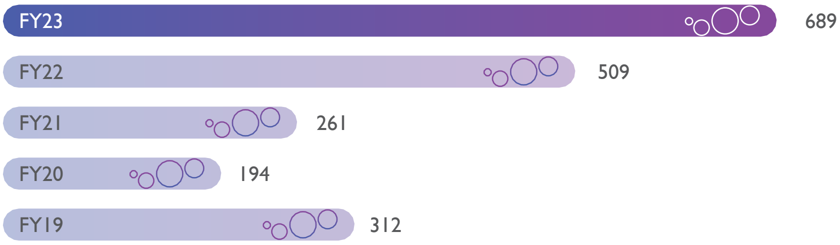
Revenue (₹ in Cr)



Value impact

The Company recorded a growth of 41% in revenues from ₹1,555 Cr to 2196 Cr in FY 2022-23.The growth was on account of high realizations and volume growth of 9% from new and existing products. In the last 5 years, revenue was 30% CAGR.

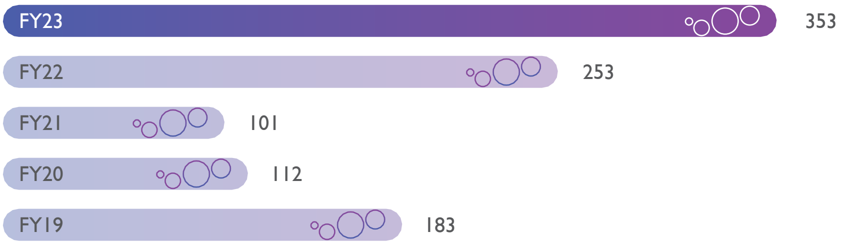
EBITDA (₹ in Cr)



Value impact

EBITDA grew by 35% in FY 2022-23 to ₹689 Cr in line with a growth in top-line and efficient management of procurement and cost control. In the last 5 years, EBITDA grew 22% CAGR.

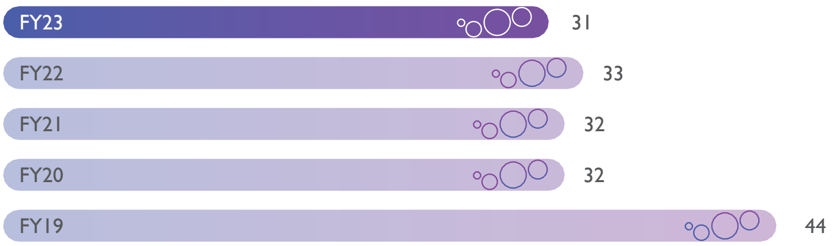
Net profit (₹ in Cr)



Value impact

Profit after tax improved 40% to ₹353 Cr from ₹253 Cr in FY 2021-22 in line with growth in revenues. In the last 5 years, PAT grew 18% CAGR.

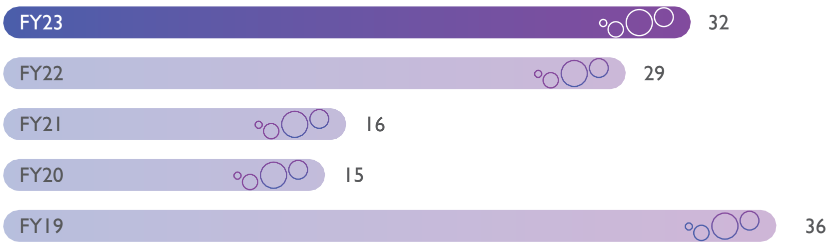
EBITDA margin (%)



Value impact

EBITDA margin stood at 31% in FY 2022-23 from 33% in FY 2021-22 on account of a high cost of inventory.

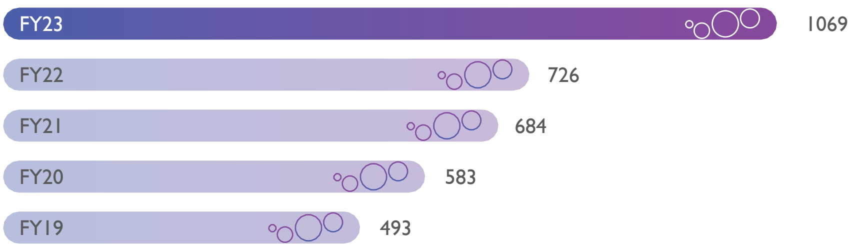
RoCE (%)



Value impact

RoCE improved to 32% in FY 2022-23 from 29% in FY 2021-22 on account of absolute growth in EBITDA and reduction in debt.

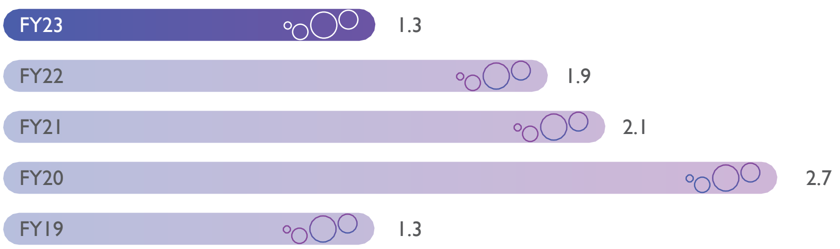
Net worth (₹ in Cr)



Value impact

Net worth increased 47% to ₹1,069 Cr in FY 2022-23 compared to ₹726 Cr in the previous year following profit growth.

Net Debt/EBITDA (x)



Value impact

Net Debt/EBITDA has improved to 1.3x (1.9x in FY 2021-22) on account of absolute growth in EBITDA and net debt reduction by ₹112 Cr. The improvement is even after spending capex of ₹416 Cr.

The big picture at Meghmani Finechem: Evolving rapidly towards a specialty chemicals and derivatives company

Growing investments

1780
₹ Cr, investments in the last ten years ending FY 23

~1100
₹ Cr, investments in the next three years ending FY 26

Overview

At Meghmani Finechem, the single biggest transformation in the last few years has been a consistent increase in the proportion of revenues derived from Derivatives and specialty chemicals.

This transformation has strengthened our brand as a value-added solutions-driven player. This has correspondingly reinforced our capital efficiency, making it possible to make larger reinvestment in our business through accruals.

The transformation from the merchant manufacture of Chlor Alkali towards Derivatives and specialty chemicals will strengthen business sustainability and enhance value for all stakeholders.

Capital expenditure

₹197 Cr
FY 2020-21

₹456 Cr
FY 2021-22

₹416 Cr
FY 2022-23

~ ₹370 Cr
FY 2023-24E

Commissioning and announcements

FY 2020-21

Commissioned: Additional Caustic Soda 1,27,000 TPA with 36 MW Captive Power Plant

Announced: Entering into CPVC Resin 30,000 TPA

FY 2021-22

Announced: Entering into Chlorotoluene and value chain products and setting up R&D Centre near Ahmedabad

FY 2022-23

Commissioned: Epichlorohydrin 50,000 TPA (Q1FY23); CPVC resin 30,000 TPA (Q2FY23); additional Caustic Soda 1,06,000 TPA with 36 MW Captive Power Plant (Q2FY23)

Announced: Expanding CPVC Resin capacity by 45,000 TPA (total capacity will become 75,000 TPA); setting up 18.34 MW wind-solar hybrid power plant for captive energy consumption

FY 2023-24E

Projected commissioning: Additional 45,000 TPA (Q4FY24) of CPVC resin; Chlorotoluene and value chain (Q4FY24)

Evolving revenues

14
% of revenues derived from Derivatives & Specialty, FY 2019-20

26
% of revenues derived from Derivatives & Specialty, FY 2020-21

25
% of revenues derived from Derivatives & Specialty, FY 2021-22

30
% of revenues derived from Derivatives & Specialty, FY 2022-23

>60
% of revenues derived from Derivatives & Specialty, FY 2026-27 (estimated)

The Power of Integration: Creating a synergic Meghmani portfolio of raw materials and end products

Overview

At Meghmani Finechem, we are engaged in creating one of the most integrated portfolios in the chemical industry.

This integration has been marked by synergy: We produce products that become raw material for our other products.

This is making it possible for us to capture value-addition within our company, run plant efficiently, manufacture critical products, maintain a high operating margin, and graduate a one-off transaction into multi-year relationships (with revenue visibility).

Our widening portfolio

Chlorotoluene and its related value chain: Around 50 products can be made through various reactions. In the first phase, the Company has delivered ~ 10 to 15 products (intermediates) to serve the pharmaceutical and agrochemical industries.

Capex **₹180 Cr**

Projected annual revenue **~ ₹300 Cr**

Projected commissioning **Q4FY24**

In the second phase, the Company will work on products down the value chain, inspired by the outcomes of the R&D center (to be inaugurated by September 2023) directed to strengthen the Company's Specialty Chemicals positioning.

Capex **₹25 Cr**

Projected readiness **September 2023**

Our backward integration

Epichlorohydrin	Chlorine, Hydrogen and Caustic Soda
CPVC resin	Chlorine
Chloromethanes (CMS)	Chlorine
Hydrogen Peroxide (H2O2)	Hydrogen
Chlorotoluene & value chain	Chlorine

Captive Chlorine consumption is 65% (includes pipeline customers) as on FY 2022-23 and is expected to reach ~85% by FY25-26. The growth is as a result of expansion in Derivatives and Specialty chemical segment, Chlorine and other in-house materials will be consumed as raw materials and no further expansion in Chlor-alkali capacity.

Our applications

Epichlorohydrin

Majorly consumed by epoxy resin manufacturers

Automotive, windmill, adhesives and also consumed by pharmaceutical and other industries

Projected double-digit revenue percentage growth

MFL is 1st in India to manufacture

CPVC resin

Consumed by CPVC pipe and fitting makers

Replacing imports (95% Indian demand addressed through imports before MFL plant was commissioned)

Projected demand growth in double-digit percentages

MFL largest producer in India

Chloromethanes (CMS)

Majorly consumed by pharmaceutical, PTFE pipes and refrigerant gas.

Hydrogen Peroxide (H_2O_2)

Majorly consumed by – paper & pulp, textiles, effluent treatment, chemicals, etc.

The Power of Integration

Overview

In the demanding modern world, an erstwhile singular focus on profitability has been replaced with a priority on sustainability.

In the modern corporate context, sustainability is the capacity to keep growing continuously while balancing the needs of all stakeholders.

At Meghmani Finechem, sustainability is integral to our personality; it represents the bedrock of our governance framework and nowhere is this evident more visibility than in our process, product and locational integration.

In fact, if there is a term that we would likely leave you with from this annual report, 'Power of integration' would be the most important.

Governance and integration

The most powerful driver of stakeholder value is the governance with which companies run their business.

The word 'governance' has come to mean an existence philosophy; it defines the way a company would likely grow its business and how it would like to service stakeholder interests. The result is that governance has come to mean a predictable way of doing things, taking shocks out of the system and attracting like-minded long-term stakeholders.

At Meghmani Finechem, we believe that the outcome of our governance commitment is the capacity to grow a counter-cyclical chemicals company. The better we became at this desired counter-cyclicality, the lower the ebb and flow in margins across market cycles and correspondingly enhanced stability. We believe that such a desired state has a number of positive spin-offs: superior credit rating, enhanced growth capital, lower debt costs and patient investors, the basis of long-term business sustainability.

We focus on the manufacture of value-added products. This priority is helping us beat the trap of volatility and unpredictability. We believe that such an existence is contrary to our stated ambition to emerge as one of the most respected specialty chemical players in Asia.

At Meghmani Finechem, our governance has been defined by six priorities.

One, we believe that business predictability is derived from an assured market. This assured market and consistency in the customer profile is the result of having selected to manufacture imported products. The ability to manufacture selected products for the first time in India carries a growing significance in a world where supply chains need to be protected, where shipping costs are rising and enhancing the cost of landed material, where there is always a safety cum environment risk in the transportation of chemical resources across countries and where the world is increasingly measuring logistical carbon footprint (lower the better). By selecting to manufacture import substitute products, we are attractively placed to enhance our competitiveness compared with the cost of landed products, deliver just in time and help our customers moderate their inventory (and working capital outlay).

Two, we focus on the manufacture of value-added products. This priority is helping us beat the trap of volatility and unpredictability. We believe that such an existence is aligned with our stated ambition to emerge as one of the most respected specialty chemical players in Asia. In view of this, we have progressively graduated from the manufacture of basic chemicals (chlor-alkali) to specialty chemicals. The latter is an attractive business segment: it is marked by consistent offtake, it is used as a critical input in the manufacture of select downstream products; the demand for these specialty chemicals is relatively inelastic across market cycles (enhancing the predictability of manufacturers like us); the product segment is relatively protected from rampant competition; this product class is value-added and ROCE-enhancing; the superior cash flows can be reinvested, creating a virtuous cycle that moderates the role of debt in corporate growth.

Three, we selected to graduate from the mere manufacture of products as opposed to creating a research-driven family of products. We created a research team and are in the process of commissioning a center that will catalyse the identification of specialty chemical molecules that we will launch for the first time in India; these molecules will enjoy a brief payback and address global custom manufacturing requirements. The family concept means that some of the products that we manufacture could become raw materials for other proposed products, which meant that we would become our own customers in a number of instances. Such an approach has strengthened our value chain and value-addition, strengthening our cost leadership and margins accretion. We believe that as we invest in this family with more products, we will be increasingly recognized as an effective solutions provider, reflected in a high proportion of revenues from multi-year customers, the basis of corporate predictability. We also believe that resource insourcing can minimize logistical costs, enhance in-transit materials safety and build a value chain resistant to down-market cycles.

Four, we focus on manufacturing all our products in a single location. We believe that this locational integration makes it possible to build large knowledge pools; it also facilitates just-in-time materials transfer and amortises the cost of common infrastructure.

Five, we have taken the first steps to broad base our organizational personality – from being manufacturing centric to a marketing driven orgnization. We strengthened our team, making it possible for all departments to grow our Derivatives and specialty chemicals businesses.

Six, we nurtured a strong Board, enunciated our medium-term direction, engaged with all stakeholders, digitalized our business, deepened a systems-driven environment, invested in a culture of ongoing compliances and built our quality architecture around certifications. Besides, we are progressively moderating our carbon footprint with process investments in advanced technologies; the Glycerol process to manufacture Epichlorohydrin warrants a moderated quantum of water and energy; Glycerin is 100% renewable; our investment in wind and solar hybrid power plants will enhance our positioning as a progressively green manufacturer.

Outcome

Even as these priorities represent the framework of our long-term direction, the upsides have already begun to emerge.

The Company reported profitable growth for the 11th successive year during the financial year that just ended. During FY 2022-23, the Company reported revenue growth of 41% while EBITDA growth was 35% and net profit growth was 40%. This positive divergence establishes the robustness of the Company's business model, wherever incremental revenue growth is exceeded or matched by percentage increases in cash flows and bottom line. The outperformance and profitable growth, even as the Company's strategic re-direction is yet to scale, indicate the prudence of our approach.

As we go ahead, we expect that our revenue mix will continue to evolve. We generate 70% of our revenues from chlor-alkali and 30% from value-added Derivatives & Specialty products during the last financial year. We are optimistic that when our existing investments play out fully in a couple of years, the proportion of revenues from Derivatives and Specialty chemicals should have increased to more than 50% of our overall revenues.

Optimism

At Meghmani Finechem, we believe that we are in the right place at the right time.

The global needle of growth is shifting unmistakably to India. A new India is emerging: this India is a USD 3.1 Trn economy that is likely to emerge as a USD 5 Trn economy by the later part of this decade; this India is at a cusp of a significant lifestyle improvement that could catalyse the offtake of specialty chemicals; this India is emerging as a dependable manufacturer for the world; this India is emerging as a part-alternative to China in the global specialty chemicals supply chain.

What provides us with optimism is that corporate strategies are being aligned with national policies. The unprecedented infrastructure expansion as proposed in the last two Union Budgets will grow India's specialty chemicals sector. To move India away from imports to self-sustenance, the government is providing a playing field that could moderate imports and enhance exports (through Atmanirbhar Bharat and PLI schemes) that reinforce India's position as a dependable global chemical's supplier.

How will this translate into growth at Meghmani Finechem is something that I am asked. This is my reply: as value-added chemical feedstock grows in demand, the market will gravitate to companies with global economies of scale and scope (environment friendliness, quality, service and Balance Sheet robustness). Meghmani Finechem has invested proactively in its building block with the right mindset, resources and products to emerge as one of the fastest growing in its niche across the foreseeable future, enhancing value for all its stakeholders.

Maulik Patel
Chairman & Managing Director

USD 3.1 Trn

The global needle of growth is shifting unmistakably to India. A new India is emerging: this India is a USD 3.1 Trn economy that is likely to emerge as a USD 5 Trn economy by the later part of this decade;

At Meghmani, we have secured our prospects by addressing large and fast growing sectors

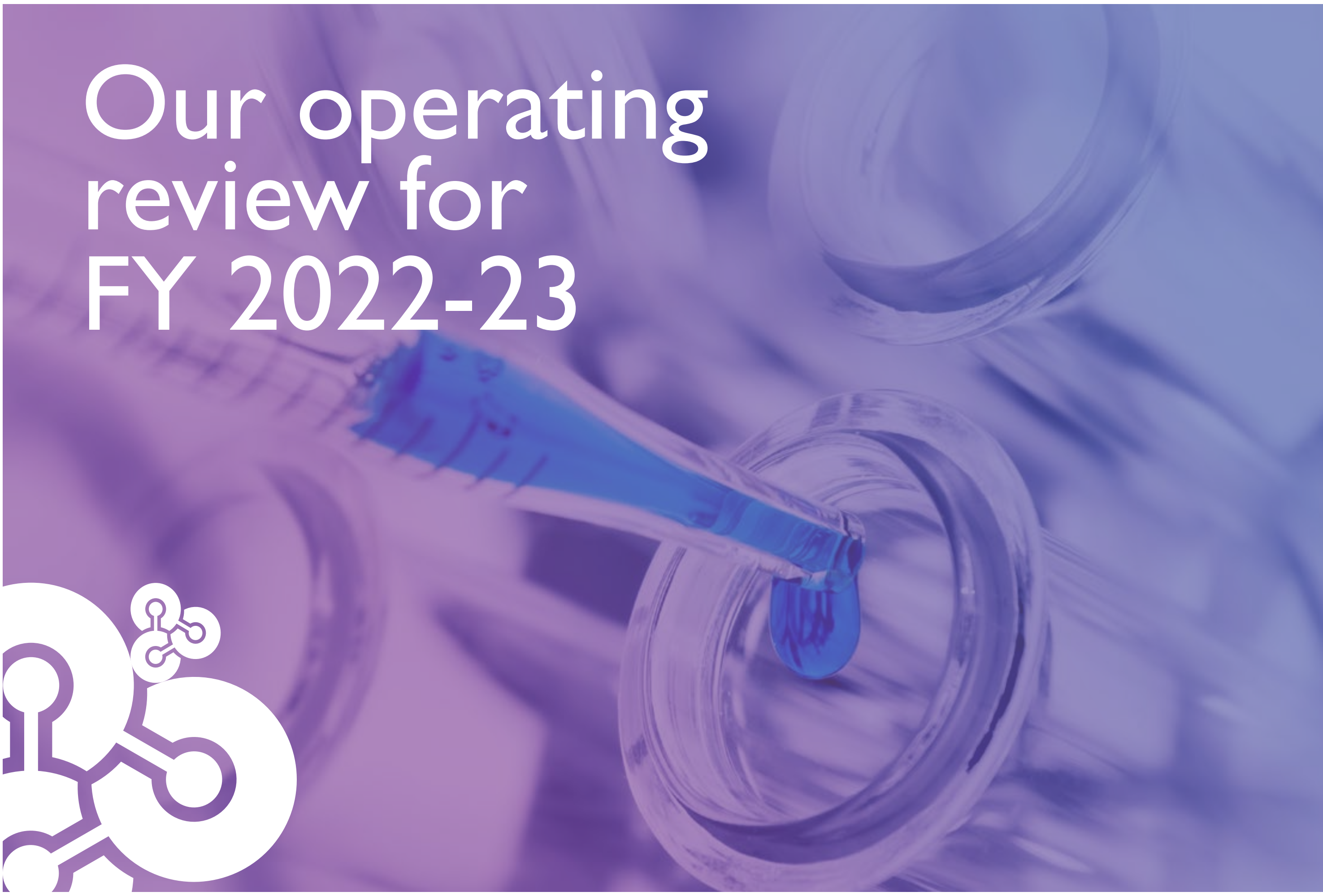
These downstream sectors are growing sustainably

These sectors are linked to improving lifestyle standards

Meghmani products are integral to these sectors

CPVC pipes and fittings	Windmills	Construction	Paints & Coatings	Electronics
Water treatment	Agrochemicals	Pharmaceuticals	Refinery	Soap and detergents
Fluoropolymers	Paper and pulp	Textiles	Alumina	Polyurethane foam
Lithium	Polytetrafluoroethylene (PTFE) pipes			

Our operating review for FY 2022-23



Overview

In FY 23, the Company reported its third successive growth year, marked by its best ever revenue of ₹2,196 Cr, EBITDA of ₹689 Cr and the highest production volume.

These numbers represented an improvement of 41%, 35% and 14% respectively over the previous financial year.

The improvement was largely the result of an evolving product mix, higher realizations, larger captive consumption of basic chemicals, economies of scale cum scope and superior operating efficiencies.

Challenges

The business encountered a range of challenges during the last financial year.

The Company's focus on Derivatives and Specialty chemicals was capital and knowledge-intensive, putting a premium on the stability and security of approach and moderating unexpected outcomes.

The Company was faced with complex processes and technologies for Specialty chemicals that it intended to manufacture, warranting subject matter expertise and perseverance; besides, there were challenges related to captive downstream consumption.

The Company launched Epichlorohydrin during the last year. The product, introduced for the first time, carried accompanying risks related to processing, market acceptance, pricing and product quality.

The Company enlisted CPVC, its new product, for customer approval; this time-consuming process usually takes several months; the Company received product approvals in just five months, accelerating its revenue cycle.

Achievements

A few years ago, the Company had promised stakeholders of a strategic shift in the Company's revenue mix – from an excessive dependence on basic chemicals to a growing proportion of revenues from Derivatives and Specialty chemicals. During the year under review, the Company demonstrated the beginning of this shift: revenues from Derivatives and Specialty chemicals increased from 25% in FY 2021-22 to 30% in FY 2022-23. This shift will be catalysed – an estimated increase in the proportion of Derivatives and Specialty chemicals by 500 to 1000 bps each year - by growing investment in Derivatives and Specialty chemicals and a relative freeze in incremental investments in chlor-alkalis, strengthening overall capital efficiency.

The Company embarked on the expansions of its CPVC capacity in quick succession following brownfield commissioning; it is engaged in enhancing its 30,000 TPA capacity to 75,000 TPA by the last quarter of FY 2023-24; the Company is engaged in commissioning India's first Chlorotoluene and value chain plant by the last quarter of FY 2023-24. Both projects are expected to generate revenues from FY 2024-25 onwards.

The Company executed its capital investment projects on time and within cost, validating its project management competence. This timely execution – Epichlorohydrin on June 1, 2022, CPVC on July 18, 2022 and additional caustic soda capacity on September 30, 2022 – represented a validation of the Company's focused projects management, managerial nimbleness, effective troubleshooting and a culture of informed decision-making.

The Company strengthened its backward integration through the commissioning of its 36 MW captive power plant leading to a total capacity of 132 MW of captive power plant. Besides, the Company is setting up 18.34 MW of wind-solar hybrid power plant, the commissioning of this facility will help the Company address >5% of its power needs and moderate the cost of power by 25% to 30% per unit (when compared with grid).

The Company reinforced its dependability among customers by scaling output with speed; the CPVC plant reached 91% capacity utilization in Q4FY 23 while the ECH plant is expected to achieve optimal utilization in the first quarter of FY 2023-24. The Company's hydrogen peroxide facility increased its capacity utilization from 78% to 93%. This rapid scale-up resulted in abundant material availability that empowered customers to grow their corresponding capacities.

The Company made a decisive future-proofing initiative when it supplemented its existing 60 hectare manufacturing facility with 71.6 acres acquired during the last financial year (at a distance of 2 kms). This scale and contiguity could serve as competitive advantages, providing a platform for the Company's next round of integrated growth across the coming decade.

The Company enhanced its presence as a global provider of Derivatives and Specialty chemicals, raising exports as a proportion its total revenues from 0.08% in FY 2021-22 to 4.17% in FY 2022-23 and a projected ~10% in FY 2023-24. The Company invested in infrastructure at ports (India and globally) and intends to enhance its presence as a consistent provider of material across the world, strengthening its brand and dependability across market cycles. Besides, the geographic broadcasting is expected to diversify its customer base and participating in earning better realizations for products.

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The Company reinvested 74% of its cash flows from operations in capital investments, moderating the role of debt, which is expected to strengthen profitability and stakeholder value creation. The Company underlined its positioning as a responsible manufacturer through certifications and ISO 45000 and 50001, while initiating the process of seeking the prestigious EcoVadis certification.

Outlook

The Company expects to generate a superior outcome as its capital investments translate into production, enhancing volume; besides, a focus on value-addition is expected to enhance absolute growth in cash flows and profitability, improving ROCE even as the Company reports higher revenues. This period of revenue outperformance is expected to generate a disproportionate impact on the Company's competitiveness, cash flows and investment, strengthening overall sustainability.

How we are positioned to enhance stakeholder value

At MFL, the robustness of our business model is derived from a complement of strengths

Relevance

- Specialty chemicals, the space in which we are present, will be increasingly relevant in the modern world
- Chlor-alkali will continue to represent the building block of our business around which we will enhance downstream value
- The proportion of derivatives and specialty chemicals in our revenues will increase
- Aspirations of prosperity and superior lifestyles will take our business ahead

Portfolio

- Our priority will be to manufacture imported products/ molecules, addressing a large existing demand
- The portfolio will be defined by under-addressed domestic needs for the moment and growing demand for the future
- We will use in-house manufactured products to manufacture value-added products, strengthening our profitability
- Our portfolio will be increasingly marked by product complexity, high realizations and superior value-addition

Capital allocation discipline

- The accruals we generate will be increasingly allocated towards products with relatively inelastic demand and high ROCE
- Net worth will play a larger role in our reinvestments, creating a profitable and sustainable foundation
- We are attractively placed to mobilise debt at a moderate cost (leveraging our credit rating) to fund capital expenditure
- Our capital investments will be marked by tenor and attractive payback extended, strengthening our RoCE

Operational excellence

- A high asset utilization (common and specific infrastructure) will ensure a stronger amortization of costs
- There will be a consistent focus on continuous improvement across operating parameters
- There will be a focus on shrinking the learning curve; getting newly commissioned units to high utilization in a short time
- Our operations are marked by informed team responsiveness; our CPVC resin capacity was stabilized and reached optimum capacity utilization in first five months from commissioning

Integration

- There is a focus on integrating forward by entering value-added downstream spaces to consume in-house chemicals/products
- There is a focus on integrating backwards to moderate costs and enhance supply chain reliability
- Our integration is marked by a captive power plant (132 MW); we address 95% power needs
- Chorine, Hydrogen and Caustic Soda are produced in-house to be consumed for Derivatives and the Specialty chemical segments

Common infrastructure

- The Company manufactured 421 KTPA of products from a 48-hectare complex in Dahej in FY 2022-23
- This complex is proximate to ports, talent, resource providers and customers
- The Company possesses ready infrastructure (all utilities) that makes it perpetually growth-prepared
- The utilization of additional operating room can raise revenues to a peak of ₹3,500 – 4,000 Cr

Revenue mix

- The Company is re-balancing its revenue mix towards Derivatives and Specialty chemicals
- These segments are marked by a low break-even point and high RoCE
- The segments are marked by a relatively low competitive pressure, enhancing sustainability
- Revenues from these segments increased from 0% to 30% in the four years ending FY 2022-23

Focus on intangibles

- We enjoy a track record of safe and transgression-free operations
- We are certified for Responsible Care, extensive ESG compliances and predictable operational integrity
- 936 employees (technocrats, subject matter professionals and advisors) were trained
- The Company enjoyed a credit rating of CRISIL AA- (rating agency is CRISIL)

Project execution

- The Company possesses deep capabilities in commissioning new projects with speed and timelines
- Projects commissioned at a cost lower than the prevailing sectorial average
- The Company commissioned Epichlorohydrin, CPVC Resin and additional Caustic Soda capacity within committed time and estimated capital expenditure

Robust Balance Sheet

- The Company possesses a net worth of ₹1,069 Cr (as on March 31, 2023)
- Gearing was 0.8x (Total debt) as on March 31, 2023
- ~ 60% of capex in three years ending FY 2022-23 was funded through accruals
- The Company possesses a modest Net debt / EBITDA of 1.3x; average debt cost was around 7.5% to 7.9%

How we have created a robust financial foundation

Snapshot

- We are engaged in business with a long-term perspective
- Our business is marked by superior profitability and cash flows
- Our terms of trade remain favorable, marked by efficient working capital management
- We utilise a growing proportion of net worth in our capital expansion programmes
- We focus on the generation of maximized stakeholder value

Overview

The Company has consistently focused on the mobilization of cost-effective funds (debt and equity) to be invested in business expansion.

Besides, the Company has strengthened its financial foundation through strategic initiatives: location within a single complex, manufacture of a synergic family of products, focus on value-added products, critical integration into the needs of customers and superior terms of trade.

The result is that the Company's business model is profitable, liquid and sustainable, generating adequate resources for onward reinvestment.

The management's perspective

"At MFL, our sustainable growth has been built around a sustainable financial foundation. This foundation has been directed to generate a large part of investable resources from within. The result is that our investments in the two years ending FY 2022-23 were generated from accruals; the rest came from moderately priced debt to be repaid in five years. On the other hand, the business invested in the manufacture of new products marked by attractive realizations and offtake, resulting in quick payback. This combination – investment and returns – has created a sustainable framework: to expand with speed in a sustainable way."

Sanjay Jain, Chief financial officer

Funds mobilization competence

75
Months of debt tenor, as on March 31, 2022

63
Months of debt tenor, as on March 31, 2023

7.24
Average cost (%) of long-term debt as on March 31, 2022

~7.90
Average cost (%) of long-term debt as on March 31, 2023

Captive investable resource

339
₹ Cr, cash profit, FY 2021-22

462
₹ Cr, cash profit, FY 2022-23

Enhanced fiscal efficiency

4.8
Revenue per rupee of working capital deployed, FY 2021-22

8.2
Revenue per rupee of working capital deployed, FY 2022-23

Improving liquidity

8.7x
Interest cover, FY 2021-22

8.1x
Interest cover, FY 2022-23

Working capital efficiency

44
Days of receivables, FY 2021-22

35
Days of receivables, FY 2022-23

Repayment discipline

123
₹ Cr, debt repaid, FY 2021-22

200
₹ Cr, debt repaid, FY 2022-23

Reinvestment efficiency

33
% of accruals invested in the gross block as on March 31, 2022

74
% of accruals invested in the gross block as on March 31, 2023

Balance Sheet integrity

1.9x
Net debt/EBITDA, FY 2021-22

1.3x
Net debt/EBITDA, FY 2022-23

Attractive margins

33
% EBITDA margin, FY 2021-22

31
% EBITDA margin, FY 2022-23

At Meghmani Finechem, the business has been woven around a robust ESG foundation

Overview

At MFL, the environmental, social and governance (ESG) framework represents a robust foundation of sustainable growth.

The ESG framework has enhanced the Company's holistic responsibility, enhancing value for all stakeholders. The ESG framework is increasingly relevant at the Company on account of its aggressive expansion, need for responsible business continuity, need for informed strategic direction setting and a need for managerial reinforcement.

The Company's ESG commitment focuses on three key areas.

Environment: At MFL, the environment component of ESG has been directed at reducing the consumption of finite resources, moderating energy consumption and promoting waste recycling – leading to a decisive reduction in carbon footprint. Besides, the hazardous nature of operations and large electricity and chemicals consumption make it imperative to manufacture safely and responsibly.

Social: At MFL, there is a commitment to develop talent, deepen relationships with customers or suppliers and remain socially responsible, balancing the needs of the social eco-system.

Governance: At MFL, we focus on business quality, conduct, structure and strategy, putting a premium on clarity, planning, integrity, good practices and risk mitigation.

We are confident that a strong ESG focus will lead to sustained growth and sustainability, enhancing long-term stakeholder value.

Environment

There is a premium on sustainable operations, marked by environmental compliance and a commitment to moderate resource depletion, water shortage, pollution and other potentially harmful outcomes.

MFL is committed to the production of products through processes that conserve energy and natural resources, minimize negative environmental impact and prioritize employee, community and product safety. The Company prioritizes the efficient use of resources in manufacture, reducing environmental impact. The Company has moderated energy usage and greenhouse gas emissions following cutting-edge technology investments. The Company has targeted zero landfill waste and zero effluents discharge on the one hand while reducing the consumption of finite natural resources on the other. The Company implemented a range of safety measures; it evaluates safety performance through the use of leading and lagging indicators. It reinforced its environment credentials through the manufacture of bio-based Epichlorohydrin and by announcing its decision to commission a 18.34 MW wind solar hybrid power plant

Social

MFL's competitiveness has been reinforced through stable stakeholder engagements, strengthening business continuity.

Employees: The Company has invested in a culture of excellence. This comprises selective recruitment based on competence or academic credentials, supported by training, career growth, people interventions and safety.

Customers and vendors: The Company developed a robust vendor eco-system, marked by growing procurement from established vendors, empowering them to grow their capacities and capabilities with the Company.

Community: The Company is engaged in working with local communities around its manufacturing location; the areas of intervention are aligned with UN Sustainable Development Goals - education, health, family welfare, sustainable livelihoods, infrastructure and other social initiatives.

Governance

At Meghmani, our business is influenced by our governance clarity – on how we expect to grow – translating into the following priorities.

Board of Directors: We have created a robust Board of Directors and 50% of the Board is Independent, comprising experienced professionals and achievers drawn from a range of industries. All committees are chaired by Independent Directors. The Board guides our strategic direction, which enhances our understanding of the world and the economy.

Focus: We are increasingly committed to the manufacture of value-added products drawn from the Chlor-Alkali building block. The result: declining proportion of revenues from Chlor-Alkali and increasing proportion of revenues from Derivatives and Specialty chemicals, transforming our profitability and personality.

Multi-product: We have progressively broad-based business risks. We produce a portfolio of products (CPVC Resin, Epichlorohydrin, Caustic Soda, Caustic Potash, Chloromethanes and Hydrogen Peroxide, among others), catering to more than 15 industries. We diversified our revenue contribution from various customers.

Controlled growth: We invested accruals and debt to grow with speed. We expect to expand with speed without compromising our Balance Sheet, achieved largely through an increased proportion of net worth in capacity expansion.

Technology: We invested in an advanced automated and integrated manufacturing facility, addressing the highest standards of efficiency, safety and cost economy. The automated plants have minimized the scope of human intervention and related errors.

Process-driven: We have been certified for ISO 9001, ISO 14001, ISO 45001 and ISO 50001; our operations are aligned with Quality Management System and Good Manufacturing Practices, reinforcing our process discipline and predictable outcomes.

Integrity and transparency: We fulfil our legal and moral obligations across all our stakeholders, working with transparency and responsibility.

Meghmani Finechem and United Nations' sustainable development goals (SDGs)

The United Nations presented 17 sustainable development goals to build a better, cleaner and more equitable world.

These goals promote action on global challenges like poverty, climate change, environmental degradation, peace and justice. To enhance effectiveness, United Nations has urged countries to initiate action and help achieve these goals by 2030.

As a responsible corporate citizen, MFL is committed to fulfil goals relevant to its business model. The Company's economic, social and environmental objectives and actions are aligned with various SDGs.

The more we produced, the less we consumed

UN SDGs	Meghmani Finechem initiatives	SDGs selected
SDG1: No poverty SDG2: No hunger SDG3: Good health and well-being	Our company's policies prioritize employee health and well-being. We organize rural blood donation and medical checks, addressing women and children. We also contribute to the donation of hospital equipment.	1 NO POVERTY 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING
SDG4: Quality education	Our company has established educational institutions across locations, attracting high enrollment. Meghmani Foundation is committed to quality education and stronger school infrastructure, digital transformation and academic support for the deserving. We assist students prepare for competitive examinations	4 QUALITY EDUCATION
SDG5: Gender equality	We have engaged women in our operating sites across manufacturing and office functions. We established the Kanya School, which focuses on quality education for girl students.	5 GENDER EQUALITY
SDG7: Affordable and clean energy	We are committed to reduce greenhouse gas emissions through the use of clean and renewable energy; moderated the use of fossil fuels. We are setting up a 18.34 MW wind-solar hybrid power plant	7 AFFORDABLE AND CLEAN ENERGY
SDG9: Industry, innovation and infrastructure	Our company developed an advanced manufacturing facility, combining automation and integration. Automated systems reduce the need for human intervention, enhancing plant safety and efficiency. The integrated facility has helped eliminate the duplication of common infrastructure across locations.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
SDG12: Responsible consumption and production	We enhanced cooling tower efficiency, reducing water demand. Water conservation is derived through rainwater harvesting. Sewage water reuse has strengthened; waste disposal to landfills has declined through effective waste characterization and segregation.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
SDG13: Climate action	We adopted renewable energy (18.34 MW). We moderated energy consumption from 0.8476 to 0.8106 TOE per Ton equivalent.	13 CLIMATE ACTION

MFL Key Indicator (ESG)

Sustainable Development at MFL means integrating environmental, social and governance (ESG) criteria into the strategic planning and into the business. To grasp the ESG dimensions and their priorities for MFL, the Company has summarized the ESG key indicators in an overview.

Environment		Baseline	Target	Target FY 2026-27 (Baseline 2022-23)
Metric	Unit	FY 2022-23	FY 2023-24	FY 2026-27
ENERGY				
Renewable electricity MWH	MWH	0 MWH	18.34 MWH	18.34 MWH
ENVIRONMENTAL COMPLIANCE				
ISO 14001:2015 (Environmental Management) certification of operational sites	Number	1	1	2
Coverage of operational MFL sites in ISO 14001:2015 certification	%	100%	100%	100%
ISO 50001:2018 (Energy Management) certifications	Number	1	1	2
Coverage of operational MFL sites in ISO 50001:2018 certification	%	100%	100%	100%
Responsible Care Management Certification of operation sites from ICC	Number	1	1	2
Significant spills	Number	0	0	0
SOCIAL				
HEALTH & SAFETY				
MFL employees				
Fatalities	Number	0	0	0
Lost Time Accidents	Number	1	0	0
LTIFR per 10,00,000 hours	Rate	0.2	0	0
MFL contractors				
Fatalities	Number	0	0	0
Lost Time Accidents	Number	0	0	0
LTIFR per 10,00,000 hours	Rate	0.17	0	0
Number of Safety, Health & Env awareness campaigns	Nos	10	10	15
Number of employee Health & Safety Meetings conducted with employees	Nos	88	92	102
Number of employee Health & Safety Meetings conducted with contractors	Nos	12	12	12
Customer health and safety training sessions	Nos	15	15	15
% coverage of employees in medical checkups	%	100%	100%	100%
% coverage of contractor workers medical checkups	%	100%	100%	100%
% coverage of Risk assessment activities done to cover health, safety and environment risks	%	100%	100%	100%
% coverage of health and safety equipment inspections	%	100%	100%	100%
Occupational Health & Safety and Quality Management System				
ISO 45001:2018 – Occupational Health and Safety Management System certification	Number	1	1	2
Coverage of operational MFL sites in ISO 45001:2018 certification	%	100	100	100
ISO 9001:2015 – Quality Management System certification	Number	1	1	2
TRAINING				
Hours of training of workforce	Hours	13447	14000	14000
% ERT members at site	%	20%	20%	20%
Employees covered in energy and climate trainings	%	25%	25%	25%
COMMUNITY ENGAGEMENT				
Community engagement and awareness sessions	Numbers	4	4	4
AUDIT				
EHS system audits	% coverage of operational Sites			
Energy Audits	%	100%	100%	100%
EHS system audits as per Indian Standard 14489. Percentage coverage of operational site	%	100%	100%	100%
Integrated Management System audits, coverage of operational site	%	100%	100%	100%
Water and Environment Audits, coverage of operational site	%	100%	100%	100%

Environment, Health and Safety

Overview

There is a premium on sustainable practices, marked by technology investments to manufacture products with high quality, minimal waste, output efficiency and controlled emissions or effluents.

This responsibility is in line with United Nations' 10 Sustainable Development Goals, covering ethical and environmentally friendly manufacture, human rights, labor protections, environment responsibility and anti-corruption measures. The Company's leadership is directly involved in decisions related to safety, quality, environment and security, among others, with no financial constraints in making timely investments.

2027 GOAL

- Comply fully with regulations that promote sustainable development.
- Increase water-use efficiency; ensure sustainable freshwater withdrawal; strengthen local water security.
- Reduce waste generation through prevention, reduction, recycling and reuse.
- Higher economic productivity through diversification, technological upgradation and innovation; upgrade infrastructure and retrofit equipment to enhance sustainability.

The Company's strategy prioritizes stability and decision-making clarity. The result: increased employee efficiency and enhanced financial performance (on the other hand, EHS non-compliance could disrupt production and financial value creation). The Company's compliance commitment is the result not only because it is the right thing to so but also because companies professing the highest environment standards have generally emerged as the most profitable and sustainable. In view of this, EHS discipline is good for business continuity. As a validation of the Company's credentials, it was awarded the prestigious Responsible Care certificate.

The management's approach

Responsible EHS enhances productivity, consumption efficiency and confident workforce.

EHS is critical to resilience across market cycles as it applies holistically (marketing, procurement, human resources and others).

The EHS culture has been reinforced through certifications like ISO 14001, ISO 45001 and Energy management-50001 (integrates management systems), which enhance process consistency and a predictability of outcomes.

The Company's commitment to Responsible Care in its manufacturing plant incorporates environmental, health and safety, creating safeguards.

Strengths

The Company is committed to achieve EHS objectives and goals through the following measures:

- Enhancing EHS leadership capability
- Encouraging employees to conceive, propose and implement EHS initiatives
- Incorporating EHS performance measures across all organizational aspects
- Ensuring a complete compliance with all legal (and other) requirements

HSE initiatives and achievements, FY 2022-23

Validated the adequacy of firefighting measures; implemented a centralized fire alarm management system and emergency control room	Used innovative techniques and recycling to manage by-products, effluents and emissions	Reduced waste generation through quality inputs and continuous monitoring	Improved competencies through on-the-job training (business and EHS)
Moderated water consumption through recycling and sewage treatment; the proactive online monitoring of all plants strengthened a culture of compliance	Deepened a culture of certifications	Setting up 18.34 Mw wind-solar hybrid power plant	Set an ambitious target for 2024-25 under the Perform, Achieve, and Trade (PAT) Scheme. Aim to reduce energy consumption from 0.8476 TOE/Ton Equivalent to 0.8106 TOE/Ton Equivalent

Our certifications

ISO 9001: Certification for Quality Management System, validating a methodical approach to enhance the quality of products and process consistency.

ISO 14001: Certification for Environment Management System to ensure that the Company minimizes the impact of hazardous processes on the environment and that its products are not causing environmental hazards.

ISO 45001: Certification for Occupational Health and Safety Management Systems (OHSMS).

ISO 50001: Certification for the improvement of total energy management as well as lower costs and operating expenses.

RSPO certification for glycerine: Global certification for sustainable palm oil access.

Reach: Secure access to the European market by ensuring mandatory registration of the product´s chemical substances and testing of articles for SVHC compliance.

Halal and Kosher: Certification of compliance according to Islamic and Jewish laws.

Challenges and how we addressed them

Low employee engagement in new policy formulation

The Company engages in a dialogue, enhancing an awareness of the upsides and the importance of employee engagement in new policy formulation.

Proactive risk assessment

Improving employee competence in risk perception warrants training. The Company has been engaged in advocating safety measures through verbal, visual and textual communication inside its plants, drawing the co-operation employees, vendors, visitors and customers.

Workforce training

The Company trains customized to role, position, experience and background, enhancing the overall level of preparedness.

Contractor safety management

The Company engages extensively with contractors, recognising the importance of timely and safe project management cum maintenance. This engagement warrants continuous monitoring and oversight by experienced personnel.

Emergency preparedness

Emergency preparedness is a priority in a business marked by the use of multiple toxic and flammable on-site products. The Company has invested in state-of-the-art emergency equipment, established protocols for resource mobilization during critical junctures and trained the workforce in handling such incidents.

The Company will provide HAZOP and 'What if' training, making it possible for employees to proactively identify potential hazards in addition to developing skills to mitigate risks. The Company plans to engage employees in EHS system-building.

The Company intends to strengthen standard operating protocols (SOPs) that mitigate risks. It is developing a qualified emergency response team; it has identified on-site certified first-aid providers and intends to upgrade the firefighting infrastructure.

The Company plans to enhance contractor and project safety management systems by deploying dedicated resources and engaging in rigorous audits. This will be carried out routinely to ensure that all contractors follow established protocols.

The Company aims to deepen a culture of safety, equipping employees with skills and knowledge to identify and mitigate risks.

Outlook

The Company intends to moderate water consumption through improved effluents treatment and reuse. The Company intends to enhance the operational efficiency of boilers, power generating units and overall production (moderating waste generation at source).

Water discharge treatment / Air pollution control

At MFL, the management of water discharge and air pollution is constantly monitored through online tools (using TOCA meters, gas chromatographs and analyzers) to measure SPM, sulphur and CO in real-time. These readings are periodically cross-checked with the objective to maintain a safe environment.

CORPORATE SOCIAL RESPONSIBILITY

Meghmani Finechem. A responsible corporate citizen

Overview

The Meghmani Group created a formal foundation to contribute to society.

The Company believes in inclusive growth and has taken initiatives in child education, health, sanitization, women's empowerment, skill development and environmental protection.

At the Company, CSR is not an obligation but a partnership platform for societal development. The Company comprises a CSR Committee; it entered alliances with relevant NGOs; it participated in surveys conducted by BDMA (nodal agency), indicating under-addressed areas.

Highlights, FY 2022-23

- The Company provided education to marginalized sections through Sardardham, Margraksh and Achala Education Foundation Trust.
- It facilitated the education of 1,200 girls, 500 boys and 800 children through Sardardham and Margraksh, while 225 students were trained in Sanskrit.
- It provided shelter to 300 working marginalized women in Ahmedabad, Rajkot and Vadodara.
- It provided daily nutrition to 1,500 marginalized individuals (working women, boys and girls).
- It provided modern gyms and yoga centers for the benefit of marginalized girls, women and boys.
- It empowered women, promoting skill development.
- It provided educational assistance at next to no cost to socially and economically challenged girl students.
- It addressed nutrition needs of around 500 people every Sunday at their homes and 150 patients in their hospital beds (through Margraksh programme).
- It made contributions to Gujarat Cancer Society, Madhuram Charitable Trust, Samast Patidar Aarogya Trust, Sardardham and VVS Laxman Foundation Trust.

Our CSR contribution

4.57
₹ Cr, FY 2022-23

3.58
₹ Cr, FY 2021-22

9.62
₹ Cr, FY 2020-21

Management discussion and analysis

Global economy

Overview

The global economic growth was estimated at a slower 3.2% in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.7% in 2022, among the highest in decades. US consumer prices decreased about 6.5% in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years. The result is that the world ended in 2022 concerned that the following year would be slower.

The global equities, bonds, and crypto assets reported an aggregated value drawdown of USD26 trillion from peak, equivalent to 26% of the global gross domestic product (GDP). In 2022, there was a concurrently unique decline in bond and equity markets; 2022 was the only year when the S&P 500 and 10-year US treasuries delivered negative returns of more than 10%.

Gross FDI inflows – equity, reinvested earnings and other capital – declined 8.4% to USD 55.3 Bn in April-December. The decline was even sharper in the case of FDI inflows as equity: these fell 15% to USD 36.75 Bn between April and December 2022. Global trade expanded by 2.7% in 2022 (expected to slow to 1.7% in 2023).

The S&P GSCI TR (Global benchmark for commodity performance) fell from a peak of 4,319.55 in June 2022 to 3495.76 in December 2022. There was a decline in crude oil, natural gas, coal, lithium, lumber, cobalt, nickel and urea realizations. Brent crude oil dropped from a peak of around USD 120 per barrel in June 2022 to USD 80 per barrel at the end of the calendar year following the enhanced availability of low-cost Russian oil.

Regional growth (%)	2022	2021
World output	3.2	6.1
Advanced economies	2.5	5
Emerging and developing economies	3.8	6.3

Performance of major economies

United States:	China:	United Kingdom:	Japan:	Germany:
Reported GDP growth of 2.1% compared to 5.9% in 2021	GDP growth was 3% in 2022 compared to 8.1% in 2021	GDP grew by 4.1% in 2022 compared to 7.6% in 2021	GDP grew 1.7% in 2022 compared to 1.6% in 2021	GDP grew 1.8% compared to 2.6% in 2021

[Source: PWC report, EY report, IMF data, OECD data]

Outlook

The global economy is expected to grow 2.8% in 2023, influenced by the ongoing Russia-Ukraine conflict. Concurrently, global inflation is projected to fall marginally to 7%. Despite these challenges, there are positive elements within the global economic landscape. The largest economies like China, the US, the European Union, India, Japan, the UK, and South Korea are not in a recession. Approximately 70% of the global economy demonstrates resilience, with no major financial distress observed in large emerging economies. The energy shock in Europe did not result in a recession, and significant developments, including China's progressive departure from its strict zero-Covid policy and the resolution of the European energy crisis, fostered optimism for an improved global trade performance.

Despite high inflation, the US economy demonstrated robust consumer demand in 2022. Driven by these positive factors, global inflation is likely to be still relatively high at 4.9% in 2024. Interestingly, even as the global economy is projected to grow less than 3% for the next five years, India and China are projected to account for half the global growth (Source: IMF).

Indian economy

Overview

Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, inflation, cautious government and a sluggish equity market. India's economic growth is at 7.2% in FY 2022-23. India emerged as the second fastest-growing G20 economy in FY 2022-23. India overtook UK to become the fifth-largest global economy. India surpassed China to become the world's most populous nation (Source: IMF, World Bank)

Growth of the Indian economy

	FY 20	FY 21	FY 22	FY23
Real GDP growth(%)	3.7	-6.6%	8.7	7.2

Growth of the Indian economy quarter by quarter, FY 2022-23

	Q1FY23	Q2FY23	Q3FY23	Q4FY23
Real GDP growth (%)	13.1	6.3	4.4	6.1

(Source: Budget FY 2023-24; Economy Projections, RBI projections)

According to the India Meteorological Department, the year 2022 delivered 8% higher rainfall over the long-period average. Due to unseasonal rains, India's wheat harvest was expected to fall to around 102 Mn metric Tons (MMT) in 2022-23 from 107 MMT in the preceding year. Rice production at 132 Mn metric Tons (MMT) was almost at par with the previous year. Pulses acreage grew to 31 Mn hectares from 28 Mn hectares. Due to a renewed focus, oilseeds area increased 7.31% from 102.36 Lakh hectares in 2021-22 to 109.84 Lakh hectares in 2022-23.

India's auto industry grew 21% in FY 2022-23; passenger vehicle (UVs, cars and vans) retail sales touched a record 3.9 Mn units in FY 2022-23, crossing 3.2 Mn units in FY19. The commercial vehicles segment grew 33%. Two-wheeler sales fell to a seven-year low; the three-wheeler category grew 84%.

Till the end of Q3FY23, total gross non-performing assets (NPAs) of the banking system fell to 4.5% from 6.5% a year ago. Gross NPA for FY 2022-23 was expected to be 4.2% and a further drop is predicted to 3.8% in FY 2023-24.

As India's domestic demand remained steady amidst a global slowdown, import growth in FY 2022-23 was estimated at 16.5% to USD 714 Bn as against USD 613 Bn in FY 2021-22. India's merchandise exports were up 6% to USD 447 Bn in FY 2022-23. India's total exports (merchandise and services) in FY 2022-23 grew 14% to a record of USD 775 Bn in FY 2022-23 and is expected to touch USD 900 Bn in FY 2023-24. Till Q3 FY23, India's current account deficit, a crucial indicator of the country's balance of payments position, decreased to USD 18.2 Bn, or 2.2% of GDP. India's fiscal deficit was estimated in nominal terms at ~ ₹17.55 Lakh Cr and 6.4% of GDP for the year ending March 31, 2023. (Source: Ministry of Trade & Commerce)

India's headline foreign direct investment (FDI) numbers rose from USD74.01 Bn in 2021 to a record USD 84.8 Bn in 2021-22, a 14% Y-o-Y increase, till Q3FY23. India recorded a robust USD 36.75 Bn of FDI.

In 2022-23, the government was estimated to have addressed 77% of its disinvestment target (₹50,000 Cr against a target of ₹65,000 Cr).

India's foreign exchange reserves, which had witnessed three consecutive years of growth, experienced a decline of approximately USD 70 Bn in 2022, primarily influenced by rising inflation and interest rates. Starting from USD 606.47 Bn on April 1, 2022, reserves decreased to USD 578.44 Bn by March 31, 2023. The Indian currency also weakened during this period, with the exchange rate weakening from ₹75.91 to a US dollar to ₹82.34 by March 31, 2023, driven by a stronger dollar and increasing current account deficit. Despite these factors, India continued to attract investable capital.

The country's retail inflation, measured by the consumer price index (CPI), eased to 5.66% in March 2023. Inflation data on the Wholesale Price Index, WPI (calculates the overall price of goods before retail) eased to 1.3% during the period. In 2022, CPI hit its highest of 7.79% in April; WPI reached its highest of 15.88% in May 2022. By the close of the year under review, inflation had begun trending down and in April 2023 declined below 5%, its lowest in months.

India's total industrial output for FY 2022-23, as measured by the Index of Industrial Production or IIP, grew 5.1% year-on-year as against a growth of 11.4% in 2021-22.

India moved up in the Ease of Doing Business (EoDB) rankings from 100th in 2017 to 63rd in 2022. As of March 2023, India's unemployment rate was 7.8%.

In 2022-23, total receipts (other than borrowings) were estimated at 6.5% higher than the Budget estimates. Tax-GDP ratio was estimated to have improved by 11.1% Y-o-Y in RE 2022-23.

The total gross collection for FY 2022-23 was ₹18.10 Lakh Cr, an average of ₹1.51 Lakh a month and up 22% from FY 2021-22, India's monthly goods and services tax (GST) collections hit the second highest ever in March 2023 to ₹1.6 Lakh Cr. For 2022–23, the government collected ₹16.61 Lakh Cr in direct taxes, according to data from the Finance Ministry. This amount was 17.6% more than what was collected in the previous fiscal.

Per capita income almost doubled in nine years to ₹1,72,000 during the year under review, a rise of 15.8% over the previous year. India's GDP per capita was 2,320 USD (March 2023), close to the magic figure of USD 2,500 when consumption spikes across countries. Despite headline inflation, private consumption in India witnessed continued momentum and was estimated to have grown 7.3% in 2022-23.

Outlook

There are green shoots of economic revival, marked by an increase in rural growth during the last quarter and appreciable decline in consumer price index inflation to less than 5% in April 2023. India is expected to grow around 6-6.5% (as per various sources) in FY 2023-24, catalysed in no small measure by the government's 35% capital expenditure growth by the government. The growth could also be driven by broad-based credit expansion, better capacity utilization and improving trade deficit. Headline and core inflation could trend down. Private sector investments could revive. What provides optimism is that even as the global structural shifts are creating a wider berth for India's exports, the country is making its largest infrastructure investment. This unprecedented investment is expected to translate into a robust building block that, going ahead, moderates logistics costs, facilitates a quicker transfer of products and empowers the country to become increasingly competitive. This can benefit India's exports in general, benefiting several sectors. The construction of national highways in 2022-23 was 10,993 kilometres; the Ministry of Road Transport and Highways awarded highway contracts of 12,375 km in the last financial year (Source: IMF).

The global landscape favours India: Europe is moving towards a probable recession, the US economy is slowing, China's GDP growth forecast of 4.4% is less than India's GDP estimate of 6.8% and America and Europe are experiencing its highest inflation in 40 years.

India's production-linked incentive appears to catalyse the downstream sectors. Inflation is steady. India is at the cusp of making significant investments in renewable energy and other sectors and emerging as a suitable industrial supplement to China. India is poised to outpace Germany and Japan and emerge as the third-largest economy by the end of the decade. The outlook for private business investment remains positive despite an increase in interest rates. India is less exposed to Chinese economic weakness, with much less direct trade with China than many Asian peers.

Broad-based credit growth, improving capacity utilization, government's thrust on capital spending and infrastructure should bolster investment activity. According to our surveys, manufacturing, services and infrastructure sector firms are optimistic about the business outlook. The downside risks are protracted geopolitical tensions, tightening global financial conditions, and slowing external demand.

Union Budget FY 2023-24 provisions

The Budget 2022-23 sought to lay the foundation for the future of the Indian economy by raising capital investment outlay by 33% to ₹10 Lakh Cr, equivalent to 3.3% of GDP and almost three times the 2019-20 outlay, through various projects like PM Gatishakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments. An outlay of ₹5.94 Lakh Cr was made to the Ministry of Defence (13.18% of the total Budget outlay). An announcement of nearly ₹20,000 Cr was made for the PM Gati Shakti National Master Plan to catalyse the infrastructure sector. An outlay of ₹1.97 Lakh Cr was announced for Production Linked Incentive schemes across 13 sectors. The Indian government intends to accelerate road construction in FY 2023-24 by 16-21% to 12,000-12,500 km. The overall road construction project pipeline remains robust at 55,000 km across various execution stages. These realities indicate that a structural shift is underway that could strengthen India's positioning as a long-term provider of manufactured products and its emergence as a credible global supplier of goods and services

Indian chemicals industry

The Indian chemical industry includes over 80,000 commercial products, including bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers and fertilisers. India is a major producer of agrochemicals, ranking fourth globally after the US, Japan and China. The country has a significant presence in the global dyes market, accounting for about ~ 16% of market share. The Indian colorants sector is a key player in the industry.

India is a major player in the global trade of chemicals, ranking 14th in exports and 8th in imports (excluding pharmaceuticals). The estimated worth of India's chemical industry was around USD 178 Bn in 2019 and is projected to increase to USD 304 Bn by 2025. This projection is based on the Indian chemical sector's potential to consistently make a substantial impact globally.

In FY 2021-22, Specialty chemicals manufacturers were expected to incur a capex of ₹6000- 6200 Cr, 50% Y-o-Y increase owing to a revival in domestic demand coupled with exports. The revenue was expected to be ~19-20% Y-o-Y in FY 2021-22 compared to previous year's 9-10% on account of higher realizations and domestic demand growth.

The Indian chemical sector plays a crucial role in the economy and contributes approximately 7% to the country's GDP.

Despite the COVID-19 crisis, the chemical industry has not only maintained stability but also made substantial progress, making India the sixth largest chemical producer globally and third in Asia. The sector is poised to take advantage of upcoming opportunities.

Despite facing various challenges such as inflation, geopolitical issues and disruptions in the supply chain, the sector continues to provide valuable returns to stakeholders. India's proximity to the Middle East, the largest source of petrochemical reserves, allows it to take advantage of cost savings.

(Source: IBEF, economictimes, livemint)

Chlorinated polyvinyl chloride (CPVC) resin industry overview

CPVC Resin demand in India for FY 2022-23 stood at around 2,00,000 TPA. This segment is expected to grow in double digit percentages in line with growth in the construction sector. The global chlorinated polyvinyl chloride (CPVC) market size was valued at an estimated USD 3 Bn in 2021 and is expected to reach USD 5.2 Bn in 2030, increasing at a CAGR of 10% from the year 2022-2030

The market demand for CPVC pipes is increasing in commercial and residential buildings. The use of CPVC pipes in fire sprinkler systems for apartments and commercial buildings is expanding. The growth of CPVC pipes is attributed to their resistance to corrosion and high temperatures and superior thermo-mechanical properties. CPVC pipes are widely used in the delivery of hot and cold potable water, chemical synthesis and transfer. The construction segment accounted for the largest share of the global CPVC market in terms of revenue in 2021 due to the growth of the construction industry in India and China.

CPVC pipes represent an ideal solution for all commercial and residential plumbing piping as they can withstand hot water and high pressure compared to galvanized iron (GI) pipes that are prone to rust and require labour-intensive installation.

India is an emerging market for CPVC pipes due to the growth of the building and construction industry. The government is investing in building residential and commercial infrastructure, which is expected to catalyse market expansion. The rise in demand for CPVC pipes in various commercial applications is projected to contribute to market growth.

Epichlorohydrin industry overview

ECH demand for FY 2022-23 stood at approximately 85,000 TPA. The demand of this product in India is expected to grow in double digit percentages in line with a growth in infrastructure spending. The global epichlorohydrin market was valued at USD 2.73 Bn in 2021 and expected to grow at a CAGR of 6.50% during the forecast period of 2022-2029, reaching an estimated USD 4.52 Bn. The market was driven by the rising demand for epoxy resins in various industries (construction, automotive, aerospace and water treatment chemicals). The use of epichlorohydrin-based rubber in the automotive sector is contributing to market growth.

Epichlorohydrin is a chemical that has both epoxy and chlorine components and is widely used in different fields due to its chiral structure and the strength of its epoxy bond. It is used to make epoxy resin, glue, plastic, fumigants, solvents and other explosives. The demand for epichlorohydrin is propelled by the need for construction, paints and coatings, plastic usage and water treatment infrastructure.

The Asia-Pacific region is the largest market for the global epichlorohydrin market, accounting for 34.5% of the market revenue in 2021. The region is expected to dominate the market due to growing demand from countries like China and India, rapid industrialization and an expanding consumer class. Overall, the market for epichlorohydrin is expected to develop due to various applications in making glycerol, glues and epoxy resins.

(Source: databridgemarketresearch, thebrainyinsights, maximizemarketresearch)

Global and Indian Chlor-Alkali industry overview

The global chlor-alkali market increased from USD 74.34 Bn in 2022 to USD 80.35 Bn in 2023, with a CAGR of 8.1%. The Russia-Ukraine conflict affected a short-term global economic recovery from the COVID-19 pandemic. The conflict resulted in economic sanctions, a rise in commodity prices and supply chain disruptions, causing inflation and impacting various markets worldwide. The chlor-alkali market is projected to grow to USD 103.13 Bn in 2027 with a CAGR of 6.4%.

The global growth of the chemical industry is expected to drive the growth of the chlor-alkali market. The chemical industry produces industrial chemicals and supplies building blocks and raw materials to industries such as textiles, paint, paper, soap and detergent, pharmaceuticals and agriculture. Chlor-alkali is used in the chemical industry for chemical production through an industrial process and the growth of the chemical industry will increase the use of chlor-alkali to produce chlorine, hydrogen and sodium hydroxide, therefore driving the growth of the chlor-alkali market.

In 2022, the largest region in the chlor-alkali market was Asia-Pacific, followed by North America.

The Indian Chlor-Alkali industry comprised a total capacity of 4.7 Mn Tons of caustic soda by the end of fiscal year 2021-22, up from 4.5 Mn Tons in 2020-2021. The industry is known for being efficient, environmentally friendly and progressive, adopting the membrane cell technology that is energy-efficient and eco-friendly. The alkali and chlorvinyl sectors are expected to experience significant growth due to factors like a growing middle-class, higher disposable incomes, low consumption penetration and increased demand. Caustic soda is used in various industries, including paper and pulp, soap and detergents, alumina, pharmaceuticals and textiles, as well as in the synthesis of organic and inorganic chemicals.

The caustic soda market in India is expected to grow to over 4.92 Mn metric Tons in 2027. The market is predicted to have a CAGR of 5.50% from 2023 to 2028. The major factors driving growth of the caustic soda market include rising investments, increasing demand for cleaning products and the versatility of caustic soda.

Chloromethanes and Hydrogen Peroxide markets

Chloromethane: The demand for CMS for FY 2022-23 stood at 5,80,000 TPA (5,17,000 TPA in FY 2021-22) and capacity stood at 6,77,000 TPA (4,77,000 TPA in FY 2021-22).

Demand from this segment is expected to grow in double-digit percentages. The global demand for chloromethane is expected to reach 5.3 Bn USD in 2022 and is forecast to grow at a CAGR of 5.2% to 8.8 Bn USD from 2022 to 2032.

Chloromethane plants produce substances such as methyl chloride, methylene dichloride, chloroform and carbon tetrachloride. These products have a range of uses, as solvents in the manufacture of pharmaceutical drugs, as refrigerant gas, in PTFE pipes and in agrochemicals. The largest demand for methylene dichloride comes from the pharmaceutical industry (91%), where it is used as a solvent. It also has applications in foam blowing, aerosols, polycarbonate resins, adhesive formulations and is a crucial ingredient in HFC 32, which is becoming increasingly popular as a refrigerant in air conditioners.

Chloroform is used to produce Tetrafluoro Ethylene, accounting for 55% of its demand. This is used in the creation of fluoropolymers, which are applied as non-stick coatings on cookware and other items. Chloroform is also utilised in containers and pipes for storing corrosive chemicals. With 25% of total demand, it is used in the preparation of refrigerant gases like R22. Carbon tetrachloride is employed as a raw material in the production of agrochemical intermediates.

Hydrogen Peroxide: The demand for Hydrogen Peroxide for FY 2022-23 stood at 3,40,000 TPA and capacity stands at 4,29,000 TPA. The demand is expected to grow around 10% CAGR for the coming year. The global Hydrogen Peroxide market reached USD 3.2 Bn in 2022. The market is expected to grow to USD 4.1 Bn by 2028, with a CAGR of 3.8% from 2023 to 2028. The growth of the industry is being fueled by the growing demand for eco-friendly solutions.

Hydrogen Peroxide is a eco-friendly substance used for deodorising and bleaching. It has a range of uses including chemical processing, bleaching textiles and pulp, treating metals in cosmetics, waste treatment and catalyzing reactions.

The Hydrogen Peroxide market is fragmented across regions, including North America, Europe, Asia-Pacific, South America, the Middle East and Africa. North America is expected to see the fastest growth due to environmental concerns and technological advancements.

(Source: futuremarketinsights, imarcgroup)

Growth drivers

Rising population: India's population has surpassed China's and is estimated to be 1.41 Bn as of 2022 end, which could have a positive effect on the Indian chemical sector.

Urbanization: India's urban population is forecast to reach 675 Mn by 2035, ranking second only to China's one billion, leading to an increase in demand for housing and pharmaceuticals.

Demographic dividend: The Indian population's median age is now at 28.4 years in 2022 as against a global average of 30 years.

Growing replacement demand: As disposable incomes increase due to economic improvement, lifestyles in the country are becoming more modern, which could drive the need for chemicals.

Increased consumption: India's average chemical product consumption per person is low at USD 91 and falls significantly behind other developed nations. This is predicted to increase notably in the next decade, as a result of India's robust economic growth, growing middle class and urbanization.

India as a strategic partner: In the past 5 years, the focus of global chemical production has moved from China and developed countries to more stable destinations such as India. The reasons for this change include increased global trade tensions, stricter environmental regulations, increased labor costs in China and the impact of the COVID-19 pandemic.

Supplier shift: The chemical industry in China has undergone significant changes due to industry consolidation, environmental reforms and stricter financing regulations, resulting in increased uncertainty for companies reliant on Chinese suppliers for raw materials. As a result, many companies have shifted their supplier base to India, taking advantage of low-cost labour and favourable investment policies.

Plus one strategy: Specialty chemical firms are expected to continue growing, despite margin blips. This growth is being driven by strong domestic demand and exports, which is being bolstered by the China-plus-one approach in major economies. Sales are projected to rise by over 19% until FY25, better than the 17% demand growth of the sector in FY 2020-21 and FY 2021-22. Indian manufacturers are expected to benefit from this trend, as plant closures in Europe provide an opportunity for a Europe-plus one market share gain.

(Source: The wire, Trading economics, PWC, IBEF, Amai India, Statista, economictimes.com, ciiblog.in, livemint)

Company overview

Meghmani Finechem Limited (MFL) was founded in 2007 and recognized as one of the leading integrated chemical manufacturer The Company meets the global essential chemicals demand through responsible care and large-scale growth, with commitment to the integrity of quality and environment. MFL operates in an advanced automated production facility, equipped to address the international standards in the manufacturing of CPVC Resin, Epichlorohydrin, Caustic Soda, Caustic Potash, Chlorine, Hydrogen, Chloromethanes and Hydrogen Peroxide.

The Company aims to service the domestic and export markets, contributing towards the 'Make in India' initiative and empowering sustainable growth for a safer and brighter future.

Products

CPVC resin: MFL will add 45,000 TPA to bring its CPVC resin capacity to 75,000 TPA. In Q4 of FY 2024, the additional capacity will be commissioned in the existing complex of Dahej (proximate to raw material chlorine needed to make CPVC resin).

Chlorotoluene and value chain:
MFL announced the establishment of Chlorotoluene and its value chain. In FY 2024, the project will be launched. The project will be commissioned in the existing Complex at Dahej. The new facility will produce intermediates for the production of active ingredients in the pharmaceutical and agrochemical industries.

Epichlorohydrin
Epichlorohydrin is a clear, colourless liquid that is produced using a renewable resource that is 100% bio-based and made of glycerin. There is a high purity of the product at > 99.8. It reduces the end-user's contribution to waste production. Brine recycling is made possible by a unique technology, which also allows for a significant reduction in liquid process waste.

- Epoxy resin
- Water treatment chemicals
- Automotive industry
- Pharmaceuticals
- Paper reinforcement
- Infrastructure chemicals

Chlor-alkali: MFL is a leading producer of Chlor-alkalis in India with a diversified related portfolio.

- Caustic soda lye
- Caustic soda flakes
- Liquid chlorine
- Hydrochloric acid
- Hydrogen gas
- Sodium hypochlorite
- Diluted sulphuric acid
- Caustic potash lye
- Caustic potash flakes

Chloromethanes
- Methyl chloride
- Methylene dichloride
- Chloroform
- Carbon tetrachloride

Hydrogen Peroxide

Operational review

- The overall production of the Company increased from 368 KTA in FY 2021-22 to 421 KTA in FY 2022-23, recording 14% growth.
- The Company, in the third year of operations of the Hydrogen Peroxide plant, achieved 93% capacity utilization (FY 2022-23).
- CPVC reached optimum capacity of utilization in December 2022 and capacity utilization of 91% in Q4 FY24.

The more we produced, the less we consumed

Product	Current capacity (TPA)	New/additional capacity (TPA)	Commissioning year - New/additional
Caustic Soda	4,,00,000	-	
Caustic Potash	21,000	-	
Chloromethanes	50,000	-	
Hydrogen Peroxide	60,000	-	
Epichlorohydrin	50,000	-	
Chlorinated Polyvinyl Chloride (CPVC)	30,000	45,000	Q4FY24
Captive Power Plant (CPP)	132 MW	-	
Chlorotoluene and value chain	NA	NA	Q4FY24
Wind-solar hybrid power plant	18.34 MW	-	Q1FY24

Financial review

- During FY 2022-23, the revenue of the Company increased to ₹2,196 Cr, a growth of 41% compared to FY 2021-22.
- EBITDA in FY 2022-23 stood at ₹689 Cr, a growth of 35% compared to ₹509 Cr in FY 2021-22.
- The Company recorded a profit after tax (PAT) of ₹353 Cr in FY 2022-23 as against ₹253 Cr in FY 2021-22.

Human resource management

MFL has maintained its leadership position through effective human resource practices. The Company invested in various types of training, including formal, informal and on-the-job learning and provided an enriched workplace, challenging job profiles and regular dialogue with the management. The Company's efforts in this regard helped it achieve one of the highest employee retention rates in the industry, creating leaders from within and strengthening prospects. As of March 31, 2023, Meghmani had a workforce of 936 employees. Additionally, the Company hired senior management talent across various functions to support growth plans.

Internal control system

The Company has strong internal control procedures commensurate with its size and operations. The Board of Directors, responsible for the internal control system, sets the guidelines and verifies its adequacy, effectiveness and application. The Company's internal control system is designed to ensure management efficiency, measurability and verifiability, reliability of accounting and management information, compliance with all applicable laws and regulations and the protection of the Company's assets. This will help identify and manage the Company's risks (operational, compliance-related, economic and financial).

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations.

Building a culture of proactive risk management

MFL's risk management strategy is centered on promoting business sustainability. The Company aims to apply risk mitigation principles across all risk categories using a comprehensive risk management framework that includes policies, procedures and assessment methods. This approach has resulted in increased stability in processes, improved outcomes and overall corporate sustainability.

Risk management organization, roles and responsibilities

MFL's risk mitigation framework is guided by its Board of Directors, which is composed of seasoned professionals. The Board oversees the Company's governance principles, including risk tolerance and is supported by several committees, including the Risk Management Committee, Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. These committees, which include Board members, report their findings to the Board of Directors. MFL places emphasis on ensuring that all members within its risk management structure are familiar with its risk strategy and processes, promoting transparency and improving the Company's ability to manage risks effectively on a daily basis.

Risk identification: MFL uses appropriate systems and indicators to identify risks in a quantitative manner and our executives can report risks as they become aware of them through our internal reporting protocol.

Risk measurement: MFL strengthens its risk measurement tools for each business function, assessing risks at both organizational and functional levels based on a functional team perception of risk.

Analysis and assessment: MFL places importance on the efficiency of its risk management practices in enhancing financial performance. The Company views its financial performance as a reflection of the effectiveness of its risk management and operating model.

Risk reporting: MFL reports the efficacy of its risk management practices to the Risk Management Committee and other pertinent committees, enabling an early identification of risks and prompt counter-measures.

Risks	Mitigation initiatives
Volatile movement in the cost of raw materials could affect profitability	MFL's extensive experience and understanding of fluctuations in raw material prices enable the Company to adopt proactive positions and implement hedging strategies to mitigate the impact of such price movements on its financial performance.
The impact of economic realities – GDP growth or de-growth – could affect prospects	MFL has diversified its range of products to reduce its reliance on a single industry and to expand its risk profile. Additionally, the Company's emphasis on producing certain chemical products essential and not subject to fluctuations in the economy, has improved its stability.
Compromise in plant operating conditions could affect the safety of employees and neighbouring communities	MFL maintains the highest safety standards at its manufacturing complex, which includes rigorous safety training. As a result, the Company ensures operational safety, sustainability and predictability for all stakeholders. Moreover, the manufacturing plant has been designed with redundancy in case of downtime, enabling complementary plants to resume production, safeguarding the Company's overall manufacturing integrity.

Risks	Mitigation initiatives
Chemical production generates greenhouse gas emissions, process emissions and air pollutants, which, if unchecked, could lead to regulatory fines and enhanced compliance costs.	MFL has adopted new technologies to minimise energy consumption. The use of renewable energy is being explored to reduce the Company's dependence on finite fossil fuels. These measures will mitigate environment impact and enhance sustainability. We have chosen a Glycerol-based technology for manufacturing ECH, where energy consumption and wastage is lesser, compared to the traditional process of manufacturing ECH. We are commissioning a 18.34 MW wind-solar hybrid power plant, which will reduce our dependence on fossil fuels.
Water-intensive chemical production could be affected by increased costs and compliance issues related to process wastewater disposal.	MFL implemented responsible technology measures to reduce water/power consumption. The recycled water is utilized in the cooling tower and other processes.
The unprofessional handling of hazardous chemicals can harm the environment, attracting censure and reputational damage.	MFL's prescribed handling of hazardous materials has helped mitigate risks to the environment, employees and communities. Health and safety audits have protected workplace safety. Relevant environment and social information is provided with the product.
Improper process management could enhance air pollution, health and safety hazards.	MFL's technologies minimise waste, conserve resources and reduce waste disposal in open land. The Company registered for extended producer responsibility to moderate plastic waste from its products packaging.
Chemical companies face risks related to product safety and quality, including regulatory compliance and reputational damage.	MFL ensures product safety by providing environmental and social parameters on the packaging. It also invests in standard operating protocols and certifications such as ISO 9001 and ISO 14001 for quality management and good manufacturing practices.
Ethical violations can result in fines, legal investigations and reputational damage.	MFL's risk management framework includes policies, procedures and assessments to improve process stability, outcomes and sustainability.

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting **16th (Sixteenth)** Annual Report together with the Audited Financial Statements of the Company for the **Financial Year (FY) ended on 31st March, 2023.**

FINANCIAL RESULTS:

(₹ in Lakhs)

PARTICULARS	Year Ended on 31st March, 2023	Year Ended on 31st March, 2022
Revenue from Operations	2,18,839.97	1,55,094.14
Other Income	798.39	411.08
Total Revenue	**2,19,638.36**	**1,55,505.22**
Profit Before Finance Cost, Tax, Depreciation & Amortization	**69,698.13**	**51,359.82**
Finance Cost	6,550.22	4,427.02
Depreciation	10,895.33	8,590.56
Profit Before Tax	**52,252.58**	**38,342.24**
Payment & Provision of Current Tax	9,430.77	6,967.28
Deferred Tax Expenses/(Income)	7,486.06	6,096.28
Profit After Tax	**35,335.75**	**25,278.68**

STATE OF COMPANY'S AFFAIRS:

i) Revenue:

Sales increased by 41% from ₹1,55,094.14 Lakhs to ₹2,18,839.97 Lakhs mainly due to: -

1. Higher realization across the divisions in F.Y. 2022-23
2. Volume growth of 9% backed by increase in volume from Hydrogen Peroxide and from commissioning of new capacities namely Epichlorohydrin, Chlorinated polyvinyl chloride (CPVC) & Caustic Soda

ii) Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA):

EBITDA increased by ₹17,951.00 Lakhs i.e. from ₹50,948.74 Lakhs in FY2022 to ₹68,899.74 Lakhs in FY2023.

iii) Profit Before Tax (PBT):

PBT increased by ₹13,910.34 Lakhs i.e. from ₹38,342.24 Lakhs in FY 2022 to ₹52,252.58 Lakhs in F.Y. 2023. The major reasons for increase in profit are:

1. PBT has moved in line with growth in the revenue
2. Better absorption of overhead with increase in production;

iv) Consolidated Financial Statements:

In accordance with the provisions of Section 129 (3) of the Companies Act, 2013, (Act) read with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ['Listing Regulations'], the Company has prepared Consolidated Financial Statements of the Company and its Subsidiary namely Meghmani Advanced Sciences Limited, which forms part of this report.

The Financial Statements as stated above are available on the website of the Company at **www.meghmanifinechem.com**

v) Change in Nature of Business, if any:

There has been no change in the nature of business of the Company.

DIVIDEND:

Interim Dividend:

During the year, based on the financial performance of the Company, Interim dividend of ₹2.50 each per equity share (25%) for the financial year ended on 31st March, 2023 was declared by the Board of Directors on 19th January, 2023, and the same was paid by the Company on 08th February, 2023.

Final Dividend:

The Board of Directors is pleased to recommend a Final dividend of ₹2.50 (25%) per equity share of ₹10/- each fully paid on 4,15,50,158 equity shares of the Company, subject to approval of the shareholders at the ensuing Annual General Meeting of the Company. The Final dividend recommended, shall be paid to the members, within statutory time limit, whose name appears in the Register of Members, as on the Record date i.e. 20th June, 2023.

The total dividend paid for the financial year ended on 31st March, 2023 works out to ₹5/- (50%) per equity share of ₹10/- each. The dividend payout ratio for the current year is at 6%. The dividend recommended is in accordance with the Company's Dividend Distribution Policy.

The dividend distribution policy, in terms of Regulation 43A of the Listing Regulations, is available on the website of the Company at **https://www.meghmanifinechem.com/corporate-governance.**

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

Other than as stated elsewhere in this report, there were no material changes and commitments affecting the financial position of the Company, which occurred between the end of the financial year to which this financial statement relates and the date of this Report.

CAPITAL EXPENDITURE:

Capital Expenditure (including Intangible Assets) during the financial year was at ₹41,645.44 Lakhs as on 31st March, 2023 (₹45,629.92 Lakhs FY 2021-22). Your Company manages Cash and Cash flow processes assiduously, involving all parts of the business. There was Cash and Bank balance of ₹1419.00 Lakhs as on 31st March, 2023 (₹2503.54 Lakhs FY 2021-22).

AMOUNT TO BE TRANSFERRED TO RESERVES:

During the financial year, no amount was proposed to transfer to the Reserves account.

DEPOSITS:

During the financial year, your Company has not accepted any amount as Public Deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

FINANCE:

To meet the funds requirement of working / operational capital and/or expansion / new projects, your Company has availed financial facilities from banks / consortium of banks, the details of which forms part of Notes to the Financial Statements.

CREDIT RATING:

The Company has been assigned Long Term Rating CRISIL AA-/Stable to its various bank facility of ₹1050 Crores (enhanced from ₹850 Crores) by CRISIL Limited (Rating Agency) vide its letter no RL/GDS12080/306826/BLR/1222/48014 dated 7th December, 2022.

PROJECTS:

(A) Status of Expansion: Caustic Soda:

To tap the surging demand of Caustic Soda in India and Overseas, your Company successfully commissioned the capacity expansion of Caustic Soda manufacturing facility to 400 KTPA by adding 106 KTPA facility, along with expansion of 36 MW Captive Power Plant on 30th September, 2022.

(B) Status of Expansion: Chlorine Derivatives:

Epichlorohydrin (ECH)

Your Company successfully commissioned ECH manufacturing facility with a capacity of 50,000 TPA on 1st June, 2022, which is used in varied applications, such as Epoxy Resin, Water Treatment Chemicals, Textiles, Pharmaceuticals, Paper Reinforcement, Synthetic Glycerine, etc.

CPVC Resin

Your Company successfully commissioned CPVC Resin manufacturing facility with a capacity of 30,000 TPA capacity on 18th July, 2022 and is in process of expanding its CPVC Resin capacity to 75,000 TPA by adding 45,000 TPA capacity at an estimated capex cost of ₹250 Crore and it is expected to get commissioned by Q4FY24. CPVC Resin are essentially used in residential, industrial and commercial piping system.

(C) Chloro-Toluene and its Value Chain:

With its eye on global market trends and growth in manufacturing of Specialty Chemicals, your Company has initiated the process of commissioning the manufacturing facility of Chlorotoluene and its value Chain, at an estimated project cost of ₹180 Crore at its existing Chlor-Alkali Complex, Dahej. The said facility is expected to be functional by Q4FY24.The produce will be used in manufacturing of pharmaceuticals and agro-chemical active ingredients.

(D) Research and Development:

Your Company is setting-up Research & Development (R & D) Center at an estimated cost of ₹25 Crore, to strengthen the portfolio of Specialty Chemicals and Derivative products by identifying the molecules in Chlorotoluene & value chain and other new molecules on Specialty side.

(E) Acquisition of Land:

To achieve, Company's long term vision, the Company has purchased: -

1) Industrial Plot No. D-II-13, admeasuring 289844.41 Sq. Mtr. situated at GIDC Estate, Dahej, Taluka, Vagra, Bharuch.

2) Industrial Plot No. D-2-CH-27 admeasuring 52409.97 Sq. Mtr. Situated at Dahej-II GIDC Estate, Dahej, Taluka, Vagra, Bharuch.

DISCLOSURE RELATING TO SUBSIDIARIES, ASSOCIATES:

The Company has only one wholly-owned subsidiary Viz., Meghmani Advanced Sciences Limited incorporated on 27th January, 2021, is non-operational. The Company has filed form STK-2 with Registrar of Companies, Gujarat for striking off the name of the Company from Register of Companies.

A separate statement containing the salient features of financial statement of subsidiaries, associates and joint ventures in 'Form No. AOC-1' forms part of this Annual Report.

As required under Regulations 16(1)(c) and 46 of the Listing Regulations, the Board of Directors have approved the Policy for determining Material Subsidiaries. The details of the policy are available on the Company's website at **https://www.meghmanifinechem.com/ corporate-governance.**

DISCLOSURE RELATING TO JOINT VENTURES:

The Company has entered into Joint Venture with ReNew Green (GJS Three) Private Limited in the ratio of 26:74, to set up a grid connected 18.34 Wind-Solar Hybrid Project. The estimated capex cost is ₹263 Crore to be funded in Debt: Equity ratio of 70:30. During the year the Company has invested ₹20.54 Crores towards equity contribution.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

MERGERS AND ACQUISITIONS:

There were no mergers/acquisitions during the year.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

i) Directors to retire by Rotation:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Maulik Patel (DIN - 02006947) and Mr. Kaushal Soparkar (DIN - 01998162), Directors retires by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

The details as required under the provisions of the Companies Act and Listing Regulations are provided in the Notice convening the ensuing Annual General Meeting.

ii) Declaration by Independent Directors:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the provisions of Section 149(6) of the Companies Act, 2013 read with Schedules & Rules issued thereunder as well as Regulation 16 of the Listing Regulations.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

iii) Key Managerial Personnel (KMP):

Pursuant to Section 2 (51) and Section 203 of the Companies Act, 2013 read with Rules framed there under, the following executives have been designated as Key Managerial Personnel (KMP) of the Company.

1. Mr. Kaushal Soparkar – Chief Executive Officer
2. Mr. Kamlesh Mehta – Company Secretary
3. Mr. Sanjay Jain – Chief Finance Officer

There has been no change in the Key Managerial Personnel of the Company during the financial year ended 31st March, 2023.

MEETINGS OF THE BOARD:

During the year, Four Board meetings were convened on 25.04.2022, 21.07.2022, 21.10.2022 and 19.01.2023 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.

DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance of Section 134(5) of the Companies Act, 2013 read with the rules made there under, including any enactment or re-enactment thereon, the Directors hereby confirm that:

a) In the preparation of the Annual Accounts for the year ended on 31st March, 2023, 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 31st March, 2023 and of the Profit of the Company for the period ended on 31st March, 2023.

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 fraud and other irregularities;

d) The Directors had prepared the annual accounts on a going concern basis;

e) The Directors had laid down Internal Financial Controls ('IFC') and that such Internal Financial Controls are adequate and were operating effectively.

f) 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.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company has conducted familiarization programme for Independent Directors during the year. The details of the same are given in the Corporate Governance Report and also posted on the website of the Company at **https://www.meghmanifinechem.com/corporate-governance.**

BOARD PERFORMANCE EVALUATION:

Pursuant to the provisions of the Act and Regulation 17 of Listing Regulations, the Board has carried out the annual performance evaluation of its own performance and that of its statutory committee's Viz., Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee and also Committee of the Independent Directors.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of Directors on parameters such as level of engagement and contribution, independence of judgment safeguarding the interest of the Company and its minority shareholders etc. The entire Board carried out the performance evaluation of the Independent Directors and also reviewed the performance of the Secretarial Department.

As required under the provisions of the Act and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 19th January, 2023 to evaluate the performance of the Chairman, Non- Independent Directors and the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

The Directors expressed their satisfaction with the evaluation process.

REMUNERATION POLICY:

The Board, has on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management Personnel and fix their remuneration. A brief detail of the policy is given in the Corporate Governance Report and also posted on the website of the Company at **https://www.meghmanifinechem.com/ corporate-governance.**

Non-Executive Directors are paid sitting fees for attending each meeting of the Board and/or Committee of the Board, approved by the Board of Directors within the overall ceilings prescribed under the Act and Rules framed thereunder.

All the Executive Directors (i.e. Chairman/Managing Director/Whole-time Director) are paid remuneration as mutually agreed between the Company and the Executive Directors within the overall limits prescribed under the Companies Act, 2013.

In determining the remuneration of the Senior Management Employees the Nomination and Remuneration Committee ensures / considers the following:

- The remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- The remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual's performance vis-à-vis Key Result Areas (KRAs) / Key Performance Indicators (KPIs), industry benchmark and current compensation trends in the market.

COMMITTEES OF THE BOARD:

The composition of committees constituted by the Board along with changes, if any, forms part of the Corporate Governance Report, which forms part of this Annual report.

AUDIT COMMITTEE:

The Company has constituted an Audit Committee in terms of the requirements of the Act and Regulation 18 of the Listing Regulations. The details of the same are disclosed in the Corporate Governance Report.

RISK MANAGEMENT COMMITTEE:

The Company has constituted a Risk Management Committee in terms of the requirements of Regulation 21 of the Listing Regulations. The details of the same are disclosed in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As per the provision of Section 135 read with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has constituted Corporate Social Responsibility (CSR) Committee and formulated Corporate Social Responsibility Policy (CSR Policy). The composition of CSR Committee is given in the Corporate Governance Report.

The Company has identified projects in accordance with Schedule VII of the Companies Act, 2013, such as eradication of poverty, women empowerment, education, health care and such other projects. The Annual Report on CSR activities for the FY 2022-23 is annexed to this report as **'Annexure - A'**

AUDITORS AND AUDITORS' REPORT:

Statutory Auditors:

M/s. S R B C & Co LLP, Chartered Accountants, Ahmedabad (Firm Regn. No. 324982E / E300003) were re-appointed as Statutory Auditors for the Second Term to hold office till the conclusion of 20th AGM to be held in 2027, subject to ratification of their appointment at every Annual General Meeting.

M/s. S R B C & Co LLP have confirmed their eligibility and qualification required under Section 139, 141 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Notes to the Financial Statements referred in the Auditors' Report are self-explanatory.

There are no qualifications or reservations, or adverse remarks made by Statutory Auditors of the Company and therefore do not call for any comments under Section 134 of the Act. The Auditors' Report is attached with the Financial Statements in this Annual Report.

Cost Auditors:

Pursuant to the provisions of Section 148 of the Companies Act, 2013, M/s. KV Melwani & Associates, Cost Accountants (Registration number 100497) were appointed as the Cost Auditors of the Company to conduct audit of the Company's Cost Accounting Records in respect of the products of the Company for the Financial Year 2022 - 2023 at the remuneration of ₹1,75,000 (Rupees One Lakh Seventy Five Thousand) per annum plus Goods and Service Tax (GST) and out of pocket expenses.

Your Company has received consent from M/s. K V Melwani & Associates, Cost Accountants, to act as the Cost Auditors of your Company for the Financial Year 2023-2024 along with a certificate confirming their independence. As per the provisions of the Companies Act, 2013, a resolution seeking approval of the Shareholders ratifying remuneration payable to the Cost Auditors forms part of the Notice convening Annual General Meeting.

The Company has maintained the Cost accounts and records in accordance with Section 148 of the Companies Act, 2013 and Rules framed thereunder. The Cost Audit Report for the Financial Year 2021-2022 was filed with the Ministry of Corporate Affairs on 22.10.2022.

Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company had engaged the services of M/s Shahs & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2023. The Secretarial Audit Report in **Form No. MR - 3** for the financial year ended 31st March, 2023 is annexed to this report as **'Annexure - B'.**

Internal Auditor:

M/s. C N K Khandwala & Associates, Chartered Accountants was appointed as Internal Auditors for Financial Year 2022-2023 to carry out the periodic audit as per the scope of work approved by the Audit Committee.

Frauds Reported by Auditors:

During the year under review, no instance of fraud in the Company was reported by the Auditors.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has in its place adequate Internal Financial Controls with reference to the Financial Statements. During the year, such controls were tested and no reportable material weakness in the design or operation of Internal Finance Control System was observed.

For all amendments to Accounting Standards and the new standards notified, the Company carries out a detailed analysis and presents the impact on accounting policies, financial results including revised disclosures to the Audit Committee. The approach and changes in policies were also validated by the Statutory Auditors.

Further, the Audit Committee periodically reviewed the Internal Audit Reports submitted by the Internal Auditors. Internal Audit observations and corrective action taken by the Management were presented to the Audit Committee. The status of implementation of the recommendations were reviewed by the Audit Committee on a regular basis and concerns if any were reported to the Board.

As per the relevant provisions of the Companies Act, 2013, the Statutory Auditors have expressed their views on the adequacy of Internal Financial Control in their Audit Report.

RELATED PARTY TRANSACTIONS (RPT):

All Related Party Transactions entered during the Financial Year were on an Arm's Length Basis and were in the ordinary course of business. The Company has not entered in to materially Related Party Transactions i.e., exceeding 10% or more of the turnover of the Company with related parties, which may have a potential conflict with the interest of the Company at large. Hence, no transactions are required to be reported in Form AOC-2.

During the year, all Related Party Transactions were placed before the Audit Committee and the Board for approval. The Company, whenever required, has obtained approval of the Shareholders of the Company before entering into Materially Related Party Transactions.

As required under Regulation 23 of the Listing Regulations, the Company has framed a Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions which is available on the website of the Company at **https://www.Meghmanifinechem.com/corporate-governance.**

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has formulated a Vigil Mechanism-cum-Whistle Blower Policy ("Policy") as per the requirements of Section 177 of the Companies Act, 2013 and Regulation 22 of the LODR requirements. The Policy is applicable to all Directors and Employees of the Company. The Policy is to deal with instance of unethical behaviour, actual or suspected fraud or violation of Company's code of conduct, if any. The said Policy is available on the website of the Company at **https://www.Meghmanifinechem.com/corporate-governance.**

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

As per the requirement of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made thereunder, your Company has constituted Internal Complaint Committee (ICC) as per requirement of the Act which is responsible for redressal of complaints relating to sexual harassment against woman at workplace. The Sexual Harassment of Women Policy formed is available on the website of the Company at **https://www. Meghmani finechem.com/corporate-governance.**

During the year, no complaint was lodged with the ICC nor any such instance was reported and the management was happy to take the same on record.

PARTICULARS OF EMPLOYEES:

Details of remuneration of Directors, KMPs and Employees as per Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed to this report as **Annexure - C.** However, as per the provisions of Section 136 of the Companies Act, 2013, the Annual Report is being sent to the Members and others entitled thereto, excluding the information on employees' remuneration particulars as required under Rule 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The disclosure is available for inspection by the Members at the Registered Office of your Company during business hours on all working days (except Saturday) of the Company up to the date of the ensuing AGM. Any Member interested in obtaining a copy thereof, may write to the Company Secretary of the Company.

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

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed to this report as **'Annexure - D'**

SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE AUTHORITY:

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status of the Company and its future operations.

CORPORATE GOVERNANCE:

The Report on Corporate Governance for FY2023, as per regulation 34(3) read with Schedule V of the Listing Regulations along with the Certificate from Practicing Company Secretary confirming the compliance with the conditions of Corporate Governance forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

As per Clause 34(2)(e) of the Listing Regulations, a detailed report on the Management Discussion and Analysis forms part of this Annual Report.

ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, the Annual Return as on 31st March, 2023 of the Company is available on Company's website and can be accessed, at **https://www.meghmanifinechem.com/corporate-governance.**

BUSINESS RESPONSIBLITY AND SUSTAINIBILITY REPORT:

As per Regulation 34 of Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) as a separate section forms part this Annual Report.

INSURANCE:

The Company's Plant, Property, Equipment and Stocks are adequately insured under the Industrial All Risk (IAR) Policy. The Company has insurance coverage for Product Liability and Public Liability Policy and Commercial General Liability (CGL). It also maintains various other types of insurance, such as Erection All Risk Policy for its major capital expenditure projects, Directors' and Officers' liability, Transit cover, Charterers' liability cover, Marine policy and Employee Benefit Insurance policies. The Company covers the properties on full sum insured basis on replacement value. The scope of coverage, insurance premiums, policy limits and deductibles are in line with the size of the Company and its nature of business.

ENVIRONMENT:

As a responsible corporate citizen and as a Chemicals manufacturer, environmental safety has been one of the key concerns of the Company. It is the constant endeavor of the Company to strive for compliant of stipulated pollution control norms.

INDUSTRIAL RELATIONS:

The relationship with the workmen and staff remained cordial and harmonious during the year and management received full cooperation from employees.

DETAILS OF NODAL OFFICER:

In accordance with Rule 7(2A) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the detail of Nodal Officer of the Company, for the purpose of coordination with Investor Education and Protection Fund (IEPF) Authority is as under:

Name:	**Mr. Kamlesh Mehta**
Designation:	Company Secretary and Compliance Officer
Postal Address:	"Meghmani House", B/h Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad - 380 015, Gujarat.
Telephone No.:	+91 79 7176 1000
E-mail ID:	**helpdesk@meghmanifinechem.com**

The Company has also displayed the above details of Nodal Officer at its Website at **www.meghmanifinechem.com**

OTHER DISCLOSURES AND INFORMATION:

(A) Secretarial Standards:

During the year under review, the Company is in Compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

(B) Annual Listing Fee:

The Company is listed with National Stock Exchange of India Limited and BSE Limited and paid Annual Listing fee to both the Stock Exchanges.

(C) No One Time Settlement:

There was no instance of one-time settlement with any Bank or Financial Institution.

ACKNOWLEDGMENT:

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. Customers, Members, Dealers, Vendors, Banks and other business partners for the excellent support received from them during the year. The Directors place on record unstinted commitment and continued contribution of the Employee to the Company.

For and on behalf of the Board

Maulik Patel
Chairman & Managing Director
(DIN - 02006947)

Date: 25th April, 2023
Place: Ahmedabad

ANNEXURE - A

Annual Report on Corporate Social Responsibility

[Pursuant to Section 134(3)(o) of the Companies Act, 2013 and
Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

Corporate Social Responsibility (CSR) is a commitment by the Company to integrate its economic growth with environmental care and social well-being. With this philosophy, the CSR policy has been formulated to undertake sustainable development activities by way of skill enhancement, sustainable environment, women empowerment, promotion of gender equality / preventive health care / sanitation / education, etc.

The Company's major CSR activities are undertaken through Meghmani Foundation and are complaint with CSR requirements as prescribed under Companies Act, 2013 (the 'Act') read with Schedule VII of the Act and rules framed thereunder.

2. Composition of CSR Committee:

Sr. No	Name of Director	Designation / Nature of Directorship	No. of Meetings of CSR Committee held during the year	No. of Meetings of CSR Committee attended during the year
1	Mr. Manubhai Patel	Chairman - Independent, Non-Executive Director	2	2
2	Mr. Maulik Patel	Member - Chairman & Managing Director	2	2
3	Mr. Kaushal Soparkar	Member - Whole-time Director	2	2
4	Mr. Ankit Patel	Member - Whole-time Director	2	2

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:
https://www.meghmanifinechem.com/corporate-social-responsibility/

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

5.	(a) Average net profit of the Company as per Section 135(5):	**₹228,33,24,613/-**
	(b) Two percent of average net profit of the Company as per Section 135(5):	**₹4,56,66,492/-**
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:	**Nil**
	(d) Amount required to be set off for the financial year, if any:	**Nil**
	(e) Total CSR obligation for the financial year (b + c - d):	**₹4,56,66,492/-**

6.	(a) Amount spent on CSR Projects (both Ongoing Project and other then Ongoing Project):	**₹75,00,000/-**
	(b) Amount spent in Administrative Overheads:	**Nil**
	(c) Amount spent in Impact Assessment, if applicable:	**Nil**
	(d) Total amount spent for F.Y. 2022-23 (a + b + c):	**₹75,00,000/-**

(e) CSR amount spent or unspent for the F.Y.

Total amount spent for F.Y. 2022-2023	Amount Unspent				
	Total amount transferred to unspent CSR account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provision to Section 135(5)		
	Amount	Date of transfer	Name of Fund	Amount	Date of transfer
₹75,00,000/-	**₹3,83,00,000/-**	**24.04.2023**	**-**	**-**	**-**

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

(₹ in Lakhs)

Sr. No	Particulars	Amount
(i)	Two percent of average net profit of the Company as per Section 135(5)	Nil
(ii)	Total amount spent for the F.Y. 2022-2023	Nil
(iii)	Excess amount spent for the F.Y. 2022-2023 [(ii)-(i)]	Nil
(iv)	Surplus arising out of CSR projects or programmes or activities of the previous F.Y.2021-2022	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)	Nil

7. Details of unspent CSR amount for the preceding three Financial Year:

(₹ in Lakhs)

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135 (6)	Balance Amount in Unspent CSR Account under Section 135 (6)	Amount spent in the Reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any.
					Amount	Date of Transfer		
1.	2019-2020	0.00	0.00	103.51	-	-	579.29	
2.	2020-2021	0.00	0.00	966.93	-	-	-	
3.	2021-2022	85.00	85.00	275.00	-	-	-	

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the F.Y. 2022-2023: **No**

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

The Company has constituted Meghmani Foundation, a section 8 Company to carry out the project of healthcare, educational institutions and other object as specified under Schedule VII of Companies Act, 2013. The Company has transferred unspent amount of Rs. 383 Lakhs to unspent CSR account on 24th April, 2023 which shall be utilized by Meghmani Foundation for the projects as specified above.

Maulik Patel
Chairman & Managing Director
(DIN: 02006947)

Manubhai Patel
Chairman CSR Committee
(DIN: 00132045)

ANNEXURE - B

Form No. MR - 3
Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED ON 31.03.2023

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

To,
The Members,
Meghmani Finechem Limited
Meghmani House,
B/h Safal Profitaire, Prahladnagar,
Satellite, Ahmedabad - 380015, Gujarat.

Dear Sirs,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of **MEGHMANI FINECHEM LIMITED, CIN L24100GJ2007PLC051717** (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon. It is further stated that we have also relied up on the scanned documents and other papers in digital/ electronic mode submitted to us by the official of the Company for the financial year ended on **31st March, 2023.**

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided in **digital/ electronic mode** by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended on 31st March, 2023 ("Audit Period"),** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

1. The Companies Act, 2013 (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018;
   d) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021; **(Not Applicable during the Audit Period)**;
   e) The Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021 **(Not Applicable during the Audit Period)**;
   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client 2009;
   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable during the Audit Period)**; and
   h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018; **(Not Applicable during the Audit Period)**;
6. The other laws, as informed and certified by the Management of the Company, which are specifically applicable to the Company based on the industry are as listed in **Annexure – I** and **we report that** based on the examination of the relevant documents and records, and as certified by the Management, Prima Faice it appears that the proper system exist in the Company to confirm compliance of the applicable laws.

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

   i. The Listing Agreements entered into by the Company with Stock Exchanges.

   ii. Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

iii. Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India.

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

We further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

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

We further report that during the audit period, there were no instances of:

(1) Public / Rights / Preferential issue of Shares / Debentures / Sweat Equity

(2) Redemption/Buy Back of Securities.

(3) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.

(4) Foreign Technical Collaborations.

(5) Merger / Amalgamation / Reconstruction etc.

Place: Ahmedabad
Date: 20th April, 2023

For, **SHAHS & ASSOCIATES**
Company Secretaries

Kaushik Shah
Partner
FCS No 2420 CP No 1414
UDIN: F002420E000133320
Peer Review No.833/2020

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

Annexure- "I"

1.	ENVIRONMENT PROTECTION ACT, 1986 & OTHER ENVIRONMENTAL LAWS
2.	THE GOODS AND SERVICES ACT, 2016
3.	INDUSTRIES DEVELOPMENT AND REGULATIONS ACT, 1951
4.	INDIAN BOILER ACT, 1923
5.	INDIAN EXPLOSIVE ACT, 1952 – POISON ACT, 1884
6.	INCOME TAX ACT, 1961
7.	PROFESSIONAL TAX, 1976
8.	NEGOTIABLE INSTRUMENT ACT, 1938
9.	THE FACTORIES ACT, 1948
10.	THE APPRENTICE ACT, 1961
11.	THE INDUSTRIAL DISPUTE ACT, 1947
12.	THE PAYMENT OF WAGES ACT, 1965
13.	THE PAYMENT OF BONUS ACT, 1965
14.	THE PAYMENT OF GRATUITY ACT, 1972
15.	THE MINIMUM WAGES ACT, 1946
16.	THE TRADE UNION ACT, 1926
17.	THE EMPLOYMENT EXCHANGE ACT 1952
18.	THE EMPLOYEES PROVIDENT FUND & MISC. PROVISIONS ACT, 1952
19.	INDUSTRIAL EMPLOYMENT (STANDING ORDERS) ACT, 946 & RULES 1957
20.	CHILD LABOUR (P&R) ACT,1986 & RULES
21.	INDIAN BOILER ACT, 1923 & REGULATIONS
22.	INDIAN STAMP ACT, 1899
23.	THE FOREIGN TRADE (DEVELOPMENT AND REGULATION) ACT, 1992
24.	CUSTOMS ACT, 1962
25.	THE TRADEMARKS ACT, 1999
26.	PETROLEUM ACT 1934, RULES 1976
27.	OZONE DEPLETING SUBSTANCE (REGULATIONS & CONTROL) RULE 2000

Place: Ahmedabad
Date: 20th April, 2023

For, **SHAHS & ASSOCIATES**
Company Secretaries

Kaushik Shah
Partner
FCS No 2420 CP No 1414
UDIN: F002420E000133320
Peer Review No.833/2020

Annexure "II"

To,
The Members,
Meghmani Finechem Limited
Meghmani House,
B/h Safal Profitaire, Prahladnagar,
Satellite, Ahmedabad - 380015, Gujarat.

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the Auditing Standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

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

d. The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management.

e. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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.

Place: Ahmedabad
Date: 20th April, 2023

For, **SHAHS & ASSOCIATES**
Company Secretaries

Kaushik Shah
Partner
FCS No 2420 CP No 1414
UDIN: F002420E000133320
Peer Review No.833/2020

ANNEXURE - C

Statement of Disclosure of Remuneration

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

i. the ratio of the remuneration of each Working Director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in the financial year 2023:

Sr. No.	Name	Ratio to median remuneration	% increase in remuneration
Executive Directors			
1	Mr. Maulik Patel, Chairman & Managing Director	107	95.14
2	Mr. Kaushal Soparkar, Managing Director	107	95.14
3	Mr. Ankit Patel, Executive Director	107	95.14
4	Mr. Karana Patel, Executive Director	67	87.67
5	Mr. Darshan Patel, Executive Director	47	79.84
Key Managerial Personnel			
6	Mr. Sanjay Jain, Chief Financial Officer	-	12.00
7	Mr. Kamlesh Mehta, Company Secretary	-	12.00

The Non-Executive Independent Directors of the Company are entitled for sitting fees as per the statutory provisions and are within the prescribed limits. The details of sitting fees paid to independent directors are provided in the Corporate Governance Report that forms part of this Annual Report.

ii. Percentage increase in the median remuneration of employees in the financial year 2023: **15.59%**

iii. Number of permanent employees on the rolls of the Company as on 31st March, 2023: **901**

iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstance for increase in managerial remuneration:

Average percentile increase in remuneration of employees other than managerial personnel was 13.50% and average increase in remuneration of managerial personnel was around 12%.

v. The key parameters for any variable component of remuneration availed by the Executive Directors are considered by the Board of Directors as per the Remuneration Policy of the Company.

vi. It is affirmed that the Remuneration paid is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Maulik Patel
Chairman & Managing Director
(DIN - 02006947)

Date: 25th April, 2023
Place: Ahmedabad

ANNEXURE - D

Convervation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[A] CONSERVATION OF ENERGY:

A	The steps taken / impact on conservation of energy:	LED lights,Flip flop screen in coal plant Raw water and STP water recovery system Coal feeling directly through DCF removed pocket feeder Stoppage of Old VAM Cooling tower thru innovative changes Stoppage of Cooling Tower Fan Stoppage of one Air Compressor
B	The steps taken by the Company for utilising Alternate Sources of Energy	Hybrid Power 18.3 MW
C	The capital investment on energy conservation equipment:	The Company has invested ~ ₹106 Lakhs and expect to have saving of ₹319 Lakhs

[B] Technology Absorption:

Technology Absorption, Adoption and Innovation:

A	Efforts, in brief, made towards technology absorption, adoption and innovation.	Absorption of technology form Technology India for purification of Glycerine.
B	Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitution etc.	Refined Glycerine will be used as Raw material in ECH manufacturing there by resulting in cost reduction.
C	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year:	-
	The details of the technology imported :-	NA
	The year of import	NA
	Whether the technology been fully absorbed	NA
	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof,	NA
D	Research & Development	
	Specific areas in which R & D is carried out by the Company.	No
	Benefits derived as a result of the above R & D.	No
	Future Plan of Action	The Company is in the process of setting up R&D Centre at Changodar, Ahmedabad.
	Expenditure on R & D	₹25 Crores (Approx. Expenditure to be incurred)

[C] Foreign Exchange Earnings and Outgo:

(₹ in Lakhs)

PARTICULARS	2022-2023	2021-2022
a. Foreign Exchange earned	11419.43	845.79
b. Foreign Exchange outgo	32948.27	26648.54

For and on behalf of the Board

Maulik Patel
Chairman & Managing Director
(DIN - 02006947)

Date: 25th April, 2023
Place: Ahmedabad

Corporate Governance Report

1. COMPLIANCE OF CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on Corporate Governance for the financial year ended 31st March, 2023 in compliance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

2. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a synthesis of business elements & ethics encompassing accountability, transparency, fairness, responsibility, risk management, sustainability & so on, that not only enhances the organizational growth and values but also generates trust among all its shareholders and other stakeholders.

The Directors and Management of the Company believes in constructive and progressive Corporate Governance principle and are committed to maintain high standards of Corporate Governance in conducting its business and ensure that an effective self-regulatory mechanism exists to protect the interest of all the Stakeholders be it Employees, Investors, Customers, Suppliers, Financiers, Government and Community at large.

The Company is in compliance with the requirements stipulated under the provisions of Regulations 17 to 27 read with Regulation 34(2) and Schedule V of the Listing Regulations.

3. BOARD OF DIRECTORS

(a) COMPOSITION AND CATEGORY OF DIRECTORS:

The composition of the Board of Directors was in conformity with the provisions of Section 149 of the Companies Act, 2013 ('the Act') and Regulation 17 of the Listing Regulations during the period under review. The strength of the Board of Directors as on 31st March, 2023 consisted of Ten (10) Directors comprising of One (1) Chairman and Managing Director, One (1) Managing Director, Three (3) Executive Directors [all being Promoter-Directors] and Five (5) Non-Executive Independent Directors (including One Independent Woman Director). The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities. The Board presently, does not have any nominee director.

In view of the scope and the nature of the Company's operations, the present size of the Board is appropriate for effective decision making. The Board of Directors has ultimate responsibility for the management, general affairs, direction, performance and long-term success of business.

(b) ATTENDANCE OF DIRECTORS AT BOARD & ANNUAL GENERAL MEETING:

The Board meets at regular intervals on a quarterly basis to discuss and decide on business policies and strategies apart from other Board businesses. An ad-hoc meeting is convened as and when circumstances require. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The Company in consultation with the Directors prepares the Annual calendar of meetings and circulates a tentative Schedule for the meeting of the Board and Committee in order to facilitate the Directors to plan their schedules.

The Board meetings are normally held at Registered Office of the Company situated at Meghmani House, B/h Safal Profitaire, Corporate Road, Prahlad Nagar, Ahmedabad – 380 015. The details of attendance of the Directors at the Board Meeting during the year and at Annual General Meeting are given below:

Name of Director	Category of Directors	Board Meeting attended	AGM Attended
Mr. Maulik Patel	C.M.D.	4	Yes
Mr. Kaushal Soparkar	M.D. & CEO	4	Yes
Mr. Ankit Patel	E.D.	4	Yes
Mr. Karana Patel	E.D.	4	Yes
Mr. Darshan Patel	E.D.	4	Yes
Mr. Manubhai Patel	I.N.E.D.	4	Yes
Mrs. Nirali Parikh	I.N.E.D. (Woman Director)	4	Yes
Mr. Sanjay Asher	I.N.E.D.	4	Yes
Mr. Kanubhai Patel	I.N.E.D.	3	Yes
Mr. Raju Swamy	I.N.E.D.	4	Yes

C.M.D.: Chairman & Managing Director; M.D.: Managing Director; E.D.: Executive Director; I.N.E.D.: Independent Non-Executive Director; CEO: Chief Executive Officer

(c) DIRECTORSHIPS AND MEMBERSHIP ON COMMITTEES:

The Company has obtained the requisite disclosures from the Directors in respect of their Directorships and Memberships in Committees of other Companies, the details of which are given below:

Name of Director	Category of Directors	Directorship in other Public Limited Companies[1]	No. of Committee Positions held in Indian Public Limited Companies[2]	
			Member	Chairman
Mr. Maulik Patel	C.M.D.	3	1	-
Mr. Kaushal Soparkar	M.D. & CEO	3	-	-
Mr. Ankit Patel	E.D.	4	-	-
Mr. Karana Patel	E.D.	3	-	-
Mr. Darshan Patel	E.D.	4	-	-
Mr. Manubhai Patel[3]	I.N.E.D.	5	-	4
Mrs. Nirali Parikh	I.N.E.D.	1	2	-

MFL

Name of Director	Category of Directors	Directorship in other Public Limited Companies[1]	No. of Committee Positions held in Indian Public Limited Companies[2]	
			Member	Chairman
Mr. Sanjay Asher	I.N.E.D.	9	6	4
Mr. Kanubhai Patel	I.N.E.D.	3	2	-
Mr. Raju Swamy	I.N.E.D.	1	-	-

1 Excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies:

2 Committees considered are Audit Committee & Shareholders and Stakeholder's Relationship Committee.

3 During the year, Mr. Manubhai Patel was re-appointed as Non-Executive Independent Director for a Second term of five consecutive years w.e.f. 27.06.2022

All the Directors are in compliance with the provisions of the Act and Listing Regulations, in this regard.

The details of the Directors with respect to directorships in other listed entities along with category are as under:

S. No.	Name	Name of other listed entities	Category
1.	Mr. Sanjay Asher	Deepak Nitrite Limited	Independent Director
		Ashok Leyland Limited	Independent Director
		Sudarshan Chemical Industries Limited	Independent Director
		Sonata Software Limited	Independent Director
		Indusind Bank Limited	Independent Director
		Sun Pharmaceutical Industries Limited	Independent Director
2.	Mr. Kanubhai Patel	Voltamp Transformers Limited	Managing Director
3.	Mr. Manubhai Patel	Meghmani Organics Limited	Independent Director

(d) NUMBER OF BOARD MEETINGS HELD:

The Board met Four (4) times during the F. Y. 2022-2023 on 25.04.2022, 21.07.2022, 20.10.2022 and 19.01.2023. The time elapsed between any two consecutive meetings did not exceed 120 days.

(e) DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTOR INTER-SE:

None of the Directors of the Company have any inter-se relationship except between Mr. Maulik Patel, Mr. Ankit Patel, Mr. Karana Patel and Mr. Darshan Patel as they are cousin brothers.

(f) NUMBER OF SHARES HELD BY NON EXECUTIVE DIRECTORS:

Particulars of number of shares held by the Non-Executive Directors as on 31st March, 2023 is given below:

Name of Non-Executive Director	No. of Equity Shares held
Mr. Manubhai Patel	Nil
Mr. Sanjay Asher	Nil
Ms. Nirali Parikh	Nil
Mr. Raju Swamy	4324
Mr. Kanubhai Patel	940

(g) FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTOR:

All new Independent Directors are taken through a detailed induction and familiarization programme when they join the Board of the Company. As part of the induction sessions, the Chairman and Managing Director provide an overview of the organization, history, culture, values and purpose. The Business and Functional Heads take the Independent Directors through their respective businesses and functions.

The Company has formed the procedure to explain in detail the compliances required under the Act and Listing Regulations, to independent directors. The details of familiarization programme of Independent Directors is available on the website of the Company at **https://www.meghmanifinechem.com** in the Investor Section.

(h) SKILLS/EXPERTISE/COMPETENCIES OF THE BOARD OF DIRECTOR:

The Board as on 31st March, 2023 comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees.

The table below summarizes the list of core skills, expertise, competencies identified by the Board as required in the context of the Company's business and as possessed by individual members of the Board. -

Name of the Director	Skill / Expertise/ Competence
Mr. Maulik Patel	Leadership, Strategic Planning, Technical Expertise, Production, Corporate Affairs and Policy decision making
Mr. Kaushal Soparkar	Leadership, Information Technology, Technical, Marketing
Mr. Ankit Patel	Leadership, Finance and Corporate Affairs
Mr. Karana Patel	Leadership, Purchases & Negotiations
Mr. Darshan Patel	Leadership, Human Resource & Administration

Name of the Director	Skill / Expertise/ Competence
Mr. Manubhai Patel	Industry Experience, Corporate Governance Finance, Taxation, Forex, Treasury & Credit Management.
Ms. Nirali Parikh	Specialization in Finance and Marketing, Financial, Regulatory, Marketing.
Mr. Sanjay Asher	Corporate Governance, Legal, Specialization in Mergers & Acquisition, Cross border M&A, Joint Ventures, Capital markets, Leadership.
Mr. Kanubhai Patel	Finance-Accounts, Legal, Corporate Affairs, Marketing, General Management of the Company, including Strategic Planning and Leadership.
Mr. Raju Swamy	Leadership, Management, Administration, Succession Planning

(i) INDEPENDENT DIRECTORS:

Independent Directors play an important role in the governance processes of the Board. They bring with them their expertise and experience for fruitful discussions and deliberations at the Board. This betters the decision making process at the Board.

The Independent Directors have been appointed for a fixed term of 5 (five) years from their respective dates of appointment with an option to retire from the office at any time during the term of appointment. Their appointment has been approved by the Members of the Company. The Independent Directors have confirmed that they meet with the criteria of independence laid down under the Act, the Code and Listing Regulations.

(j) LIMIT ON NUMBER OF DIRECTORSHIP:

None of the Director of the Company is holding Directorship in more than 10 Public Limited Companies and none of an Independent Directors serve as an Independent Director in more than 7 (Seven) Listed Companies.

None of the Director of the Company is appointed in more than 10 Committees or is acting as Chairman in more than 5 (Five) Committees across all the Companies in which he is a Director.

(k) SEPARATE MEETING OF INDEPENDENT DIRECTOR:

In accordance with provisions of Regulation 25(3) of the SEBI Listing Regulation read with Schedule IV of the Companies Act, 2013 the Independent Directors separately met on 19th January, 2023, without the attendance of Non-Independent Directors and Management Personnel of the Company. The meeting was held with the objective of reviewing the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company.

They also have a separate meeting with the Chairman of the Board, to discuss issues and concerns, if any.

(l) ISSUANCE OF LETTER OF APPOINTMENT:

The Independent Directors are given a formal appointment letter inter alia containing the term of appointment, role, duties and responsibilities, time commitment, remuneration, insurance, code of conduct, training and development, performance evaluation process, disclosure, confidentiality, etc.

(m) BOARD'S ROLE:

The Board's role is to:

(1) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;

(2) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;

(3) identify the key stakeholder groups and recognize that their perceptions which may affect the Company's reputation;

(4) set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met;

(5) consider sustainability issues, e.g. environmental, governance and social factors, as part of its strategic formulations

(6) review and approve the recommended remuneration framework and packages for the Board and key management personnel;

(7) review the performance of the Board, set the criteria for selection of directors and to nominate directors for shareholders' approval; and

(8) ensure that communications with shareholders are accurate, adequate and timely.

To assist the Board in the execution of its responsibilities, the Board has constituted various Board committees, namely the Audit Committee, Nomination and Remuneration Committee, Shareholders/ Investors Grievances Committee, Corporate Social Responsibility Committee and Risk Management Committee.

The role and function of each committee is described in subsequent sections in this report. While these committees are delegated with certain responsibilities, the ultimate responsibility for the final decision lies with the entire Board.

All Board Committees are constituted with clear Terms of Reference to assist the Board in discharging its functions and responsibilities.

(n) CHAIRMAN'S RESPONSIBILITY:

The Board believes that there is sufficient element of independence and adequate safeguards against a concentration of power in one single person.

The Chairman is responsible, among others: -

i. To lead the Board to ensure its effectiveness on all aspects of its role;

ii. To set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;

iii. To promote a culture of openness and debate at the Board;

iv. To ensure that the directors receive complete, adequate and timely information;

v. To ensure effective communication with shareholders;

vi. To encourage constructive relations within the Board and between the Board and management;

vii. To facilitate the effective contribution of non-executive directors in particular; and

viii. To promote high standards of corporate governance.

(o) AGENDA FOR BOARD MEETING:

Agenda and Notes on Agenda are circulated to the Directors at least 7 days in advance, in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful discussion.

The Board business generally includes consideration of important corporate actions and events including: -

- Quarterly and Annual Financial results announcements;
- Oversight of the performance of the business;
- Declaration of Dividends, if any;
- Development and Approval of overall business strategy;
- Board succession planning;
- Review of the functioning of the Committees; and
- Other strategic, transactional and governance matters as required under the Act, Listing Regulations.

The followings are generally tabled for information, review and approval of the Board:

- Annual Operating Plans & Budgets;
- The information on recruitment and remuneration of Senior Officers just below the level of Board of Directors, including Appointment or Removal of Chief Financial Officer and the Company Secretary;
- Show cause Notices, Demand Notices, Prosecution Notices and Penalty Notices, which are materially important;
- Fatal or Serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the entity;
- Details of any Joint Venture or Collaboration Agreement;
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property;
- Significant labour problems and their proposed solutions;
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.;

The Board works with management to achieve this objective and the management remains accountable to the Board.

(p) RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS:

As per Secretarial Standard 1 (SS-1) issued by The Institute of Company Secretaries of India (ICSI), the Company Secretary records the minutes of the proceedings of each Board and Committee meetings.

(q) POST MEETING FOLLOW-UP MECHANISM:

The Company has an effective post meeting follow-up, review and reporting process mechanism for the decisions taken by the Board/Committees. Important decisions taken at the Board/ Committee meetings are communicated to the concerned Functional Heads promptly. Action Taken Report on previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee members.

(r) COMPLIANCE REPORT:

While preparing the Agenda adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 2013 read with rules framed thereunder and Secretarial standard issued by ICSI. The Board periodically reviews statutory compliance reports of all laws applicable to the Company. The Company have Installed Legatrix module for better legal compliance & monitoring.

(s) ACCESS TO INFORMATION:

The Directors have separate and independent access to the Company's management and the Company Secretary at all times. The Directors are entitled to request from management and should be provided with such information as needed to make informed decisions in a timely manner. The Board is informed of all material events and transactions as and when they occurred.

Should the Directors, whether individually or collectively, require independent professional advice; such professionals will be selected with the approval of the Chairman of the respective Committees requiring such advice, and is appointed at the expenses of the Company.

The Company Secretary attends all the Board and Board Committee meetings and attends to the Corporate Secretarial Administration matters, ensuring that the Board procedures are followed and that applicable rules and regulations are complied with.

(t) CHAIRMAN AND CEO:

Mr. Maulik Patel – Chairman and Managing Director, leads the Board to ensure effectiveness of all aspects of its role. The Chairman sets the meeting agenda and ensures that the Directors are provided with complete, adequate and timely information. The Chairman ensures that discussions and deliberations are effective and promote a culture of openness and debate at Board meetings. The Chairman encourages constructive relations within the Board and between the Board and Management.

The Chairman also facilitates the effective contribution of the Non-Executive Directors and promotes high standards of corporate governance.

Mr. Kaushal Soparkar - CEO, is responsible for executing the strategic plans set out by the Board and ensures that the Directors are regularly kept updated and informed of the business.

4. COMMITTEES OF THE BOARD OF DIRECTORS:

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework designed by the Board and make specific recommendations to the Board on matters in their areas or purview.

All decisions and recommendations of the Committees are placed before the Board for information or for approval, wherever required. To enable better and more focused attention on the affairs of the Company, the Board has delegated particular matters to the Committees of the Board set up for the purpose.

The Board has following five statutory committees constituted as on 31st March 2023:

(1) Audit Committee (AC)

(2) Nomination and Remuneration Committee (NRC)

(3) Shareholders / Investors Grievances, Share Allotment, Share Transfer & Stake Holders Relationship Committee (SRC)

(4) Corporate Social Responsibility Committee (CSR)

(5) Risk Management Committee (RMC) [Constituted on 25th April, 2022]

The terms of reference of the Committees are determined by the Board from time to time. The respective Chairman of the Committee informs the summary of discussions held in the Committee Meetings to the Board.

The Minutes of the Committee Meetings are tabled at the respective Committee Meetings. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

5. AUDIT COMMITTEE

The Audit Committee acts as a link between the Statutory Auditors, Internal Auditors and the Board. The Board has constituted a qualified and independent Audit Committee in line with the provisions of Regulation 18 of the Listing Regulations, read with Section 177 of the Companies Act, 2013 and is in due compliance of all the provisions stated therein. The Committee has full access to financial information.

(a) TERMS OF REFERENCE:

The terms of reference of the Audit Committee are as set out in Part C of Schedule II of SEBI (LODR) 2015 read with Section 177 of the Companies Act 2013.

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

b. changes, if any, in accounting policies and practices and reasons for the same;

c. major accounting entries involving estimates based on the exercise of judgment by management;

d. significant adjustments made in the financial statements arising out of audit findings;

e. compliance with listing and other legal requirements relating to financial statements;

f. disclosure of any related party transactions;

g. modified opinion(s) in the draft audit report;

5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. 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;
7. reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. mandatorily reviewing the following information:
    i. management discussion and analysis of financial condition and results of operations;
    ii. statement of significant Related Party Transactions ("RPT") (as defined by the Audit Committee), submitted by management;
    iii. management letters / letters of internal control weaknesses issued by the statutory auditors;
    iv. internal audit reports relating to internal control weaknesses; and
    v. the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.
    vi. statement of deviations:
        (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations
        (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of Listing Regulations.

All the recommendations made by the Committee during the year under review were accepted by the Board.

(b) COMPOSITION OF AUDIT COMMITTEE:

As on 31st March, 2023, the Audit Committee comprised of Three (3) Independent Directors. All members of the Audit Committee are financially literate having expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. The composition of the Audit Committee is given below:

Name of the Director	Category	Qualification
Mr. Manubhai Patel **Chairman**	I.N.E.D.	Chartered Accountant
Ms. Nirali Parikh **Member**	I.N.E.D.	MBA (Finance & Accounts)
Mr. Kanubhai Patel **Member**	I.N.E.D.	Chartered Accountant
Mr. Kaushal Soparkar* **Member**	M.D. & CEO	B.S. (Chemical), M.S. (Engineering Management)

*Mr. Kaushal Soparkar resigned w.e.f. 21.07.2022.

Mr. K. D. Mehta, Company Secretary, acts as the Secretary of the Audit Committee.

(c) MEETINGS AND ATTENDANCE:

The Committee met Four (4) times during the F.Y. 2022-2023 on 25.04.2022, 21.07.2022, 20.10.2022 & 19.01.2023 and that the time elapsed between any two consecutive meetings did not exceed 120 days.

Name of the Director	No. of meetings attended
Mr. Manubhai Patel	4
Mr. Kaushal Soparkar	1
Ms. Nirali Parikh	4
Mr. Kanubhai Patel	3

*Mr. Kaushal Soparkar resigned w.e.f. 21.07.2022 to comply with listing rules.

The meetings of Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors and Internal Auditor as special invitees.

The Audit Committee also meets the internal and external auditors separately, without the presence of Management Representatives. The Internal Auditors and Statutory Auditors of the Company discuss their audit findings and updates with the Committee and submit their views directly to the Committee. The discussions are held with the Internal Auditors to focus on compliance issues and to conduct detailed reviews of the processes and internal controls in the Company.

The minutes of each Audit Committee meeting are placed in the next meeting of the Board.

Mr. Manubhai Patel, Chairman of the Committee, was present at the last AGM held on 27th June, 2022.

(d) INTERNAL AUDIT FUNCTION:

The Company has outsourced the Internal Audit function to a professional firm M/s. C N K Khandwala & Associates, Chartered Accountants. The Internal Auditor reports directly to the Chairman of the Audit Committee ("AC") on internal audit matters, which inter-alia includes:

- approval or any subsequent modification of related party transactions;
- scrutinization of inter-corporate loans and investments;
- ascertaining of valuation of undertakings or assets, wherever it is necessary;
- evaluation of internal financial controls and risk management systems
- discussion of any significant findings and follow up action thereon.
- reviewing the functioning of the whistle blower mechanism;
- grant of omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions.
- carrying out of any other functions as mentioned in the terms of reference of the audit committee.

(e) Total fees for all services paid by the Company to the **Statutory Auditors** is given below:

(₹ in Lakhs)

M/s. S R B C & Co. LLP	FY 2022-23
Audit Fees	25.00
Reimbursement of Expenses	0.96
Total	**25.96**

(f) MAINTENANCE OF FINANCIAL RECORDS:

Based on reports submitted by the external and internal auditors, the system of internal controls, including that of financial, operational, compliance, information technology, and risk management systems maintained by the management was in place throughout the financial year and up to date of this report, the Board, with the concurrence of the Audit Committee and assurance of the management (including Chief Executive Officer and Chief Financial Officer) as well as the Internal Auditors, are of the opinion that:

(a) the financial records have been properly maintained and financial statements give a true and fair view of the Company's operations and finances; and

(b) the system of internal controls, including financial, operational, compliance, information technology, and risk management systems are adequate and effective as at the date of this report.

To ensure the adequacy of the internal audit function, the Audit Committee reviews and approves, on an annual basis, the internal audit plans and the resources required to adequately performing this function.

However, the Board and management acknowledge that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities.

(g) REVIEW OF INFORMATION BY AUDIT COMMITTEE (AC):

AC has reviewed and satisfied that the Company's internal audit function is adequately resourced and has appropriate standing within the Company. AC has also reviewed:

(1) Management Discussion Analysis of financial condition and results of operation:

(2) Statement of significant Related Party Transactions submitted by management.

(3) Internal Audit Reports relating to internal control weaknesses.

(h) ASSURANCE FROM CEO AND CFO:

The Board has received assurance from Chief Executive Officer (CEO) and Chief Financial Officer (CFO) ensuring that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and the effectiveness of the Company's risk management and internal control systems are operating effectively in all material respects, based on the criteria for effective internal control established.

6. NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Board has constituted the Nomination and Remuneration Committee in line with the provisions of Regulation 19 of the Listing Regulations read with Section 178 of the Companies Act, 2013 and is in compliance of all the provisions stated therein.

(a) TERMS OF REFERENCE:

The Nomination and Remuneration Committee (NRC) aims at establishing a formal and transparent process for the appointment / re-appointment of Directors. The Nomination Committee is responsible to:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
2. formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
3. devising a policy on diversity of Board of Directors;
4. identifying persons who are qualified to become Directors and who may be appointed in Senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
5. whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Director.
6. recommend the Board, all remuneration, in whatever form, payable to Senior management.
7. make recommendations to the Board on the appointment of new Executive and Non-Executive Directors, Key Managerial Personnel and other employees;
8. review the Board structure, size and composition, having regard to the principles of the Code;
9. assess nominees or candidates for appointment or election to the Board, determining whether or not such nominee has the requisite qualifications and whether or not he/she is independent;
10. put in place plans for succession, in particular, for the Chairman of the Board and Chief Executive Officer of the Company;
11. make recommendations to the Board for the continuation in services of any Executive Director who has reached the age of 70 (Seventy) years;
12. recommend Directors who are retiring by rotation to be put forward for re-election;
13. decide whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple Board representations;
14. recommend to the Board internal guidelines to address the competing time commitments faced by Directors who serve on multiple boards;

15. qualifications, positive attributes and independence of a Director; for evaluation of performance of Independent Directors and the Board of Directors;
16. recommend to the Board a framework of remuneration and specific remuneration packages for all Directors of the Company, Key Managerial Personnel (KMP) and other Senior Management Personnel;
17. review the service contracts of the Executive Directors;
18. carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the NRC by the Board of Directors from time to time;
19. reviewing and enhancing on the compensation structure to incentive performance base for key executives;
20. ensure that the remuneration packages are comparable within the industry and comparable Companies and include a performance-related element coupled with appropriate and meaningful measures of assessing individual Executive Director's performance.
21. facilitate the transparency, accountability and reasonableness of the remuneration of Director and Senior Management Personnel.
22. recommend to the Board a framework of remuneration for the Directors,
23. all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by the Nomination and Remuneration Committee.

(b) COMPOSITION & MEETINGS OF NOMINATION AND REMUNERATION COMMITTEE:

As on 31st March, 2023, the Nomination & Remuneration Committee comprised of three (3) Non-Executive Independent Directors. One (1) meeting of the Nomination and Remuneration Committee were held on 25.04.2022.

The composition of the Nomination & Remuneration Committee and the details of meetings attended by its members are appearing hereinafter:

Name of the Director	Category	No. of Meetings attended
Mr. Manubhai Patel **Chairman**	I.N.E.D.	1
Ms. Nirali Parikh **Member**	I.N.E.D.	1
Mr. Sanjay Asher **Member**	I.N.E.D.	1

Each member of the NRC shall abstain from voting on any resolution in respect of his remuneration package.

(c) PERFORMANCE EVALUATION OF BOARD & INDIVIDUAL DIRECTORS:

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including the Independent Directors. Pursuant to the provisions of the Act and Listing Regulations, the Board carries out the Annual performance evaluation of the Board as well as the evaluation of the working of its Committees.

A separate exercise is also carried out to evaluate the performance of individual Directors. The Chairman of the Board of Directors and the Chairman of Nomination and Remuneration Committee meets all the Directors individually to get an overview of functioning of the Board and its constituents inter alia on the following broad criteria:

- attendance and acquaintance with business level of participation,
- independence of judgement exercised by Independent Directors,
- vision and strategy
- Interpersonal relationship etc.
- effective participation, domain knowledge,

Based on the valuable inputs received from the Directors, an action plan is drawn up to encourage greater engagement of the Independent Directors with the Company.

(d) NOMINATION PROCESS FOR NEW DIRECTORS:

The search and nomination process for new Directors are through database of Independent Directors, personal contacts and recommendations of the Director. NRC reviews and assess candidates before making recommendation to the Board.

NRC also take the lead in identifying, evaluating and selecting suitable candidate for new Directorship. In its search and selection process, NRC considers factors such as commitment and the ability of the prospective candidate to contribute to discussions, deliberations and activities of the Board and Board Committees.

(e) PECUNIARY RELATIONSHIP OR TRANSACTION:

There is no other pecuniary relationship or transaction by the Company with Non-Executive Directors.

(f) PAYMENT TO EXECUTIVE DIRECTORS:

The Company pays remuneration to its Chairman Managing Director and Executive Directors by way of Salary, Performance Bonus and Perquisites.

(g) PAYMENT TO NON EXECUTIVE DIRECTORS:

The Non-Executive Directors are not paid any compensation / commission / other fees except sitting fees for attending Board and its Committees meetings. The Board has fixed the sitting fees payable to Non-Executive Directors within the limits prescribed under the Act. The criteria of making payments to Non-Executive Directors is available on Company's website at **www.meghmanifinechem.com.**

The details of sitting fees paid to Non-Executive Directors for the year ended 31st March, 2023 are as under:

(₹ in Lakhs)

Name of Independent Director	Sitting Fees
Mr. Manubhai Patel	7.75
Ms. Nirali Parikh	7.00
Mr. Sanjay Asher	4.00
Mr. Kanubhai Patel	4.75
Mr. Raju Swamy	3.25
Total	**26.75**

(h) REMUNERATION TO DIRECTORS:

The members at the Annual General Meeting held on 27th June, 2022 has approved the re-appointment and terms of remuneration payable to Mr. Maulik Patel - Chairman and Managing Director, Mr. Kaushal Soparkar - Managing Director & CEO, Mr. Ankit Patel, Mr. Karana Patel and Mr. Darshan Patel – Executive Directors (collectively referred to as "Working Directors") for a period of 5 years from 1st April, 2022.

In FY 2022-23, the Company has paid ₹40.32 Lakh as Salary and Perquisites to each of the Working Directors. Apart from this, the Company has also paid Performance Bonus of ₹2300 Lakh (collectively) to Working Directors. The remuneration paid is within the limits approved by the Shareholders.

The details of Remuneration paid to Working Directors for the year ended 31st March, 2023 are as under:

(₹ in Lakhs)

Name of Director	Salary & Perquisites	Performance Bonus
Mr. Maulik Patel	40.32	575.00
Mr. Kaushal Soparkar	40.32	575.00
Mr. Ankit Patel	40.32	575.00
Mr. Karana Patel	40.32	345.00
Mr. Darshan Patel	40.32	230.00
Total	**201.60**	**2300.00**

The Company is providing remuneration to its Executive Directors in compliance with Section II of Part II of Schedule V of the Companies, Act, 2013.

The Company does not have any Employee Share Option Scheme or Employee Stock Purchase Scheme or any Long Term incentive scheme.

7. SHAREHOLDERS'/INVESTORS' GRIEVANCES, SHARE ALLOTMENT, SHARE TRANSFER AND STAKE HOLDER RELATIONSHIP COMMITTEE (STAKEHOLDERS' RELATIONSHIP COMMITTEE - SRC)

The Board has constituted the Stakeholders' Relationship Committee in line with the provisions of Regulation 20 of the Listing Regulations, read with Section 178 of the Companies Act, 2013 and is in due compliance of all the provisions stated therein.

(a) TERMS OF REFERENCE:

1. to allot equity shares of the Company;
2. efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
3. redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc.;
4. issue of duplicate / split / consolidated share certificates;
5. allotment and listing of shares;
6. review of cases for refusal of transfer / transmission of shares and debentures;
7. reference to statutory and regulatory authorities regarding investor grievances;
8. to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

(b) COMPOSITION & MEETINGS OF SRC COMMITTEE:

As on 31st March, 2023, the Stakeholders' Relationship Committee comprised of Two (2) Non-Executive Independent Directors and one (1) Executive Director. Two (2) meeting of the SRC were held on 25.04.2022 & 20.10.2022

The composition of the SRC Committee and the details of meetings attended by its members are appearing hereinafter:

Name of Director	Category	No. of Meetings attended
Mr. Manubhai Patel **Chairman**	I.N.E.D.	2
Ms. Nirali Parikh **Member**	I.N.E.D.	2
Mr. Maulik Patel **Member**	C.M.D.	2

During the year under review, 5 shareholders' complaints were received and 5 were resolved, resulting in no shareholders' complaint pending as end of the financial year.

Mr. K. D. Mehta act as Company Secretary & Compliance officer.

8. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility (CSR) Committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013 and is in due compliance of all the provisions stated therein.

The Company has always been mindful of its obligations vis-à-vis the communities it impacts and has been pursuing various CSR activities long before it became mandated by law.

(a) **TERMS OF REFERENCE:**

The terms of reference of the Corporate Social Responsibility Committee include the following:

1. to formulate and recommend to the board of directors, the CSR Policy, indicating the CSR activities to be undertaken as per Companies Act, 2013, as amended;
2. to review and recommend the amount of expenditure to be incurred on the activities to be undertaken;
3. to monitor the CSR Policy of the Company from time to time;
4. any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

(b) **COMPOSITION & MEETINGS OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

As on 31st March, 2023, the Corporate Social Responsibility Committee (CSR) comprised of One (1) Non-Executive Independent Directors and Three (3) Executive Directors. Two (2) meetings of the Corporate Social Responsibility Committee were held on 25.04.2022 and 19.01.2023.

The composition of the Corporate Social Responsibility Committee and the details of meetings attended by its members are appearing hereinafter:

Name of Director	Category	No. of Meetings attended
Mr. Manubhai Patel **Chairman**	I.N.E.D.	2
Mr. Maulik Patel **Member**	C.M.D.	2
Mr. Kaushal Soparkar **Member**	M.D. & CEO	2
Mr. Ankit Patel **Member**	E.D.	2

During the year the Company has spent ₹75,00,000/- towards CSR activities.

The unspent amount of ₹3,83,00,000/- has been transferred on 24th April, 2023 to Special Bank account under the head Unspent CSR amount opened with Kotak Mahindra Bank Limited. The amount would have to be spent within a period of three years plus current year period for ongoing projects.

9. RISK MANAGEMENT COMMITTEE

The Board has constituted the Risk Management Committee in line with the provisions of Regulation 21 of the Listing Regulations, read with Section 178 of the Companies Act, 2013 and is in due compliance of all the provisions stated therein.

(a) **TERMS OF REFERENCE:**

The terms of reference of the Risk Management Committee include the following:

1. formulate a detailed risk management policy which shall include:
   (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   (c) Business continuity plan.
2. ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

(b) **COMPOSITION & MEETINGS OF RISK MANAGEMENT COMMITTEE:**

As on 31st March, 2023, the Risk Management Committee (RMC) comprised of Two (2) Non-Executive Independent Directors and One (1) Executive Director. Two (2) meetings of the Risk Management Committee were held on 20.10.2022 & 19.01.2023

The composition of the Risk Management Committee and the details of meetings attended by its members are appearing hereinafter:

Name of Director	Category	No. of Meetings attended
Mr. Manubhai Patel **Chairman**	I.N.E.D.	2
Mr. Sanjay Asher **Member**	I.N.E.D.	2
Mr. Maulik Patel **Member**	C.M.D.	2

10. GENERAL BODY MEETINGS: -

The details of date, time and location of Annual General Meetings (AGM) held in last 3 years and Special Resolutions passed are as under: -

Financial Year	Date & Time	Venue	Special – Resolutions passed
2021-22	27th June, 2022 at 10:30 a.m.	Through Video Conference from Meghmani House, B/H Safal Profitaire, Prahladnagar Garden, Ahmedabad – 380 015	1. Re-appointment of M/s S R B C & Co LLP, Chartered Accountants (ICAI firm registration no. 324982E/ E300003) as the statutory auditors of the company. 2. Re-appointment of Mr. Manubhai Khodidas Patel (DIN:00132045) as an Independent Director for second term of five years. 3. Re-appointment of Mr. Maulik Patel (DIN:02006947) as a Chairman & Managing Director of the Company for a period of 5 years. 4. Re-appointment of Mr. Kaushal Soparkar (DIN: 01998162) as Managing Director of the Company for a period of 5 Years. 5. Re-appointment of Mr. Karana Patel (DIN:01727321) as Executive Director of the Company for a Period of 5 Years. 6. Re-appointment of Mr. Ankit Patel (DIN:02180007) as Executive Director of the Company for a Period of 5 Years. 7. Re-appointment of Mr. Darshan Patel (DIN:02047676) as Executive Director of the Company for a Period of 5 Years.
2020-21	23rd September, 2021 at 12:00 noon.	Through Video Conference from Meghmani House, B/H Safal Profitaire, Prahladnagar Garden, Ahmedabad 380 015	1. Appointment of Mr. Sanjay Asher as Independent Director for a period of 5 years. 2. Appointment of Mr. Kanubhai Patel as Independent Director for a period of 5 years. 3. Appointment of Mr. Raju Swamy as Independent Director for a period of 5 years.
2019-20	1st August, 2020 at 10:30 a.m.	Plot No.CH1/CH2, GIDC Industrial Estate, Dahej, Tal. Vagara, Dist Bharuch 392 130, Gujarat,	1. Re Appointment of Ms. Nirali Parikh as Independent Director for a Second Term of 5 (five) years.

Details of Special Resolution passed last year through postal ballot:

During the financial year ended 31st March, 2023, no resolution was passed through postal ballot.

Whether any special resolution is proposed to be conducted through postal ballot:

No Special Resolution is currently proposed to be conducted through postal ballot.

11. OTHER DISCLOSURES: -

(a) Disclosure of Material Transactions: - Related Party Transaction:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirement) Regulation, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

There were no materially significant transactions with related parties, except with Meghmani Organics Limited, during the financial year which were in conflict with the interest of the Company. Suitable Disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements in this Annual Report. The Policy on Related Party Transaction has been placed on the Company's website at **www.meghmanifinechem.com**

(b) Vigil Mechanism / Whistle Blower Policy:

In line with Regulation 22 of the Listing Regulations and Section 177 of the Act, the Company has formulated a Whistle Blower Policy / Vigil Mechanism for Directors and employees to report genuine concerns about instance of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy is posted on the website of the Company at **www.meghmanifinechem.com**

During the year under review, no complaint has been received under the Vigil Mechanism /Whistle Blower Policy.

(c) Compliance with Listing Regulations:

The Company has complied with all the mandatory requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There was no Non-Compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to the capital markets during the F.Y. 2022-2023.

(d) Prevention of Sexual Harassment (POSH) of Women at workplace:

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has framed a policy on prevention of Sexual Harassment of women at workplace. The Status of complaints during FY 2022-23 is as under: -

Period	Complaints
Opening as on **01.04.2022**	Nil
Received during – 01.04.2022 to 31.03.2023	Nil
Disposed of during – 01.04.2022 to 31.03.2023	Nil
Pending as at **31.03.2023**	Nil

(e) Accounting Treatment:

In the preparation of the Financial Statements, the Company has followed the Indian Accounting Standards notified pursuant to Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and the relevant provision of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

(f) Corporate Governance of Subsidiaries:

Meghmani Advanced Sciences Limited (MASL) is the Wholly Owned Subsidiary of the Company, which has not yet started business operation. The Company has filed application for strike off the name of the Company from Register of Companies.

(g) Certificate on Corporate Governance:

The Company has obtained a certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance prescribed under the Listing agreement with Stock Exchanges which forms part of this report.

(h) Shareholder's Information:

This Chapter read with the information given in the section titled General Shareholders' information constitutes the compliance report on Corporate Governance.

(i) Code of Conduct:

The Company has adopted a code of conduct for its Directors and designated Senior Management Personnel. All the Board Members and Senior Management Personnel have agreed to follow compliance of code of conduct. The code has been posted on the Company's website at **www.meghmanifinechem.com.**

(j) Management Discussion and Analysis (MD&A) Report:

The Management Discussion and Analysis Report on Company's financial and operational performance, Industry trends etc. is presented as the separate chapter in the Annual Report which forms part of this report.

(k) Insider Trading:

The Company has in place "Code of Conduct to regulate, monitor and report Trading by Insider" and accordingly Company Secretary of the Company closes window for trading in Equity Shares of the Company at the end of every quarter in addition to specific event, if any, to comply with said Insider Trading Code.

(l) Disclosures regarding Re-appointment of Directors:

As per the Articles of Association of the Company, one third of the Directors are liable to retire by rotation every year and if eligible, they offer themselves for re-election by the shareholders at the General Meeting. There is no Alternate Director being appointed to the Board. The independent Directors are not liable to retire by rotation.

(m) Transfer of shares to Investor Education and Protection Fund (IEPF):

The provision of Section 124(6) of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, is not applicable, as the Company declared interim dividend in the F.Y. 2022-23 since listing of its shares in F.Y. 2021-2022.

Further, pursuant to approval of Composite Scheme of Arrangement by the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order dated 3rd May 2021, shareholders of Meghmani Organics Limited were entitled to receive 94 (Ninety Four) fully paid up equity shares of the Meghmani Finechem Limited of the face value of Rs. 10/- each for every 1000 (One Thousand) equity shares of Re. 1/- each held by the shareholders of Meghmani Organics Limited as on 19th May, 2021.

In view of above, the Company has transferred 12,432 Equity Shares to IEPF Account, being proportionate shares for which dividend remained unclaimed / uncashed in Meghmani Organics Limited for seven consecutive years commencing from the unpaid Final Dividend for the Year 2013-2014.

(n) Immediate Family Member of Director:

Mr. Maulik Patel, Mr. Ankit Patel, Mr. Karana Patel and Mr. Darshan Patel are not immediate family members of Directors but related as cousin brothers.

(o) Appointment & Removal of Company Secretary:

The appointment and removal of the Company Secretary is subject to the approval of the Board.

(p) Credit Ratings:

CRISIL has reaffirmed Long Term Rating CRISIL AA-/ Stable for its total Bank loan facilities of ₹1050 Crore by CRISIL Limited (Rating Agency) vide its letter RL/GDS12080/306826/BLR/1222/48014 dated 7th December, 2022 issued to the Company.

(q) Reminders to Unpaid Dividend:

The Company has declared Interim Dividend on 19.01.2023 and paid on 08.02.2023. Reminder to Shareholders for claiming unpaid dividend would be sent as per the provisions of the Act.

(r) No Suspension of Securities:

The Securities of the Company is not suspended.

(s) Discretionary Requirements:

The table below summarizes compliance status of discretionary requirements of Part E of Schedule II of SEBI (LODR) Regulations, 2015.

S. No.	Particulars	Status
1	Non-Executive Chairman's office	The Company does not have a Non-Executive Chairman
2	Shareholders Rights	As the quarterly, half yearly and yearly financial results are published in the newspapers and are also posted on the website of Stock Exchanges and website of the Company, the same are not being sent to the shareholders.
3	Audit Qualifications	The Company's Financial Statements for FY 2022-23 is unmodified.
4	Separate posts of Chairman and MD or CEO	There is a separate post of Chairman, Managing Director / CEO.

(t) Means of Communication:

i. Financials Results:
The quarterly / half yearly / yearly financial results (unaudited / audited) are normally published in Financial Express English and Gujarati, Ahmedabad and Mumbai Edition.

ii. Website Display:
The Company's official news releases, presentations to analysts and institutional investors, policies, financial results, all information submitted to stock exchanges, etc. are displayed on the Company's website **www.meghmanifinechem.com.**

iii. Green Initiative for Paperless Communications:
To support the "Green Initiative in the Corporate Governance", by the Ministry of Corporate Affairs (MCA), the Company will send the soft copies of Annual Report 2022-23 to those members whose Email IDs were registered with the Depository Participants (DP) after informing them suitably.

12. GENERAL SHAREHOLDER INFORMATION: -

Annual General Meeting:	Tuesday, 27th June, 2023 at 10.30 a.m. through Video Conferencing /Other Audio Visual Means (VC).
Financial Year:	1st April, 2022 to 31st March, 2023
Date of Book Closure:	Wednesday, 21st June, 2023 to Tuesday, 27th June, 2023 (both days inclusive)
Record Date for Dividend:	Tuesday, 20th June, 2023
Dividend Payment Date:	After 27th June, 2023, if approved by the members in the ensuing Annual General Meeting.
Listing Details:	Equity Shares are listed on the following Stock Exchanges: National Stock Exchange of India Limited, "Exchange Plaza", Bandra Kurla Complex, Bandra (East), Mumbai - 400051. BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The Annual Listing Fees for the year 2022-2023 has been paid to the said Stock Exchanges.

Stock Code:	National Stock Exchange of India Ltd. - MFL BSE Ltd. - 543332
ISIN Number:	INE071N01016
Corporate Identification Number (CIN):	L24100GJ2007PLC051717
Registrar and Share Transfer Agent:	Link Intime India Private Limited C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400083. Tel: +91 22 4918 6270, Fax: +91 22 4918 6060
Share Transfer System:	Link Intime India Private Limited, Mumbai, is Registrar & Share Transfer Agent of the Company. The Share Transfer and Share Dematerialization is processed by Link Intime India Private Limited, Mumbai. The transfer of shares in Depository mode need not be approved by the Company.
Distribution of Shareholding & Category-wise Distribution:	Refer Table A & B
Dematerialization of shares and liquidity:	As on 31st March, 2023, 100% of the paid-up share capital (face value of Equity Shares of ₹10/- each) is held in Demat form with NSDL and CDSL.

Mode	No. of Equity Shares	% to Total Share Capital
Physical	0	0.00
Electronic A. NSDL	3,57,63,527	86.07
B. CDSL	57,86,631	13.93
Total	**4,15,50,158**	**100.00**

Outstanding GDR / ADR / Warrants or any Convertible Instruments and their likely impact on Equity:	NIL
Plant Locations:	Plot No.CH1/CH2, GIDC Industrial Estate, Dahej, Tal. Vagara, Dist. Bharuch 392 130, Gujarat, India.
Address for Correspondence:	All enquiries, clarification and correspondence should be addressed to the Company Secretary and Compliance Officer: - **Mr. K D Mehta -V.P.(Company Affairs) & Company Secretary** Meghmani House, B/h Safal Profitaire, Corporate Road, Prahaladnagar, Ahmedabad - 380 015 Telephone No. 91-79-2970 9600/ 7176 1000 Fax No. 91-79-2970 9605, E-mail: **helpdesk@meghmanifinechem.com**

Market Price data:

National Stock Exchange of India Limited – 31.03.2023 – MFL Share Price

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	Total Turnover (₹)
Apr-22	972.80	1526.00	970.40	1443.90	83,15,240	10,98,02,86,661
May-22	1430.00	1498.90	1162.00	1405.35	49,28,235	6,57,13,05,853
Jun-22	1419.40	1576.95	1182.40	1273.90	44,44,133	6,18,66,78,061
Jul-22	1275.00	1658.00	1240.00	1511.25	45,05,903	6,75,25,80,423
Aug-22	1522.40	1545.00	1380.00	1428.75	18,28,801	2,66,84,58,137
Sep-22	1422.95	1736.00	1381.25	1421.05	39,85,278	6,19,97,61,398
Oct-22	1422.25	1695.00	1302.70	1314.55	29,21,611	4,46,32,82,642
Nov-22	1309.00	1330.00	1207.00	1271.05	22,26,287	2,81,21,76,385
Dec-22	1279.25	1292.15	1176.30	1248.30	9,31,934	1,14,28,06,696
Jan-23	1241.00	1259.00	1001.20	1044.50	10,64,453	1,18,94,07,587
Feb-23	1045.60	1090.00	975.10	1023.15	6,57,932	68,46,27,016
Mar-23	1023.15	1049.45	815.00	943.65	11,91,314	1,09,90,58,890

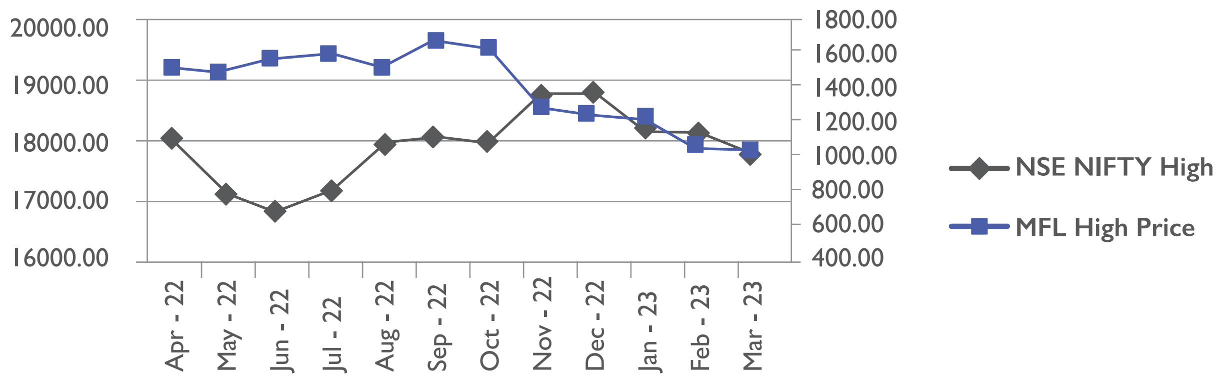
BSE Limited – 31.03.2023 – MFL Share Price

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	Total Turnover (₹)
Apr-22	972.75	1,524.95	972.75	1,444.00	8,26,647	1,04,50,75,380
May-22	1,418.00	1,497.05	1,162.85	1,404.60	5,51,323	72,72,00,935
Jun-22	1,420.60	1,576.00	1,185.00	1,268.90	4,96,380	68,26,08,284
Jul-22	1,296.90	1,658.70	1,241.15	1,510.75	5,10,524	76,38,38,271
Aug-22	1,518.10	1,543.45	1,147.00	1,426.80	2,39,317	34,77,04,736
Sep-22	1,428.75	1,736.60	1,381.30	1,419.45	5,45,086	84,58,08,599
Oct-22	1,429.95	1,694.00	1,303.80	1,316.70	3,45,103	53,10,24,783
Nov-22	1,314.10	1,329.60	1,207.30	1,271.45	2,16,379	27,39,68,084
Dec-22	1,261.05	1,287.30	1,175.45	1,245.80	1,40,408	17,25,63,994
Jan-23	1,245.80	1,257.05	1,001.50	1,045.85	1,73,245	19,26,80,845
Feb-23	1,030.05	1,090.00	974.75	1,012.75	1,21,045	12,57,49,880
Mar-23	1,012.70	1,047.45	810.6	943.3	2,11,870	19,88,08,951

Monthly High and Low Indices

Month	BSE Limited		National Stock Exchange of India Limited	
	Sensex		Nifty	
	High	Low	High	Low
Apr-22	60,845.10	56,009.07	18,114.65	16,824.70
May-22	57,184.21	52,632.48	17,132.85	15,735.75
Jun-22	56,432.65	50,921.22	16,793.85	15,183.40
Jul-22	57,619.27	52,094.25	17,172.80	15,511.05
Aug-22	60,411.20	57,367.47	17,992.20	17,154.80
Sep-22	60,676.12	56,147.23	18,096.15	16,747.70
Oct-22	60,786.70	56,683.40	18,022.80	16,855.55
Nov-22	63,303.01	60,425.47	18,816.05	17,959.20
Dec-22	63,583.07	59,754.10	18,887.60	17,774.25
Jan-23	61,343.96	58,699.20	18,251.95	17,405.55
Feb-23	61,682.25	58,795.97	18,134.75	17,255.20
Mar-23	60,498.48	57,084.91	17,799.95	16,828.35

Share Performance of the Company in comparison to Nifty:



Share Performance of the Company in comparison to BSE Sensex:

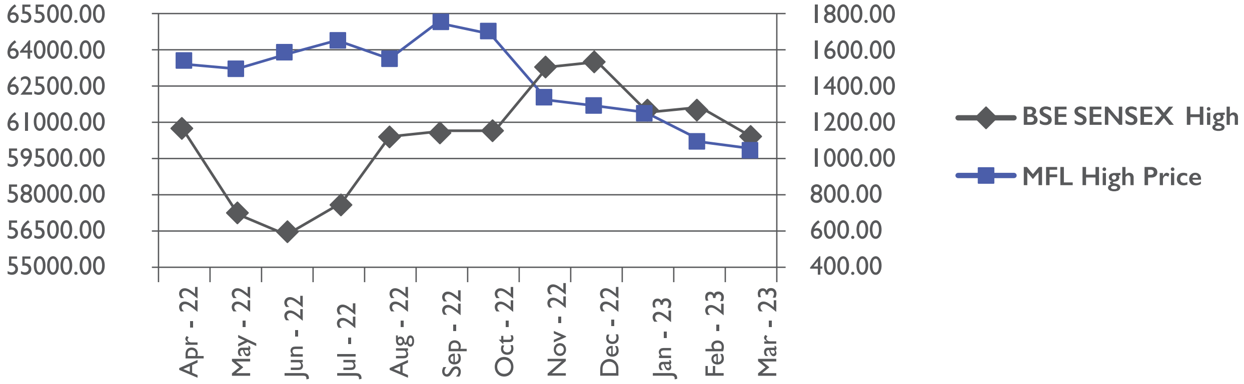


TABLE A

Distribution of Shareholding: 31.03.2023: -

Category	Shareholders		Total Shares of ₹10/- each	
	Number	Percent	Number	Percent
1-500	94734	97.6367	3808472	9.1660
501-1000	1168	1.2038	867150	2.0870
1001-2000	532	0.5483	772115	1.8583
2001-3000	189	0.1948	465963	1.1214
3001- 4000	85	0.0876	298115	0.7175
4001- 5000	61	0.0629	281531	0.6776
5001-10000	98	0.1010	691627	1.6646
10001- & ABOVE	160	0.1649	34365185	82.7076
Total	**97027**	**100.00**	**41550158**	**100.00**

TABLE B

Shareholding Pattern – 31.03.2023: -

Sr. No.	Category	No. of Shares	Total Value	%
1	Body Corporate - Ltd Liability Partnership	435442	4354420	1.05
2	Clearing Members	7752	77520	0.02
3	Escrow Account	10217	102170	0.02
4	Foreign Portfolio Investors (Corporate) - I	461674	4616740	1.11
5	Foreign Portfolio Investors (Corporate) - II	38897	388970	0.09
6	Government Companies	10339	103390	0.02
7	Hindu Undivided Family	553153	5531530	1.33
8	Investor Education And Protection Fund	12432	124320	0.03
9	Key Managerial Personnel	1000	10000	0.00
10	Mutual Funds	13930	139300	0.03
11	NBFCs registered with RBI	64	640	0.00
12	Non Resident (Non Repatriable)	97108	971080	0.23
13	Non Resident Indians	532524	5325240	1.28
14	Other Bodies Corporate	953499	9534990	2.29
15	Promoters	21880562	218805620	52.66
16	Public	8778799	87787990	21.13
17	Relatives Of Director	6361657	63616570	15.31
18	Relatives Of Promoters	1401038	14010380	3.37
19	Trusts	71	710	0.00
	TOTAL :	**41550158**	**415501580**	**100.00**

13. SHARES LYING IN THE DEMAT SUSPENSE ACCOUNT

Pursuant to the approval of the Composite Scheme of Arrangement approved by National Company Law Tribunal, Ahmedabad Bench vide order dated 3rd May, 2021, the Company allotted 23903029 Equity Shares of ₹10/ each on 20th May, 2021 to the shareholders whose name appeared in the register of the members of the Demerged Company on Record Date i.e. 19th May, 2021.

During the process of allotment, there were total 80 cases aggregating 12732 equity shares parked in Demat escrow account of the Company due to various reasons i.e. BO closed etc. The Company has sent letters to the respective shareholders to claim their shares from Demat Escrow account of the Company.

As on the date of this report, voting right of 817 shares lying in the demat suspense account shall remain frozen till the rightful owner of such shares claims the shares.

The shareholders whose shares are lying in the demat suspense account are requested to contact Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company to claim the shares from the suspense account.

Declaration of Compliance of Company's Code of Conduct

This is to confirm that Company has adopted a Code of Conduct for Directors, Senior Management and all Employees across all Units and Offices of the Company. These Codes are available on the Company's website.

I further confirm that the Company has in respect of the Financial Year ended on 31st March, 2023, received from all the Board Members and Senior Management Personnel of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

For **Meghmani Finechem Limited**

Date: 25th April, 2023
Place: Ahmedabad

Maulik Patel
Chairman & Managing Director

Secretarial Auditors' Certificate on Corporate Governance

To,
The Members,
Meghmani Finechem Limited
Meghmani House,
B/h Safal Profitaire, Prahladnagar,
Satellite, Ahmedabad 380015,Gujarat.

Dear Sirs,

We have examined the compliance of conditions of Corporate Governance of **MEGHMANI FINECHEM LIMITED, CIN L24100GJ2007PLC051717,** for the year ended on **31st March 2023,** as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the 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 and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock Exchanges.

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

Place: Ahmedabad
Date: 20th April, 2023

For, **SHAHS & ASSOCIATES**
Company Secretaries

Kaushik Shah
Partner
FCS No 2420 CP No 1414
UDIN: F002420E000133254
Peer Review No.833/2020

Certificate of Non-Disqualification of Directors

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

To,
The Members,
Meghmani Finechem Limited
Meghmani House,
B/h. Safal Profitaire, Prahladnagar,
Satellite, Ahmedabad 380015, Gujarat.

We have examined the relevant registers, records, forms, returns and disclosures **including thereon in digital /electronic mode** received from the Directors of **MEGHMANI FINECHEM LIMITED, CIN L24100GJ2007PLC051717** having its registered office at **Meghmani House, 5th FL+ 6th FL + 7th FL, B/h. Safal Profitaire, Prahladnagar, Satellite, Ahmedabad 380015** (hereinafter referred to as 'the Company'), as produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the **Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

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

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Maulik Jayantibhai Patel	02006947	10/05/2016
2.	Kaushal Ashishbhai Soparkar	01998162	10/05/2016
3.	Ankit Natwarlal Patel	02180007	10/05/2016
4.	Karana Rameshbhai Patel	01727321	10/05/2016
5.	Darshan Anandbhai Patel	02047676	10/05/2016
6.	Manubhai Khodidas Patel	00132045	18/05/2017
7.	Nirali Bhavinbhai Parikh	05309425	30/03/2015
8.	Sanjay Khatau Asher	00008221	20/05/2021
9.	Kanubhai Shakarabhai Patel	00008395	20/05/2021
10.	Raju Swamy	03032679	20/05/2021

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

Place: Ahmedabad
Date: 20th April, 2023

For **SHAHS & ASSOCIATES**
Company Secretaries

Kaushik Shah
Partner
FCS No 2420 CP No 1414
UDIN: F002420E000133045
Peer Review No. 833/2020

CEO and CFO Certification

in terms of Regulation 17(8) of the SEBI (LODR) Regulations, 2015

To,
The Board of Directors
Meghmani Finechem Limited
"Meghmani House", B/h. Safal Profitaire,
Corporate Road, Prahlad Nagar,
Ahmedabad – 380 015, Gujarat.

Dear Sir/Madam,

In terms of Regulation 17(8) of the SEBI (LODR) Regulations, 2015, we hereby certify to the Board of Directors that:

A) We have reviewed the Financial Statements and the Cash Flow Statement of the Company for the year ended **31st March, 2023** and to the best of our knowledge and belief:

   i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.

C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we 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 rectify these deficiencies.

D) We have indicated to the Auditors and the Audit Committee:

   i) Significant changes in internal control, if any, over financial reporting during the year;

   ii) Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and

   iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting wherever needed.

For **Meghmani Finechem Limited**

Kaushal Soparkar	**Sanjay Jain**
Chief Executive Officer (CEO)	**Chief Financial Officer (CFO)**

Date: 25th April, 2023
Place: Ahmedabad

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I.	**Details of the listed entity**	
1.	Corporate Identity Number (CIN) of the Listed Entity	L24100GJ2007PLC051717
2.	Name of the Listed Entity	MEGHMANI FINECHEM LIMITED
3.	Year of incorporation	11.09.2007
4.	Registered office address	Meghmani House, B/h. Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad - 380015, Gujarat
5.	Corporate address	Meghmani House, B/h. Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad - 380015, Gujarat
6.	E-mail	**helpdesk@meghmanifinechem.com**
7.	Telephone	079 - 2970 9600 / 7176
8.	Website	**https://www.meghmanifinechem.com/**
9.	Financial year for which reporting is being done	2022-2023
10.	Name of the Stock Exchange(s) where shares are listed	1. National Stock Exchange of India Limited 2. BSE Limited
11.	Paid-up Capital	₹41,55,01,580/- (4,15,50,158 Equity Shares of ₹10/- each)
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Kamlesh D. Mehta, Company Secretary & Compliance Officer Mobile - 9825005768, E-mail - **kamlesh.mehta@meghmani.com**
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis

II. Products/services

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

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing of Chemicals	Manufacturing and Selling of Chemicals	100%

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

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacturing and Selling of Chemicals	20119	100%

III. Operations

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

Location	Number of plants	Number of offices	Total
National	1	3	4
International	0	0	0

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	1
International (No. of Countries)	0
b. What is the contribution of exports as a percentage of the total turnover of the entity?	4%
c. A brief on types of customers	Meghmani Finechem is proud to cater to a diverse range of customers from both the government and private sectors. We serve a variety of industries, including alumina, pharmaceuticals, textiles, agriculture, paper & pulp, pu forms, paints CPVC pipe & fitting, construction, alumina, water treatment, refineries, soap and detergent etc.

IV. Employees

18. Details as of the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	901	889	98.67%	12	1.33%
2.	Other than Permanent (E)	35	32	91.43%	3	8.57%
3.	Total employees (D + E)	936	921	98.40%	15	1.60%
WORKERS						
4.	Permanent (F)	0	0	0	0	0%
5.	Other than Permanent (G)	585	573	97.95%	12	2.05%
6.	Total workers (F + G)	585	573	97.95%	12	2.05%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	2	2	100%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D + E)	2	2	100%	0	0%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than permanent (G)	0	0	0%	0	0%
6.	Total differently abled workers (F + G)	0	0	0%	0	0%

19. Participation/Inclusion/Representation of women

a. Employees and workers (including differently abled):

	Total (A)	Female No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	1	10%
Key Management Personnel	3	0	0%

20. Turnover rate for permanent employees and workers

	FY 2022-23 (Turnover rate in current FY)			FY 2021-2022 (Turnover rate in previous FY)			FY 2020-2021 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	27.35%	0.36%	27.71%	18.32%	0.50%	18.32%	10.45%	0%	10.45%
Permanent Workers	0%	0%	0%	0%	0%	0%	0%	0%	0%

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

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

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Meghmani Advanced Sciences Limited	Subsidiary Company	100%	No

VI. CSR Details

22.	(i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No)	**Yes**
	(ii) Turnover (in ₹) (In Lakhs)	2,18,839.97
	(iii) Net worth (in ₹) (In Lakhs)	1,06,916.70

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (other than sharehol ders)	Yes	0	0	-	0	0	-
Shareholders	Yes	5	0	-	5	0	-
Employees and workers	Yes	0	0	-	0	0	-
Customers	Yes	0	0	-	0	0	-
Value Chain Partners	Yes	0	0	0	0	0	-
Other (please specify)	-	-	-	-	-	-	-

*https://www.meghmanifinechem.com/corporate-governance

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

S. No.	Material issue identified	Indicate whether risk or opportu nity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implicat ions of the risk or opportu nity (Indicat e positive or negative implicat ions)
1	Sustainable Supply Chain	Opportunity	In today's era of growing environmental awareness, companies are adopting more ethical and sustainable purchasing policies. By procuring goods that are environmentally and socially responsible, companies can not only reduce their impact on the environment but also create a positive brand image.		Positive
2	Emission and Pollutants	Risk	Chemical production produces direct (Scope 1) greenhouse gas (GHG) emissions from fossil fuel burning in manufacturing and cogeneration processes and process emissions from feedstock transformation. In addition to greenhouse gases (GHGs). Chemical manufacturing may also emit air emissions such as sulphur dioxides (SOx), nitrogen oxides (NOx), and hazardous air pollutants during manufacturing. For chemical firms, emissions might result in operating risks, fines, or expenditures associated with regulatory compliance.	We understand the importance of reducing our carbon footprint and take our responsibility to the environment seriously. Our company is committed to implementing sustainable practices and continually strives to reduce energy consumption through the adoption of new technologies. Additionally, we are actively exploring ways to derive energy from renewable sources to further reduce our reliance on non- renewable resources. Towards our commitment to clean energy generation and carbon footprint minimisation, we are looking forward to set up 18.34 Mw wind- solar hybrid project. Also adopting the new age technology such as ECH - Glycerol technology which consumes less energy, water and generate less waste.	Negative
3	Circular Economy	Opportunity	The Circular Economy model of production and consumption emphasize and promote the reuse, refurbishment, and recycling of materials and products already in existence.Transition to circular economy can reduce the material consumption during the production.		Positive
4	Water Management	Risk	Water is a critical input in chemical production. Companies with water-intensive operations face a greater risk of operational disruption due to water scarcity, which can also increase water procurement prices and capital expenditures. Similarly, chemical manufacturing generates process wastewater that must be treated before disposal. Noncompliance with water quality regulations may result in regulatory compliance and mitigation costs.	As a responsible chemical manufacturing organization, we put a premium on the ability to moderate water consumption. We have upgraded our wastewater management by replacing normal wastewater treatment with new age technology.This replacement moderated water and power consumption, helping moderate environment impact and conserve natural resources.The company also invested various water conservation schemes, this water is further used in the cooling tower and for other processes.	Negative

S. No.	Material issue identified	Indicate whether risk or opportu nity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implicat ions of the risk or opportu nity (Indicat e positive or negative implicat ions)
5	Handling of Hazardous Chemicals	Risk	Chemical company is responsible for managing all risks related to the storage and handling of hazardous chemicals.The improper handling of chemicals and spills can cause harm to the environment or humans and also imposes a heavy fine and reputational risk on the company.	Company ensures that hazardous materials are handled in a manner that mitigates risks to the environment, employees, and the community. In order to maintain the health & safety at workplace company conducts lot of internal and external heath and safety audits. Also, the environmental and social parameters relevant are information is provided with the product.In case of hazardous waste, company ensure the waste is managed as waste management rules and regulations.	Negative
6	Waste Management	Risk	Typically, waste is generated as part of a company's operations, captive power plant, maintenance of machinery and office administrative work. Improper waste handling may contribute to air pollution, climate change, and various direct and indirect impacts on the ecosystem. It may also cause health and safety risks to personnel exposed to the waste. Non-compliance with waste management regulations may lead to the imposing of heavy fines.	The company replaced and switched to various new technology to reduce the waste generation. This replacement helped to reduce the consumption of a natural resource, reduced waste generation and waste disposal in open land. This year company also registered for EPR to take responsibility for the plastic waste generated by its products and packaging.	Negative
7	Community Relation and Engagement	Opportunity	Chemical firms are significant economic contributors, offering employment opportunities and fostering community development through taxes and capital generation. Environmental policy, community health, and process safety have significant regulatory, operational, financial, and reputational ramifications for companies. Building strong relationships with communities can help chemicals companies mitigate potential operational disruption, reduce regulatory risk, retain top employees, lower the risk of litigation expenses in the event of process safety incidents, and ensure a strong social license to operate. Process safety incidents jeopardise community health and safety, resulting in regulatory penalties, legal action, and mitigating expenses.		Positive

S. No.	Material issue identified	Indicate whether risk or opportu nity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implicat ions of the risk or opportu nity (Indicat e positive or negative implicat ions)
8	Product Innovation	Risk	The chemical industry has the potential to impact human health and the environment. So, the industry can reduce regulatory risk and grow its market share by coming up with innovative approaches to manage the potential impact of the product by developing an alternate product or reducing toxicity.	To maintain position as the market leader in the chemical industry, the company places a strong emphasis on product innovation. MFL emphasizes on innovation at process level to achieve its aim of sustainable production. As part of this effort, the organization is establishing an R&D center to concentrate on advancing innovative products.	Negative
9	Diversity and equal opportunity	Risk	A company's high diversity and inclusion rate reflect employees' sense of belonging and fairness within the company. Improving diversity and inclusion helps companies to support vulnerable groups resulting in community brand image creation for the company.	We enhance diverse employee engagement for increased productivity & creativity and are an equal opportunity employer. We also have equal employment opportunity policy applies to all aspects of employment, including recruitment, hiring, promotions, transfers, compensation, benefits, and termination.	Negative
10	Product Safety & Quality	Risk	Product safety and quality is a critical issue for companies in the Chemicals industry. Chemicals' potential to have negative effects on human health or the environment throughout the usage phase can affect consumer demand for the product and regulatory risk, which can then damage sales and lead to higher operational costs, regulatory compliance costs, and mitigation.	To ensure the safety of the product environmental and social parameters relevant to the product such as Safe and responsible usage, Recycling or safe disposal are attached on product packaging. Also we have quality labs at the plant which help us to maintain the product quality. We invested in a combination of standard operating protocols and certifications (ISO 9001 and ISO 14001), strengthening the company's alignment with Quality Management System, Good manufacturing Practices and Standard Operating Procedures.	Negative
11	Compliance and Business Ethics	Risk	The key issue relevant to business ethics and management of business ethics issues such as fraud, executive misconduct, corrupt practices, money laundering, or anti-trust violations. Ethics violations can lead to police investigations, hefty fines, settlement costs, and damage to reputation.	We strive to extend the principles of risk mitigation across risk categories around a risk management framework that comprises policy, procedures and assessment methodologies. This approach has enhanced process stability, effort outcomes and corporate sustainability.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web Link of the Policies, if available	**https://www.meghmanifinechem.com/corporate-governance**								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.		Halal certification, Koscher certification	ISO9001, ISO45001, Responsible Care from Indian Chemical Council			ISO14001, ISO50001			
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Our organization understands the importance of setting benchmarks to measure progress in attaining all principles of the NGRBC. Given that this is our first year adopting ESG, we plan to outline our goals and objectives in the forthcoming reporting period. We acknowledge the necessity of coordinating our ESG endeavours with our business objectives, and we pledge to put into action a robust and efficient ESG strategy that guarantees sustainability and generates lasting value for all stakeholders. We are committed to improving our ESG practices and outcomes, and we eagerly anticipate sharing our advancements in the future.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA								

Governance, leadership and oversight

7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	At Meghmani Finechem Limited, responsible business practices form the core of our strategic and business operations. As one of the leading chemicals manufacturers, our emphasis is on consciously providing sustainable chemical solutions. Propelled by our ethos of creating sustainable solutions, our constant effort is directed towards maintaining the highest health and safety, quality and environmental standards. We understand that responsible business practices are crucial for long-term success of the organisation. Our consistent effort is to align our business practices with the United Nation's sustainable development goals for manufacturing responsibly and sustainably. As a responsible organisation, we engrained critical areas such as human rights, labor interests, environmental responsibility and anti-corruption initiatives in our practices. The core principles followed in our business operations are based on the 5Rs - recycling, replacement, reduction, renewables, and restoration. Apart from our green plantation initiative and water harvesting measures, our organisation has also registered for the Extended Producer Responsibility program, which showcases our dedicated efforts towards effective management of plastic waste. Towards our commitment to clean energy generation and carbon footprint minimisation, we are looking forward to set up 18.34 Mw wind-solar hybrid project. Additionally, we have set an ambitious target for the year 2024-2025 under the Perform, Achieve, and Trade (PAT) Scheme through which we aim to reduce energy consumption from 0.8476 TOE/Tone Equivalent to 0.8106 TOE/Tone Equivalent. Moreover, we place the utmost importance on the health and safety of employees. We conduct regular internal and external audits to ensure strict compliance with relevant regulations. We are also proud to be honoured by the Indian Chemical Council with a 'Responsible Care' certification. We firmly believe in the principles of Corporate Governance which focusses on integrity, transparency and accountability for sustainable success in the longer term. For the betterment of the community, we actively participate in CSR activities, including contributions to organizations such as Gujarat Cancer Society and NGOs backing the good cause. We will remain steadfast in our commitment to make meaningful contributions to the environment, society, and governance in future, as we strive for sustainable progress and impact. Maulik Patel Chairman and Managing Director
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Maulik Patel, Chairman and Managing Director
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Company has set-up various Committees of the Board of Directors, and of Senior Executives to over sustainability-related issues such as Audit Committee, Risk Management Committee, Stakeholders Grievance Committee, Corporate Social Responsibility Committee.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Committee of the Board									Quarterly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Directors									Quarterly								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	No	Yes Halal, Koscher	Yes International Organization for Standardization Indian Chemical Council	No	No	Yes International Organization for Standardization	No	No	No

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

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	4	Business operations/ performance, new business initiatives, regulatory, risk indicators/ mitigation plans, safety, ESG Matters, compliances, legal cases, business ethics and values, human rights, Code of Conduct, etc.	100%
Key Managerial Personnel	8	In addition to above referred topics / principles, KMPs were also part of the Company sponsored training program covering topics such as behavioral training, business ethics and values, human rights, ESG Training, Code of Conduct, etc.	78%
Employees other than BoD and KMPs	127	Behavioural Training skill development, personal finance, interpersonal relationship Functional Training knowledge sharing, emergency response, machinery training, energy consumption, sexual harassment at work place, human rights, regulatory compliance, supply chain management) Health & Safety(Hazop, JSA, fire fighting etc.)	57%
Workers	150	General safety awareness, PPE use, emergency preparedness, fire training, electrical safety training, machinery training , risk management, good working practices, etc.	100%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law eforcement agencies/ judicial institutions, in the financial year, in the following format formate**

Monetary	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	NA	0	-	
Settlement	-	NA	0	-	
Compounding fee	-	NA	0	-	

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	-	-

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

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

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

Yes,

MFL upholds the highest standards of ethical conduct and is committed to promoting a culture of integrity across all its operations. The company has a zero-tolerance policy towards any forms of bribery, corruption, kickbacks, gifts, payments, or any kind of consideration solicited, from or given to any person, to secure advantage in business transactions/dealings.

To ensure compliance with these standards, the company has an Anti-Corruption and Anti-Bribery policy in place. The policy is applicable to all individuals working at all levels and grades, including Board Members and Senior Managerial Personnel, other employees, consultants, interns, contractors, agency staff, agents, or any other person associated with the company and such person acting on behalf of the company.

The company's Code of Conduct highlights its zero-tolerance policy towards corruption, bribery, or giving or receipt of bribes. The company strives to attain its purpose through compliance with the national and international legal and ethical requirements, applicable laws, rules, and regulations.

MFL promotes best practices of corporate governance and upholds its reputation across the business community in India and overseas. The company's Anti-Corruption and Anti-Bribery policy ensures that every employee understands the company's commitment to ethical conduct and that they are responsible for upholding these values.

Please find the link of policy- https://www.meghmanifinechem.com/wp-content/uploads/2021/07/Code-of-Conduct.pdf

5. **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	FY 2022-23 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

Case Details	FY 2022-23 (Current Financial Year)		FY 2021-2022 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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

Fines	Nil
Penalties	Nil
Action taken by regulators	Nil
Law enforcement agencies	Nil
Judicial institution	Nil

Leadership Indicators

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

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
150	Safe practices, pollution control, regulatory compliance, HR systems, workplace safety procedures, health awareness etc.	100% coverage of onsite contractors and drivers transporters direct chlorine customers.

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

Essential Indicators

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

	Current Financial Year 2022-23	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0	0	-
Capex	1.35%	0.29%	Energy Saving, Upgrading Sewage Treatment plant and Effluent treatment plant.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)	Yes
b. If yes, what percentage of inputs were sourced sustainably?	27%
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.	A) Plastics –The EPR certification ensures that the company takes responsibility for the plastic waste generated by its products and packaging. The company will reclaim the plastic waste generated by its products and properly manage it at the end of its life. The company's completion of EPR registration for plastic waste is a significant step towards promoting responsible waste management and reducing its environmental impact. The company is committed to implementing sustainable practices across its operations and ensuring compliance with local laws and regulations. D) Waste generation- The company switched from the use of barium carbonate to removing brine impurities used in the manufacture of Caustic Soda lye. The replacement helped reduce the consumption of a natural resource, reduced waste generation and waste disposal in open land. The use of MSRU technology helped reduce sludge from 62 Kg/MT to 23Kg/MT of Caustic Soda; it helped eliminate barium carbonate and reduce waste.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.	Yes Recently the company have completed EPR registration for plastic waste.

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

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B /A)	Number ©	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	889	859	97%	889	100 %	0	0%	0	0 %	0	0%
Female	12	12	100%	12	100 %	12	100 %	0	0 %	0	0%
Total	**901**	**871**	**97%**	**901**	**100 %**	**12**	**1.33 %**	**0**	**0 %**	**0**	**0%**
Other than Permanent employees											
Male	32	32	100%	32	100 %	0	0%	0	0 %	0	0%
Female	3	3	100%	3	100 %	3	100 %	0	0 %	0	0%
Total	**35**	**35**	**100%**	**35**	**100 %**	**3**	**8.57 %**	**0**	**0 %**	**0**	**0%**

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B /A)	Number ©	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other than Permanent employees											
Male	573	0	0	573	100%	0	0	0	0	0	0
Female	12	0	0	12	100%	0	0	0	0	0	0
Total	**585**	**0**	**0**	**585**	**100%**	**0**	**0**	**0**	**0**	**0**	**0**

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

Benefits	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	0	Yes	100%	0	Yes
Gratuity	100%	0	Yes	100%	0	Yes
ESI	0	0	NA	0	0	NA
Others – Please Specify	0	0	NA	0	0	NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.	No, company is planning to conduct an assessment to understand the changes required. These recommended changes will be implemented in a phase-wise manner. MFL Promotes inclusiveness in society. Company promotes the hiring of differently abled employees and place them in suitable working conditions.
4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, ask2016? If so, provide a web-link to the policy.	Yes MFL is committed to providing equal employment opportunities to all its employees and qualified applicants without discrimination on the basis of race, caste, religion, color, ancestry, marital status, sex, age, nationality, disability, and veteran status. MFL's equal employment opportunity policy applies to all aspects of employment, including recruitment, hiring, promotions, transfers, compensation, benefits, and termination. MFL ensures that all employees are treated with dignity and respect and has policies in place to maintain a work environment that is free from discrimination, harassment, and any form of intimidation. Also, all the policies are hosted on eHRMS portal of the company.

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

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

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

Yes/No (If Yes, then give details of the mechanism in brief)	Yes
Permanent Workers **Other than Permanent Workers** **Permanent Employees** **Other than Permanent Employees**	At our factory and other facilities, we've implemented a grievance redressal mechanism. This process allows all employees to safely report any concerns or issues. Grievances can be filed in person, by email, letter, or through our online portal. After reporting, our HR team investigates and takes appropriate action. We ensure that employees are kept abreast of the status of their grievances and our resolutions. We've also instituted a reporting mechanism for potential or actual violations of our code of conduct. If an employee comes across any event that could harm the company's reputation or business, they are urged to report it. All such reports are treated with confidentiality and are thoroughly investigated in a transparent manner. At our manufacturing facility, even non-permanent employees can directly voice their grievances to the admin and industrial relations personnel, ensuring everyone's concerns are taken seriously. They can also raise grievances through email or other platforms. We ensure that grievances received across these channels are routed to the appropriate function owners and resolved through the relevant industrial relation and admin functions. This is part of our commitment to creating a safe, open, and fair workplace for all.

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

Category	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union(D)	% (D/C)
Total Permanent Employees	901	0	0%	836	0	0%
- Male	889	0	0%	827	0	0%
- Female	12	0	0%	9	0	0%
Total Permanent Workers	0	0	0%	0	0	0%
- Male	0	0	0%	0	0	0%
- Female	0	0	0%	0	0	0%

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

Category	FY 2022-23 Current Financial Year					FY 2021-2022 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B /A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	921	809	88%	665	72%	861	861	100%	396	46%
Female	15	13	87%	13	87%	10	10	100%	3	30%
Total	**936**	**822**	**88%**	**678**	**72%**	**871**	**871**	**100%**	**399**	**45%**
Workers										
Male	573	573	100%	0	0%	515	515	100%	0	0%
Female	12	12	100%	0	0%	29	29	100%	0	0%
Total	**585**	**585**	**100%**	**0**	**0%**	**544**	**544**	**100%**	**0**	**0%**

**** Health and safety training sessions are not only provided to the company's permanent workers but also to all contractual workers, other workers, and engineer workers associated with the company. In the fiscal year 2022-23, a total of 3649 training sessions were provided by the company. This is a significant increase from the previous year, where 1273 training sessions were conducted in the fiscal year 2021-22.**

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

Category	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	921	787	85%	861	614	71%
Female	15	10	67%	10	6	60%
Total	**936**	**797**	**85%**	**871**	**620**	**71%**
Workers*						
Male	573	0	0%	515	0	0%
Female	12	0	0%	29	0	0%
Total	**585**	**0**	**0%**	**544**	**0**	**0%**

*The company have no permanent workers. The reported workers are contractual workers.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).	Yes, Occupational Health and Safety Management System (OHSMS) has been implemented and integrated into all business processes. The company is committed to ensuring the safety and well-being of its employees and has established a robust OHSMS to achieve this goal.
If yes, the coverage such system?	The health and safety management system is being adhered to through an integrated management system consisting of ISO45001, ISO14001, process safety management, and responsible care management systems. These systems are used as tools to cover all departments and activities throughout the supply chain, ensuring that safety is integrated into every aspect of the business. To promote EHS (Environment, Health, and Safety) systems, the company has launched safety awareness campaigns, safety and health-related training, safety meetings, safety competitions, inter-plant training, and encourages employees and workers to report any near misses, unsafe acts or unsafe conditions. These initiatives help to create a safety culture within the organization. Moreover, health and safety signage are available on all sites. These signs help to remind employees of the safety protocols and procedures in place and ensure they are followed correctly.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The safety and well-being of employees are of utmost importance in any workplace. In order to ensure a safe work environment, it is necessary to identify potential hazards and risks. Several processes can be used to identify work-related hazards and risks, some of which are outlined below. One such process is HAZOP or Hazard in Operation, which is a systematic assessment conducted at a plant site to identify and address potential hazards. It is conducted both internally and externally by experts in the field to ensure all potential hazards are identified and addressed. Another process is HIRA or Hazard Identification and Risk Assessment, which is conducted at a site to understand and identify potential risks that need to be mitigated. This process involves identifying potential hazards and evaluating the likelihood and severity of any potential impact. JSA or Job Safety Analysis is another procedure that can be used to identify hazards and assess risks. This process is integrated into the work procedure, and training is provided to employees to ensure they understand the potential hazards associated with their work and how to mitigate them. PSSR or Pre-Startup Safety Review is conducted when a new building or plant is constructed. This process is designed to ensure that all safety measures are in place before the plant or building is operational. This involves reviewing all the safety procedures and ensuring that they are implemented correctly. Finally, a Permit to Work (PTW) management system is used to ensure that work is done safely and efficiently. This process involves obtaining permits before carrying out any work, ensuring that all necessary safety measures are in place before starting work, and conducting regular safety checks to ensure the ongoing safety of employees.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)	Yes
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes

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

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.215	0
	Workers	0	0.17
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	1	0
	Workers	0	1

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The company is committed to ensuring the safety of people, machinery, and materials in the workplace. To achieve this goal, we have implemented a comprehensive safety strategy that includes engineering controls, operating procedures, safe work practices, hazard monitoring, risk analysis, and regular audits.

Key components of our safety strategy include:

1. Engineering Controls: We have implemented engineering controls to prevent the release of chemicals from primary containment. These controls serve as an essential barrier to protect employees and the environment from potential hazards.
2. Operating Procedures and Safe Work Practices: The company has developed standardized operating procedures and safe work practices for process plants to ensure uniform and safe operations. These guidelines promote consistent and reliable performance while minimizing the risk of accidents or incidents.
3. Hazard Monitoring and Communication: Material and process hazards are continuously monitored, reported, and communicated through various channels. This information sharing ensures that all employees are aware of potential risks and can take necessary precautions.
4. Risk Analysis: Different health and safety management approaches and models are utilized for risk analysis, such as Quantitative Risk Assessment (QRA), Hazard and Operability Study (HAZOP), workplace monitoring, and others. These methods help identify potential risks and develop appropriate mitigation strategies.
5. Periodic Audits and Monitoring: The effectiveness of safety systems is evaluated through periodic audits, workplace monitoring, industrial hygiene surveys, noise monitoring, and ergonomic surveys. These assessments ensure that safety measures are working as intended and identify areas for improvement.

By implementing this comprehensive safety strategy, the company demonstrates its commitment to providing a safe and healthy work environment for all employees, while safeguarding machinery and materials from potential hazards.

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

Category	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

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

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.	As part of our commitment to maintaining a safe and healthy work environment, the company continuously strives to improve workplace conditions and implement additional controls. This ongoing process focuses on identifying significant risks related to working conditions and taking appropriate measures to mitigate them. Some of the key strategies employed include: 1. Engineering Controls: The company has installed various engineering controls devices such as sprinkler at the locations which are fire prone. These controls are designed to manage and mitigate identified risks, ensuring a safer workplace for employees. By focusing on continual improvement and implementing additional controls, the company remains dedicated to providing a safe, healthy, and productive work environment for all employees.

Leadership Indicators

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

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)	The company does not offer a structured transition assistance program. However, support is given on an individual basis, depending on each specific case.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	25%
Working Conditions	25%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.	For value chain partners, there has been no need for a corrective action plan as a result of the evaluation.

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

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**
   The relevant stakeholder identification exercise has been carried out by senior management in consultation with board members and different departments. The stakeholders are identified based on a group who can be affect or affected by the company. The identified stakeholder includes both internal and external stakeholders relevant to the organisation. The key stakeholder for the organisation includes employees and workers, Investors and shareholders, Government and regulators, vendors, customers and dealers, bank and financial institution, and the community. The company acknowledges all stakeholders for their support in helping the company to deliver its strategies and achieve its targets. The company values the input and feedback provided by stakeholders and seeks to maintain strong relationships with them. Through ongoing engagement and communication, the company aims to ensure that the needs and expectations of all stakeholders are met.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employee and Workers	No	Direct & other communication mechanisms, meeting email, notice board.	Ongoing	Company follows an open-door policy, training & development, performance management, etc.
Investors and Shareholders	No	E-mail, newspaper, advertisement, website, Annual General Meetings, disclosures to stock exchanges and investor meetings / calls / conferences	Need based and Quarterly calls	Information about business and statutory approvals
Government and Regulators	No	E-mail, letters, representations, meetings, etc.	Need based	Compliances, approvals, permissions, etc.
Vendors	No	Emails, meetings	Frequent and need based	Supply of materials / services.
Customers and Dealers	No	Meetings	Frequent and need based	Informing them about products of the company, feedback, etc.
Banks and Financial Institutions	No	E-mail, letters, representations, meetings, etc.	Frequent and need based	Financial requirements and transactions
Community/Society	No	Directly or through CSR implementation	Frequent and need based	education, empowerment, health, infrastructure, conservation, etc.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

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

Category	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Total (A)	No. employees workers covered (B)	% (B / A)	Total (C)	No. employees workers covered (D)	% (D / C)
Employees						
Permanent	901	345	38%	836	297	36%
Other than permanent	35	0	0%	35	0	0%
Total Employees	**936**	**345**	**37%**	**871**	**297**	**34%**
Workers						
Permanent	0	0	0%	0	0	0%
Other than permanent	585	585	100%	544	457	84%
Total Workers	**585**	**585**	**100%**	**544**	**457**	**84%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 Current Financial Year					FY 2021-2022 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B /A)	No. (C)	% (C /A)		No.(E)	% (E/D)	No.(F)	% (F/D)
Employees										
Permanent	901	0	0%	901	100%	836	0	0%	836	100%
Male	889	0	0 %	889	100%	827	0	0 %	827	100%
Female	12	0	0 %	12	100%	9	0	0 %	9	100%
Other than permanent	35	0	0 %	35	100%	35	0	0 %	35	100%
Male	32	0	0%	32	100%	34	0	0%	34	100%
Female	3	0	0%	3	100%	1	0	0%	1	100%
Workers										
Permanent	0	0	0%	0	0	0	0	0%	0	0
Male	0	0	0 %	0	0	0	0	0%	0	0
Female	0	0	0 %	0	0	0	0	0%	0	0
Other than permanent	585	0	0 %	585	100%	544	0	0%	544	100%
Male	573	0	0%	573	100%	515	0	0%	515	100%
Female	12	0	0%	12	100%	29	0	0%	29	100%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	9	1,99,82,000	1	7,00,000
Median Remuneration of Executive Directors	5	4,39,07,000	0	0
Median Remuneration of Non-Executive Directors	4	4,37,500	1	7,00,000
Key Managerial Personnel	3	52,51,000	0	0
Employees other than BoD and KMP	921	5,74,428	15	3,85,944
Workers*	0	0	0	0

*The company have no permanent workers. The reported workers are contractual workers. We firmly believe in compensating our workers adequately for the valuable skills and services they bring to our company. All contractual workers are paid above the minimum wage at all times.

4.	Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)	Yes
5.	Describe the internal mechanisms in place to redress grievances related to human rights issues.	The company is committed to promoting a safe and respectful work environment by providing employees with effective channels for reporting grievances and addressing potential violations. To ensure transparency and accountability, the company has implemented the following mechanisms: 1. Grievance Reporting: Employees are encouraged to raise concerns or disclose any actual or potential violations of the Company Code, policies, or laws, including human rights violations. This proactive approach empowers employees to voice their concerns and contribute to a positive work environment. 2. Review and Action: Representations made while reporting grievances are thoroughly reviewed by the relevant personnel, and appropriate actions are taken for substantiated violations. This process ensures that all concerns are addressed promptly and effectively, and that necessary corrective measures are implemented. 3. Internal Complaints Committee (ICC): The company has established the Internal Complaints Committee (ICC) specifically for the redressal of Sexual Harassment and other gender-based grievances. This dedicated committee ensures that all such complaints are handled with sensitivity, confidentiality, and efficiency. By providing these reporting mechanisms and support structures, the company fosters a culture of trust, respect, and integrity, ensuring that all employees feel heard and valued.

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

Category	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7.	Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.	The company is committed to providing a supportive and transparent environment to address complaints and conduct inquiries. To achieve this, the following measures have been implemented: • Provision of Necessary Facilities: The company ensures that the Internal Committee, responsible for handling complaints and conducting inquiries, is provided with the necessary facilities and resources to carry out their duties effectively and efficiently. • Assistance in Securing Attendance: The company actively assists the Internal Committee in securing the attendance of the respondent and any relevant witnesses. This support enables a fair and thorough investigation of the complaint. • Access to Information: The company is dedicated to providing the Internal Committee with any information it may require in relation to a complaint. This commitment to transparency ensures that the committee can conduct a comprehensive and unbiased inquiry, taking into consideration all relevant facts and evidence. By implementing these measures, the company promotes a culture of accountability, fairness, and respect, fostering a positive work environment for all employees.

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

9. Assessments for the year:	
	%age of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Health & Safety	100%

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.	No corrective action were required arising from the assessment conducted.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.	The Company has not received any grievance complaint regarding human rights.

4. Details on assessment of value chain partners:	
	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	100%
Health & Safety	100%

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Gigajoules) and energy intensity, in the following format:

Parameter	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
Total electricity consumption (A)- in Gigajoules	3,56,059.95	1,40,573.97
Total fuel consumption (B) in Gigajoules	1,36,28,677.31	1,27,22,684.85
Energy consumption through other sources (C) in Gigajoules	-	-
Total energy consumption (A+B+C) in Gigajoules	1,39,84,737.26	1,28,63,258.82
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees in lakhs)	63.90	82.94

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

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.	Yes, Target given for year 2024-2025 is to reduce specific energy consumption from 0.8476 TOE/Tone Equivalent to 0.8106 TOE/Tone Equivalent.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	48,84,607	50,09,994
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (I + ii + iii + iv + v)	48,84,607	50,09,994
Total volume of water consumption (in kilolitres)	53,48,557	55,23,410
Water intensity per rupee of turnover (Water consumed / turnover (lakhs))	24.44	35.61

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

*Total water consumed is total of water withdrawal from third party, recycled water, rainwater harvested water. However, our Net water consumption excluding water discharged is 42,62,431.90 KL in FY 22-23 and 45,23,585.90 KL in FY 21-22.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.	No

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
Nox	Ton/year	134	147.10
Sox	Ton/year	425	443
Particulate matter (PM)	MT/Year	274	270
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
COD	MT/Year	4803	4744

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

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
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	16,95,095.19	15,82,402.53
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	80,113	31,629
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO_2 equivalent per rupee of turnover(Lakhs)	8.11	10.41

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

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.	Yes The Company has entered into a Joint Venture Agreement to install the wind -solar hybrid project of 18.34 MW comprising of wind capacity of 17.60 MW AC and solar capacity of 18.34 MW AC (~DC Capacity = 25.67 MWp). Similarly, the company also reducing carbon footprint through proactive investment in advanced technologies such as ECH which resulted in lowering the energy footprint.

8. Provide details related to waste management by the entity, in the following format:

Parameter		FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
Total Waste generated (in metric tonnes)			
A	Plastic waste (A)	9	0
B	E-waste (B)	0	0
C	Bio-medical waste (C)	0	0
D	Construction and demolition waste (D)	0	0
E	Battery waste (E)	0	0
F	Radioactive waste (F)	0	0
G	Hazardous waste. Please specify, if any. (G)	2,610	2,277
H	Other Non-hazardous waste generated (H).	24,553	21,184
H.1	Brine sludge	3,786	3,260
H.2	Fly ash	20,762	17,922
H.3	Canteen waste	5.4	1.5
	Total (A+B + C + D + E + F + G + H)	**27,172**	**23,461**
	For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
	Category of waste		
	(i) Recycled	0	0
	(ii) Re-used	0	0
	(iii) Other recovery operations	2,624.4	2,271.5
	Total	2,624.4	2,271.5
	For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
	Category of waste		
	(i) Incineration	6.5	0
	(ii) Landfilling	24,548	21,182
	(iii) Other disposal operations	0	0
	Total	**24,555**	**21,182**

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

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.	During the manufacturing process, both non-hazardous and hazardous waste materials are generated, which require proper handling and disposal to ensure environmental safety and compliance with regulations. For non-hazardous waste, such as brine sludge, the waste is collected, transported, and disposed of at a Treatment, Storage, and Disposal Facility (TSDF) site. This process is facilitated through the preparation of an online manifest on the Gujarat Pollution Control Board (GPCB) XGN site. Records of these waste disposal activities are diligently maintained to ensure transparency and adherence to guidelines. In the case of hazardous waste, such as dilute sulfuric acid, disposal is carried out in accordance with Rule 9 of the applicable waste management regulations. This ensures that hazardous materials are handled in a manner that mitigates risks to the environment, employees, and the community. We adopted the Best Available Technology for waste reduction. We have invested in zero Gap Membrane and high carbon ash recycling system to recycle waste and improve the efficiency. The company switched from the use of barium carbonate to removing brine impurities used in the manufacture of Caustic Soda lye. The replacement helped reduce the consumption of a natural resource, reduced waste generation and waste disposal in open land. The use of MSRU technology helped reduce sludge from 62 Kg/MT to 23Kg/MT of Caustic Soda; it helped eliminate barium carbonate and reduce waste.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval /clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	NA	NA	NA

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
No EIA was conducted during current financial year.					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Company is compliant with the applicable environmental law/ regulations/ guidelines in India.				

Leadership Indicator

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment-please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment-please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment-please specify level of treatment		
(iv) Sent to third- parties (GIDC)		
- No treatment		
- With treatment-Primary Treatment	10,86,125	9,99,824
(v) Others		
- No treatment		
- With treatment-please specify level of treatment		
Total water discharged (in kilolitres)	**10,86,125**	**9,99,824**

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

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Green Belt development programme	As a Green belt Development programme, till date we have planted approx. 31,000 number of samplings.	Through our program, we aim to promote the importance of greenery and its impact on our environment. The planned samplings will go a long way in achieving this goal by creating green belts that serve as habitats for wildlife, improve air quality, and mitigate the effects of climate change.
2.	ECH – Glycerol process	Company selected the Glycerol process for manufacturing Epichlorohydrin	Firstly, this process is more environmentally friendly compared to other manufacturing methods, as it requires lower amounts of water and energy. Additionally, the use of Glycerin as the raw material for this process is another benefit, as it is a 100% renewable resource. This means that the company can sustainably produce Epichlorohydrin without depleting finite resources.
3.	Renewable Energy	The Company has entered into a Joint Venture Agreement to install the wind -solar hybrid project of 18.34 MW comprising of wind capacity of 17.60 MW AC and solar capacity of 18.34 MW AC (~DC Capacity = 25.67 MWp).	This project will contribute to reducing the carbon footprint from energy consumption , and in turn, support the global efforts towards mitigating climate change.
4.	Recycling and reusing of wastewater	The recycling of wastewater from the STP and reusing for other processes.	The treated water can then be used for various non-potable purposes, such as industrial processes, cooling systems, or irrigation. This means that the company can reduce their reliance on fresh water sources, ultimately contributing to the preservation of this valuable resource.

5.	Sulphate Removal Technologies (MSRU	The sulphate removal system is used in the Caustic Soda production in which barium carbonate is used as a raw material to remove sulphate from the brine circuit. The company switched from the use of barium carbonate to remove brine impurities used in the manufacture of Caustic Soda lye.	The use of MSRU technology helped reduce sludge from 62 Kg/MT to 23Kg/MT of Caustic Soda; it helped eliminate barium carbonate and reduce waste. The sulphate removal system resulted in the reduction of waste in brine purification / clarification for better efficiency of RVDF. The replacement helped reduce the consumption of a natural resource, reduced waste generation and waste disposal in open land.
6.	Tunable Diode Laser Absorption Spectroscopy	The company installed Tunable Diode Laser Absorption Spectroscopy sampling system to monitor HCl and Cl2 gas emissions from the process loop with process control system.	This system allow for immediate response in case of any irregularities or spikes in emissions.
7.	Installation of Zero Gap Membrane	The company has adopted an innovative and sustainable approach towards the manufacturing of Caustic Soda by utilizing the zero gap membrane process	This process is an advanced form of membrane filtration, which allows for the production of high- quality Caustic Soda with minimal waste generation.
8.	Rainwater Harvesting	The company invested in rainwater harvesting in its power plant (rainwater from the rooftop of the power plant building was collected into a dedicated covered pit and after analysis is used for cooling tower make up).	By utilizing rainwater for cooling tower make-up, the company is reducing its dependence on freshwater sources, thereby conserving this valuable resource
9.	Waste Compost Machine	The company has taken a responsible and sustainable approach towards waste management by utilizing canteen waste to create compost.	The compost created from the company's canteen waste provides a nutrient- rich soil supplement for the green belt and reduces waste sent to landfills. This approach not only supports plant growth but also helps reduce methane generation from waste at the dumping yard, contributing to a more sustainable environment.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.	Yes On Site emergency plans are aligned with Local crises plan and District Emergency Response Plan. On-Site Emergency plan is prepared as per Schedule 8-A of Sub rule 68-J-(12) (1) of the Gujarat Factory Rule 1963. Disaster management plan is as per Gujarat State Disaster Management Act, 2003 & Disaster Management Act, 2005. Possible scenarios considered for disaster management and crisis plan are as: Fire & Explosion, Toxic gas release, Spillage of Acid & Alkali, Collapse of Building, structure, Failure of Electrical Installations, Bomb threat, Terrorist attack, natural disaster, rain, flood, earth quake, storm & cyclone, etc. Disaster management plan and crisis management plan mainly includes communication flow and instruction flow to respond and recover normalcy of plant operations.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.	6

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S.No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Gujarat Chamber of Commerce & Industry	State
2	Dahej Industries Association	State
3	Alkali Manufactures Association of India	National
4	Indian Chemical Council	National
5	Federation of Indian Chambers of Commerce and Industry	National
6	Chemicals and Petrochemicals Manufacturer's Association	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
No Rehabilitation and Resettlement project undertaken by the Company.		

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
As the contribution is not exceeding ₹10 Crores, the same is not applicable					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
-	-	-	-	-	-	-

3. Describe the mechanisms to receive and redress grievances of the community.	Yes, Contact number and details of the contact person are provided to nearby community to connect regarding any issue.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Parameter	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
Directly sourced from MSMEs/ small producers	14.24%	6.42%
Sourced directly from within the district and neighbouring districts	88.50%	86.17%

Leadership Indicators

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In INR)
1.	Gujarat	Dahej - Amount Spent	75,00,000

6. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
	Promoting Health care and Education	3090	100%

MFL

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.	MFL have customer complaint procedure in place. The consumer SOP is circulated to all the customers. Step followed by the MFL team is- **Step-1** When any customer complaint is received by Marketing Dept. (By return or Oral) It will forward the complains as FIR (First Information Report) in prescribe format from the MKT. **Step 2-** If customer complaint seems not genuine in nature due to obvious reason or any discrepancy then it will be logged only after mutual agreement of MKT and Q.A/Q.C Head. **Step 3-** Q.A/Q.C will record the complaints in the "Complaints register" maintained in soft copy. **Step 4-** All complaints are serial number year wise for future tracking.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 2022-23 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Received during the year	**Pending resolution at end of year**	**Remark s**	**Received during the year**	**Pending resolution at end of year**	**Remarks**
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues:

	Number	**Reasons for recall**
Voluntary recalls	0	-
Forced recalls	0	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.	The Company at regular interval carries out assessment of data piracy / cyber security tools. However, to further strengthen the said tools, the Company has initiated necessary process to formalize the systems by framing data piracy / cyber security policy.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.	During the reporting period, there were no complaints or issues related to advertising and delivery of essential services, as well as cyber security and data privacy of customers. Additionally, no products were recalled in the current reporting year, and no fines or penalties were imposed, nor any regulatory actions taken regarding the safety of products or services.

Leadership Indicators

1.	Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).	**www.meghmanifinechem.com**
2.	Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.	Some of the steps taken to inform and educate consumers about safe and responsible usage of products and/or services are as follows- • The Company provides all relevant information regarding a product for the user through product labelling, product literature, our website and our apps. • We take great care to connect with our users and provide them information about how to use the products in a safe and effective manner. • Our sales force remains in regular touch with the customers and collects relevant feedback from them relating to their concerns, their expectations or complaints. • Customer feedback or complaints received from all sources is adequately addressed in a time bound manner
4.	Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)	Company displays mandated product information as per law also provides all relevant information regarding a product for the user through product literature, our website and our apps. We do not conduct survey, but our sales force remains in regular touch with the customers and collects relevant feedback from them relating to their concerns, their expectations or complaints. Customer feedback or complaints received from all sources is adequately addressed in a time bound manner

Standalone Financial Statements

Independent Auditor's Report

To the Members of Meghmani Finechem Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Meghmani Finechem Limited ("the Company"), which comprise the Balance Sheet as at March 31 2023, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Revenue recognition *(as described in Note 2 of the standalone financial statements)*	
The Company majorly generates revenue from sale of Chloro-Alkali and its Derivatives products. The Company recognises revenue from sales of goods in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers, measured at fair value of consideration received or receivable in the ordinary course of its activities. Revenue from sale of goods is recognised net of discounts, rebates and taxes. Certain terms in sales arrangements relating to timing for transfer of control to the customer and delivery specifications including incoterms, involves significant judgement in determining whether the revenue is recognised in the correct period.	Our audit procedures included the following: ➢ Read and evaluated the Company's policy for revenue recognition and assessed its compliance with Ind AS 115 'Revenue from Contracts with Customers'. ➢ Assessed the design and tested the operating effectiveness of internal controls related to revenue. ➢ Performed on test check basis, sales transactions and inspected the underlying sales orders, invoice copies, terms of delivery, lorry receipts, bill of lading, and collection as per the terms of the contract with customers. ➢ Performed on test check basis, transactions near year end date as well as credit notes issued after the year end date. ➢ Assessed the relevant disclosures in Standalone Financial Statements for compliance with disclosure requirements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other Comprehensive Income, Cash Flows and Changes in Equity 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 39 to the standalone financial /statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term derivative contracts – Refer Note 43 to the standalone financial statements;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

      v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

      As stated in note 16 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

      vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN: 23101974BGUFKX5869

Place: Ahmedabad
Date: April 25, 2023

Annexure I referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date of Meghmani Finechem Limited for the year ended March 31, 2023.

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangibles Assets.

(b) Property, Plant and Equipment have been physically verified by the management during the year in accordance with a planned programme of verifying them over the period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were identified 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) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) or Intangible Assets during the year ended March 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The inventory (except for Goods in Transit, Inventories lying with third parties has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them. No material discrepancies in aggregate for each class of inventory were noted on physical verification of Inventory.

(b) As disclosed in note 18 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of Current Assets of the Company. The Company does not have such sanctioned working capital limits from any financial institution. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the audited books of accounts of the Company.

iii. (a) During the year the Company has not provided Loans, Advances in the nature of Loans, stood guarantee or provided security to Companies, Firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the Company has not provided Guarantees, provided security or granted loans and advances in the nature of loans to Companies, Firms, Limited Liability Partnerships or any Other Parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company. The investments made during the year in a company is not prejudicial to the Company's interest. Further, no investment is made in Firms, Limited Liability Partnerships or any Other Parties.

(c) The Company has not granted Loans and Advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investments made have been complied with by the Company. Further, in our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable. Accordingly, the requirement to report on clause 3 (iv) of the Order is not applicable to that extent to the Company.

v. The Company has neither accepted any Deposits from the Public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacturing of Chloro- Alkali and its Derivatives Products are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, income-Tax, Duty of Customs, Professional Tax, Cess and Other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of duty of Goods and Service Tax, Income Tax, Duty of Excise, Service Tax and Other Statutory dues which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount involved (₹ in lakhs)*	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Custom Act, 1962	Custom Duty	598.50	2012-13	CESTAT	
Income Tax Act, 1961	Income Tax	541.03	2017-18	CIT (A)	

* Net of amount paid under protest amounting to ₹25.40 Lakhs

viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. (a) The Company has not defaulted in repayment of Loans or Other Borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any Bank or Financial Institution or Government or any Government Authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) The Company has not raised loans during the year on the pledge of securities held in its Subsidiary. Hence, the requirement to report on clause 3 (ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) No fraud by the Company or no fraud on the Company 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 as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) (b) and (c) of the Order is not applicable to the Company.

xiii. Transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Notes to the financial statements, as required by the applicable accounting standards.

xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its 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 (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) 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) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

xvii. The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

xviii. There has been no resignation of the Statutory Auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

xix. On the basis of the financial ratios disclosed in note 44 to the Standalone Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to Sub section 5 of section 135 of the Act. This matter has been disclosed in note 33 to the standalone financial statements.

(b) All amounts that are unspent under Sub Section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special bank account in compliance of with provisions of sub section (6) of Section 135 of the said Act. This matter has been disclosed in note 33 to the Standalone Financial Statements.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN: 23101974BGUFKX5869

Place: Ahmedabad
Date: April 25, 2023

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Meghmani Finechem Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Meghmani Finechem Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control 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 the 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 with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls with Reference to these Standalone Financial Statements

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN: 23101974BGUFKX5869

Place: Ahmedabad
Date: April 25, 2023

Standalone Balance Sheet as at March 31, 2023

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
I. Assets			
Non-Current Assets			
(a) Property, Plant and Equipment	3.1	1,77,885.52	1,03,940.33
(b) Capital Work in Progress	3.2	15,810.25	58,925.44
(c) Intangible Assets	3.3	2,519.43	2,842.67
(d) Investment in Subsidiary	4	5.00	5.00
(e) Financial Assets			
(i) Investments	5	2,056.53	-
(ii) Other Financial Assets	6	740.46	824.37
(f) Income Tax Assets (net)	7	639.62	255.24
(g) Other Non-Current Assets	8	1,623.48	884.15
Total Non-Current Assets		**2,01,280.29**	**1,67,677.20**
Current Assets			
(a) Inventories	9	21,182.82	15,413.89
(b) Financial Assets			
(i) Trade Receivables	10	16,632.23	25,632.40
(ii) Cash and Cash Equivalents	11	1,419.00	2,503.54
(iii) Bank Balances other than (ii) above	12	86.80	-
(iv) Loans	13	14.47	22.69
(v) Other Financial Assets	14	1,824.63	187.69
(c) Other Current Assets	15	784.98	929.21
Total Current Assets		**41,944.93**	**44,689.42**
Total Assets		**2,43,225.22**	**2,12,366.62**
II Equity and Liabilities			
Equity			
(a) Equity Share Capital	16	4,155.02	4,155.02
(b) Other Equity	17	1,02,761.69	68,441.93
Total Equity		**1,06,916.71**	**72,596.95**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	54,464.04	76,814.40
(ii) Lease Liabilities	41	134.91	261.84
(b) Provisions	19	272.11	289.31
(c) Deferred Tax Liabilities (net)	35	16,673.40	9,175.12
Total Non-Current Liabilities		**71,544.46**	**86,540.67**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	33,150.34	22,121.80
(ii) Lease Liabilities	41	126.93	114.38
(iii) Trade Payables	21		
Total outstanding dues of Micro and Small Enterprise		840.51	915.25
Total outstanding dues of Creditors other than Micro and Small Enterprise		10,176.79	7,895.25
(iv) Other Financial Liabilities	22	19,268.92	18,615.89
(b) Other Current Liabilities	23	1,175.39	2,606.33
(c) Provisions	24	15.55	17.89
(d) Current Tax Liabilities (net)	25	9.62	942.21
Total Current Liabilities		**64,764.05**	**53,229.00**
Total Liabilities		**1,36,308.51**	**1,39,769.67**
Total Equity and Liabilities		**2,43,225.22**	**2,12,366.62**
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of these Standalone Financial Statements

As per our Report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

Place: Ahmedabad
Date: 25th April, 2023

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman & Managing Director
DIN: 02006947

K.D. Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN: 01998162

Place: Ahmedabad
Date: 25th April, 2023

Standalone Statement of Profit and Loss for the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Revenue			
Revenue from Operations	26	2,18,839.97	1,55,094.14
Other Income	27	798.39	411.08
Total Income (A)		**2,19,638.36**	**1,55,505.22**
Expenses			
Cost of Materials Consumed	28	1,21,175.69	75,941.09
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	29	(9,697.39)	167.66
Employee Benefits Expenses	30	8,660.07	7,679.46
Finance Costs	31	6,550.22	4,427.02
Depreciation and Amortization Expenses	3	10,895.33	8,590.56
Power and Fuel Expenses	32	12,289.50	7,353.07
Other Expenses	33	17,512.36	13,004.12
Total Expense (B)		**1,67,385.78**	**1,17,162.98**
Profit Before Tax (C) = (A-B)		**52,252.58**	**38,342.24**
Tax Expense:	35		
Current Tax		9,430.77	6,967.28
Net Deferred Tax Expense /(Benefit)		7,486.06	6,096.28
Total Tax Expense (D)		**16,916.83**	**13,063.56**
Net Profit for the Year (E) = (C-D)		**35,335.75**	**25,278.68**
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss in subsequent periods			
Remeasurement Gain / (Loss) on Defined Benefit Plans		34.98	(4.85)
Income Tax effect on above		(12.22)	1.69
Total Other Comprehensive Income / (Loss) for the Year, net of Tax (F)		**22.76**	**(3.16)**
Total Comprehensive Income for the Year (G) = (E+F)		**35,358.51**	**25,275.52**
Earnings per Equity Share (face value of ₹10 each) (in ₹)			
Basic	34	85.04	60.84
Diluted		85.04	60.84
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of these Standalone Financial Statements

As per our Report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman & Managing Director
DIN: 02006947

K.D. Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN: 01998162

Place: Ahmedabad
Date: 25th April, 2023

Place: Ahmedabad
Date: 25th April, 2023

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Standalone Cash Flow Statement for the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash Flow from Operating Activities		
Profit Before Taxation	52,252.58	38,342.24
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and Amortisation Expenses	10,895.33	8,590.56
Interest Income	(84.27)	(15.93)
Interest and Finance Charges	6,550.22	4,427.02
Unrealised Foreign Exchange (Gain)/Loss	(75.47)	28.72
(Profit)/Loss on Sale of Property, Plant & Equipment	0.49	7.16
Provision No Longer Required Written back	-	(12.20)
Sundry Balances Written off	(251.79)	-
Operating Profit before Exceptional & Extraordinary Item	**69,287.09**	**51,367.56**
Extraordinary Items	**-**	**-**
Operating Profit before Working Capital changes	**69,287.09**	**51,367.56**
Adjustment for:		
(Increase) in Inventories	(5,768.93)	(10,017.92)
(Increase)/Decrease in Trade Receivables	9,041.80	(13,748.68)
(Increase) in Other Non Current Financial Assets	(52.66)	(35.64)
(Increase)/Decrease in Other Non Current Assets	4.15	(23.33)
(Increase)/Decrease in Other Current Financial Assets	(1,353.32)	24.19
(Increase)/Decrease in Other Current Assets	144.23	(342.96)
(Increase)/Decrease in Short Term Loans and Advances	8.22	(11.27)
Increase in Trade Payables	2,240.65	1,476.86
Increase in Long Term Provision	17.78	121.62
Increase in Other Current Financial Liabilities	1,228.18	3,727.69
Increase/(Decrease) in Other Current Liabilities	(1,430.94)	1,880.56
Increase/(Decrease) in Short Term Provisions	(2.34)	7.85
Working Capital Changes	**4,076.82**	**(16,941.03)**
Cash Generated from Operation	**73,363.91**	**34,426.53**
Direct Taxes Paid (Net of Refund)	(10,747.74)	(6,044.86)
Net Cash Generated from Operating Activities	**62,616.17**	**28,381.67**
B. Cash Flow from Investment Activities		
Purchase of Property, Plant & Equipment (including CWIP and Intangible Asset)	(41,645.44)	(45,629.92)
Investment in Subsidiary/Associate	(2,054.08)	(5.00)
Other Investment	(2.45)	
(Investment in)/Redemption of Fixed Deposits	(18.13)	137.90
(Investment) of earmarked balances with Bank	(86.80)	-
Interest Received	84.92	29.39
Net Cash (Used in) Investing Activities	**(43,721.98)**	**(45,467.63)**
C. Cash Flow from Financing Activities		
Interest and Finance Charges Paid	(6,045.19)	(4,803.91)
Proceeds from Long-Term Borrowing	7,475.00	35,930.00
Repayment of Long-Term Borrowing	(13,909.53)	(12,004.88)
Proceed/(Repayment) from Short-Term Borrowing (Net)	1,156.58	510.84
Payment of Lease Liability	(141.17)	(110.55)
Dividend paid on Preference Shares	(1,385.48)	-
Dividend paid on Equity Shares	(1,036.95)	-
Redemption of Preference Shares	(6,091.99)	-
Net Cash (Used in)/Generated from Financing Activities	**(19,978.73)**	**19,521.50**

Standalone Cash Flow Statement for the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(1,084.54)**	**2,435.54**
Cash and Cash Equivalent at the beginning of the Year	**2,503.54**	**68.00**
Cash and Cash Equivalent at the end of the Year	**1,419.00**	**2,503.54**
Cash and Cash Equivalent comprises as under		
Cash on Hand	1.49	0.94
Balance with Schedule Banks in Current Accounts	1,417.51	2,502.50
Deposit with Schedule Banks :	-	0.10
Cash & Cash Equivalent at the end of the Year (refer note 11)	**1,419.00**	**2,503.54**

Notes to the Cash Flow Statement for the year ended on 31 March 2023

1) The Cash Flow Statement has been prepared as per Indirect Method in accordance with the Indian Accounting Standard - 7 on "Statement of Cash Flow " issued by the Institute of Chartered Accountants of India.

2) Changes in liabilities arising from Financing Activities

(₹ in Lakhs)

Particulars	April 1, 2022	Cash Flow	Other	March 31, 2023
Current Borrowings (Note 20)	8,014.33	1,156.58	-	9,170.91
Non-Current Lease Liabilities (Note 41)	261.84	(141.17)	14.24	134.91
Non- Current Borrowings (Note 18)	90,921.87	(12,526.52)	48.12	78,443.47
Accrued Interest (Note 22)	1,841.65	(6,045.19)	6,132.65	1,929.11
Total Liabilities from Financing Activities	**1,01,039.69**	**(17,556.30)**	**6,195.01**	**8,9678.41**

(₹ in Lakhs)

Particulars	April 1, 2021	Cash Flow	Other	March 31, 2022
Current Borrowings (Note 20)	7,503.49	510.84	-	8,014.33
Non-Current Lease Liabilities (Note 41)	306.00	(110.55)	66.38	261.84
Non- Current Borrowings (Note 18)	46,327.65	23,925.12	20,669.10	90,921.87
Accrued Interest (Note 22)	332.10	(4,803.91)	6,313.47	1,841.65
Total Liabilities from Financing Activities	**54,469.24**	**19,521.49**	**27,048.96**	**1,01,039.69**

Others includes the effects of reclassification of Non Current portion of Borrowings including Lease Liabilities to Current due to passage of time and effect of unrealised foreign currency amount on External Commercial Borrowings

The accompanying notes are an integral part of these Standalone Financial Statements

As per our Report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman & Managing Director
DIN: 02006947

K.D. Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN: 01998162

Place: Ahmedabad
Date: 25th April, 2023

Place: Ahmedabad
Date: 25th April, 2023

Standalone Statement of Changes in Equity (SOCIE)

for the Year ended March 31, 2023

(A) Equity Share Capital

(₹ in Lakhs)

Particulars	No. of Shares	Amount
Equity Share of ₹10 each Issued, Subscribed and Fully Paid up		
Balance as at 1st April 2021	**4,15,52,665**	**4,155.27**
Changes in Equity Share Capital due to Prior Period Errors	-	-
Balance as at 1st April 2021	4,15,52,665	4,155.27
Changes in Equity Share Capital during the Year (refer note 16)	(2,507)	(0.25)
Balance as at 31st March 2022	**4,15,50,158**	**4,155.02**
Balance as at 1st April 2022	**4,15,50,158**	**4,155.02**
Changes in Equity Share Capital due to Prior Period Errors	-	-
Balance as at 1st April 2022	4,15,50,158	4,155.02
Changes in Equity Share Capital during the Year	-	-
Balance as at 31st March 2023	**4,15,50,158**	**4,155.02**

(B) Instrument entirely Equity in nature

(₹ in Lakhs)

Particulars	No. of Shares	Amount
8% Optionally Convertible Preference Share (OCRPS) of ₹10 Issued, Subscribed and Fully Paid up		
Balance as at 1st April 2021	**21,09,19,871**	**21,091.99**
Conversion of 8% OCRPS to RPS pursuant to scheme of Arrangement*	(21,09,19,871)	(21,091.99)
Balance as at 31st March 2022	**-**	**-**

*As per Order dated 03 May 2021 of The NCLT Ahmedabad Bench , OCRPS have been converted into equal number of RPS with same terms and condition and tenure from May 3, 2021 i.e date of the order and effective date. Accordingly, OCRPS is classified as debt instrument from the date of order.

(C) Other Equity

(₹ in Lakhs)

Particulars	Capital Reserve (refer note 17)	Retained Earnings (refer note 17)	Total Other Equity (refer note 17)
Balance at 1st April 2021	**(24,668.28)**	**67,834.41**	**43,166.13**
Changes in Accounting Policy / Prior Period Errors	-	-	-
Balance as at 1st April 2021	(24,668.28)	67,834.41	43,166.13
Profit for the Year	-	25,278.68	25,278.68
Other Comprehensive Income for the Year (net of Taxes)	-	(3.16)	(3.16)
Total Comprehensive Income for the Year	**-**	**25,275.52**	**25,275.52**

Standalone Statement of Changes in Equity (SOCIE)
for the Year ended March 31, 2023

(C) Other Equity (contd)

(₹ in Lakhs)

Particulars	Capital Reserve (refer note 17)	Retained Earnings (refer note 17)	Total Other Equity (refer note 17)
Adjustment on cancellation of equity shares pursuant to Scheme of Arrangement	0.28	-	0.28
Balance at 31st March 2022	**(24,668.00)**	**93,109.93**	**68,441.93**
Balance as at 1st April 2022	**(24,668.00)**	**93,109.93**	**68,441.93**
Changes in Accounting Policy / Prior Period Errors	-	-	-
Balance as at 1st April 2022	(24,668.00)	93,109.93	68,441.93
Profit for the Year	-	35,335.75	35,335.75
Other Comprehensive Income for the Year (net of Taxes)	-	22.76	22.76
Total Comprehensive Income for the Year	**-**	**35,358.51**	**35,358.51**
Dividend Paid During the Year	-	(1,038.75)	(1,038.75)
Balance as at 31st March 2023	**(24,668.00)**	**1,27,429.68**	**1,02,761.69**

The accompanying notes are an integral part of these Standalone Financial Statements

As per our Report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman & Managing Director
DIN: 02006947

K.D. Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN: 01998162

Place: Ahmedabad
Date: 25th April, 2023

Place: Ahmedabad
Date: 25th April, 2023

Notes to the Standalone Financial Statement for the Year ended March 31, 2023

1. CORPORATE INFORMATION

Meghmani Finechem Limited (the Company) is a Public Company limited by shares domiciled in India, incorporated under the provisions of Companies Act, 1956. Its share are listed on Bombay Stock Exchange and National Stock Exchange in India. The registered office at Meghmani House, B/h. Safal Profitaire, Prahladnagar, Satellite, Ahmedabad Gujarat, India. The company is primarily engaged in manufacturing and selling of Chlor Alkali & its Derivatives. The Company is also engaged in trading of Agrochemical Products.

The Financial Statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 25th April 2023.

2. SIGNIFICANT ACCOUNTIG POLICIES

2.1 Basis for Preparation of Accounts

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter.

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

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

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

2.2 Significant Accounting Estimates, Assumptions and Judgements

The preparation of the Company's Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes:

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Defined Benefit Plans (Gratuity Benefits)

A liability in respect of defined benefit plans is recognised in the Balance Sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 33 for details of the key assumptions used in determining the accounting for these plans.

Useful economic lives of Property, Plant and Equipment

Property, Plant and Equipment as disclosed in note 3 are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values.

Intangible Assets

Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and future economic benefits are probable. The costs which can be capitalised are directly attributable to development of the asset. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer note 2.3 (f) for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in note 3.

Impairment of Non- Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These

Notes to the Standalone Financial Statement for the Year ended March 31,2023

calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

2.3 Summary of Significant Accounting Policies

a. BUSINESS COMBINATION

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

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

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

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

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonious accounting policies and tax adjustments if any.

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

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

b. CURRENT VS. NON-CURRENT CLASSIFICATION:

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

An asset is treated as current when it is:

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

A liability is treated as current when it is:

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

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

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

c. REVENUE RECOGNITION

Revenue from contracts with Customers is recognised when control of the goods are transferred to the Customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the Customer.

1) *Sale of Goods*

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

(i) Variable Consideration

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

Volume Rebates

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

Notes to the Standalone Financial Statement for the Year ended March 31,2023

(ii) Contract Assets

A contract asset is the right to consideration in exchange for goods transferred to the Customer. If the Company performs its obligation by transferring goods to a Customer before the Customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(iii) Trade Receivables

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

(iv) Contract Liabilities

A contract liability is the obligation to transfer goods or services to a Customer for which the Company has received consideration (or an amount of consideration is due) from the Customer. If a customer pays consideration before the Company transfers goods to the Customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2) Interest Income

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

3) Export Incentives

Export incentives under various schemes notified by Government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and is included in Revenue in the Statement of Profit and Loss due to its operating nature.

4) Dividend

Dividend income is recognised when the right to receive the same is established, which is generally when shareholders approve the dividend.

5) Insurance Claims

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

d. FOREIGN CURRENCIES

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

Transactions and Balances

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

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

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

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

e. FAIR VALUE MEASUREMEMT

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

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to

Notes to the Standalone Financial Statement for the Year ended March 31,2023

measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. Refer note 43.

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

f. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of Property, Plant, and Equipment.

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

g. INTANGIBLE ASSETS

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

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

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

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

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

h. IMPAIRMENT OF NON- FINANCIAL ASSETS

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

i. FINANCIAL INSTRUMENT

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

(A) Financial Asset

Initial Recognition and Measurement

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Debt Instruments at Amortised Cost

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

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

Notes to the Standalone Financial Statement for the Year ended March 31,2023

Debt instrument at Fair Value through Other Comprehensive Income (FVTOCI)
A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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

Debt Instrument at Fair Value through Profit & Loss (FVTPL)

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

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

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

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

All Equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTOCI. For all other Equity instruments, the Company may make an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.
If the Company decides to classify an Equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within Equity.

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

De-recognition
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., Loans, Debt Securities, Deposits, Trade Receivables and Bank Balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'Contractual Revenue Receivables' in these Financial Statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables
The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes

impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an Entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(B) Financial Liabilities

Initial Recognition and Measurement

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

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

The Company's financial liabilities include Trade and Other Payables, Loans and Borrowings.

Subsequent measurement of Financial Liabilities

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

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

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

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

Loan and Borrowings

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

Trade and Other Payables

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

Derivatives and Hedging Activities

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

De-recognition

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

Off-setting Financial Instrument

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Notes to the Standalone Financial Statement for the Year ended March 31,2023

j. INVENTORIES

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

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

Traded Goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costsincurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

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

k. BORROWING COSTS

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

l. RETIREMENT AND OTHER EMPLOYEE BENEFITS

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

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

The Company has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year.

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

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

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

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

m. ACCOUNTING FOR TAXES ON INCOME

Tax Expense comprises of Current Income Tax and Deferred Tax

Current Income Taxes

Current Income Tax assets and Liabilities are measured at the amount expected to be recovered from or paid to the Taxation Authorities in accordance with the Income-Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Deferred Taxes

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

Deferred Tax Liabilities are recognised for all taxable temporary differences, except:

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

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

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

The carrying amount of Deferred Tax Asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised Deferred Tax Assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the Deferred Tax Asset to be recovered.

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

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

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

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. Deferred Tax Assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period.

n. PROVISIONS

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

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

o. CONTINGENT LIABILITIES

Provisions are not recognised for future operating losses.

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

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

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

p. LEASES

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

Where the Company is the 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 site on which it is located, less any lease incentives received.

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

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

The Lease Liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental

Notes to the Standalone Financial Statement for the Year ended March 31,2023

borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

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

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

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

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

q. EARNING PER SHARE

Basic Earnings Per Share

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

Diluted Earnings per Share

For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

r. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalent in the Financial Statements comprise Cash at Banks and on Hand and Short-Term Deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

s. GOVERNMENT GRANTS AND SUBSIDIES:

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

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

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

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

t. SEGMENT REPORTING

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

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

u. DIVIDEND TO EQUITY AND REDEEMABLE PREFERENCE SHAREHOLDERS OF THE COMPANY

The Company recognises a liability for dividends to Equity Holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the Corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in Equity.

The Company recognises liability for dividends to Redeemable Preference share Holders of the Company on accrual basis. Dividend is paid based on authorisation by the Board of Directors. Dividend to Redeemable Preference Shareholders is cumulative and recognised in finance cost as interest expense.

v. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022:

Notes to the Standalone Financial Statement for the Year ended March 31,2023

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

(iv) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

(v) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

(vi) Ind AS 41 Agriculture – Taxation in fair value measurements

The Company assessed the above amendments for the accounting period beginning on or after 1st April 2022 and these do not have material impact on the financial statements of the Company.

The accounting policies adopted in the preparation of the financial statements are consistent with applicable Accounting Standards (Ind AS) for the year ended March 31, 2023.

w. STANDARDS NOTIFIED BUT NOT YET EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, as and when they become effective. The Ministry of Corporate affairs (MCA) has notified certain amendments to Ind AS, through Companies (Indian Accounting Standards) Amendment Rules, 2023 on 31st March, 2023. The amendments have been made in the following standards:

Ind AS 1: Presentation of Financial Statements is amended to replace the term "significant accounting policies" with "material accounting policy information" and providing guidance relating to immaterial transactions, disclosure of entity specific transactions and more.

Ind AS 8: Accounting Policies, Changes in Accounting Estimates and Errors to include the definition of accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty."

Ind AS 12: Income Taxes relating to initial recognition exemption of deferred tax related to assets and liabilities arising from a single transaction.

Other Amendments in Ind AS 102 - Share based Payments, Ind AS 103 - Business Combinations, Ind AS 109 - Financial Instruments, Ind AS 115 - Revenue from Contracts with Customers which are mainly editorial in nature in order to provide better clarification of the respective Ind AS's.

These amendments shall come into force with effect from April 01, 2023. The Company is assessing the potential effect of the amendments on its financial statements. The Company will adopt these amendments, if applicable, from applicability date.

Notes to the Standalone Financial Statement for the Year ended March 31,2023

3 Property, Plant and Equipment, Capital Work in Progress and Other Intangible Assets as at March 31,2023

(₹ in Lakhs)

Description		Gross Block				Accumulated Depreciation/Amortisation				Net Block	
		As at 1st April, 2022	Additions	Deduction / Adjustments	As at 31st March,2023	As at 1st April, 2022	For the Year	On Deduction /Adjustment	As at 31st March,2023	As at 31st March,2023	As at 31st March,2022
3.1	TANGIBLE ASSET										
	Freehold Land	-	1,527.28	-	1,527.28	-	-	-	-	1,527.28	-
	Right of Use Asset - Lease Hold Land	3,221.83	15,190.75	-	18,412.58	56.77	126.17	-	182.94	18,229.64	3,165.06
	Building	15,577.16	5,800.83	-	21,377.99	3,549.84	826.58	-	4,376.42	17,001.57	12,027.30
	Right of Use Asset - Building	583.03	-	-	583.03	258.32	109.76	-	368.08	214.95	324.71
	Plant & Machineries	95,227.50	49,629.51	-	1,44,857.01	30,688.40	8,093.55	-	38,781.95	1,06,075.06	64,539.10
	Captive Power Plant & Equipment	28,575.88	12,128.59	-	40,704.47	5,198.44	1,273.38	-	6,471.82	34,232.65	23,377.44
	Furnitures & Fixtures	443.96	31.89	-	475.85	143.07	43.16	-	186.23	289.62	300.89
	Office Equipment	131.93	160.69	-	292.62	41.63	39.35	-	80.98	211.64	90.32
	Vehicles	194.43	25.69	-	220.12	108.83	44.53	-	153.36	66.76	85.60
	Computers	74.60	22.54	1.73	95.41	44.69	15.61	1.24	59.06	36.35	29.91
	TOTAL (A)	**1,44,030.32**	**84,517.77**	**1.73**	**2,28,546.36**	**40,089.99**	**10,572.09**	**1.24**	**50,660.84**	**1,77,885.52**	**1,03,940.33**
3.3	INTANGIBLE ASSET										
	Usage Rights	2,621.23	-	-	2,621.23	453.65	247.00	-	700.65	1,920.58	2,167.58
	Technical Know-How	802.50	-	-	802.50	127.41	76.24	-	203.65	598.85	675.09
	TOTAL (B)	**3,423.73**	**-**	**-**	**3,423.73**	**581.06**	**323.24**	**-**	**904.30**	**2,519.43**	**2,842.67**
	TOTAL (A+B)	**1,47,454.05**	**84,517.77**	**1.73**	**2,31,970.09**	**40,671.05**	**10,895.33**	**1.24**	**51,565.13**	**1,80,404.95**	**1,06,783.00**

Notes: -

During the Current Year exchange gain of ₹ Nil (31 March 2022: exchange gain of ₹ Nil) arising on reporting of long term foreign currency monetary item related to Property, Plant and Equipment has been added/deducted to cost of Property, Plant and Equipment and the unamortised balance carried as part of tangible asset as at the year end aggregate to ₹345.87 Lakhs (31st March 2022: ₹375.41 Lakhs), in view of option given in para D13AA of Ind-AS 101 on first time adoption of Ind-AS.

3.2 Capital Work-in-Progress

(₹ in Lakhs)

Particulars	Amount
Cost	
As at 31st March 2022	58,925.44
Addition during the Year	24,508.17
Capitalisation	(67,623.36)
As at 31st March 2023	**15,810.25**

Ageing Schedule of Capital Work in Progress as at March 31,2023

(₹ in Lakhs)

Particulars	Amount of CWIP for a period of				Total
	Less than 1 Year	1-2 Year	2- 3 Year	More than 3 Year	
Project in Progress	15,810.25	-	-	-	15,810.25
As at 31st March 2023	**15,810.25**	**-**	**-**	**-**	**15,810.25**

Capital Work in Progress ₹15,810.25 Lakhs as at 31st March 2023 comprises expenditure for Expansion Project of Chloro Polyvinyl Chloride, Chlorotoluene and Research & Development center which are in the course of construction.

The amount of borrowing costs added to cost of Capital Work-in-Progress during the year ended 31st March 2023 is ₹911.75 Lakhs (31st March 2022: ₹1,645.65 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 7.05% - 7.70%, which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

As on 31st March, 2023 there are no Projects whose completion is overdue or exceed its cost as compare to plan, also there are no suspended Projects as on 31st March,2023

Refer note 41 for Right to Use asset details

For Property Plant & Equipment and Intangible assets existing as on 1 April 2015 i.e. the date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation so netted off as on 1 April 2015.

Notes to the Standalone Financial Statement for the Year ended March 31,2023

3 Property, Plant and Equipment, Capital Work in Progress and Other Intangible Assets as at March 31,2022

(₹ in Lakhs)

	Description	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
		As at 1st April, 2021	Additions	Deduction / Adjustments	As at 31st March, 2022	As at 1st April, 2021	For the Year	On Deduction / Adjustment	As at 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
3.1	**TANGIBLE ASSET**										
	Right of Use Asset - Lease Hold Land	1,136.93	2,084.90	-	3,221.83	26.13	30.64	-	56.77	3,165.06	1,110.80
	Building	15,485.30	92.00	0.14	15,577.16	2,898.84	651.15	0.15	3,549.84	12,027.30	12,586.46
	Right of Use Asset - Building	500.61	82.42	-	583.03	164.58	93.74	-	258.32	324.71	336.01
	Plant & Machineries	92,483.71	2,817.06	73.27	95,227.50	24,468.24	6,220.16	-	30,688.40	64,539.10	68,015.48
	Captive Power Plant & Equipment	28,516.59	59.29	-	28,575.88	4,070.87	1,127.57	-	5,198.44	23,377.44	24,445.72
	Furnitures & Fixtures	454.92	24.12	35.08	443.96	133.61	41.34	31.88	143.07	300.89	321.31
	Office Equipment	110.03	39.92	18.02	131.93	36.41	20.02	14.80	41.63	90.32	73.62
	Vehicles	200.82	4.90	11.29	194.43	49.48	69.90	10.55	108.83	85.60	151.35
	Computers	56.30	18.30	-	74.60	31.89	12.80	-	44.69	29.91	24.41
	TOTAL (A)	**1,38,945.21**	**5,222.91**	**137.80**	**1,44,030.32**	**31,880.05**	**8,267.32**	**57.38**	**40,089.99**	**1,03,940.33**	**1,07,065.16**
3.3	**INTANGIBLE ASSET**										
	Usage Rights	2,621.23	-	-	2,621.23	206.65	247.00	-	453.65	2,167.58	2,414.58
	Technical Know-How	802.50	-	-	802.50	51.17	76.24	-	127.41	675.09	751.32
	TOTAL (B)	**3,423.73**	**-**	**-**	**3,423.73**	**257.82**	**323.24**	**-**	**581.06**	**2,842.67**	**3,165.90**
	TOTAL (A+B)	**1,42,368.94**	**5,222.91**	**137.80**	**1,47,454.05**	**32,137.87**	**8,590.56**	**57.38**	**40,671.05**	**1,06,783.00**	**1,10,231.06**

Notes:

During the Current Year exchange gain of ₹ Nil (31 March 2021: exchange gain of ₹ Nil) arising on reporting of long term foreign currency monetary item related to Property, Plant and Equipment has been added/deducted to cost of Property, Plant and Equipment and the unamortised balance carried as part of tangible asset as at the year end aggregate to ₹375.41 Lakhs (31st March 2021: ₹404.35 Lakhs), in view of option given in para D13AA of Ind-AS 101 on first time adoption of Ind-AS.

3.2 Capital Work-in-Progress

(₹ in Lakhs)

Particulars	Amount
Cost	
As at 31st March 2021	12,583.73
Addition during the Year	49,237.84
Capitalisation	(2,896.14)
As at 31st March 2022	**58,925.44**

Ageing Schedule of Capital Work in Progress as at March 31,2022

(₹ in Lakhs)

Particulars	Amount of CWIP for a period of				Total
	Less than 1 Year	1-2 Year	2- 3 Year	More than 3 Year	
Project in Progress	47,239.57	10,739.57	922.68	23.62	58,925.44
As at 31st March 2022	47,239.57	10,739.57	922.68	23.62	58,925.44

Project completion schedule for overdue Project

Particulars	Less than 1 Year	1-2 Year	2- 3 Year	More than 3 Year	Total
Caustic III & 36 MW B	21,207.61	-	-	-	21,207.61
As at 31st March 2022	**21,207.61**	**-**	**-**	**-**	**21,207.61**

Capital Work in Progress as at 31st March 2022 comprises expenditure for Expansion Project of Epichlorhydrin , Chloro Polyvinyl Chloride and Caustic Soda (including Captive Power Plant) which are in the course of construction.

The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31st March 2022 is ₹1645.65 Lakhs (31st March 2021: ₹823.38 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 6.75% to 8.75%, which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

Refer note 41 for Right to Use asset details.

For Property Plant & Equipment and Intangible assets existing as on 1 April 2015 i.e. the date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation so netted off as on 1 April 2015.

Notes to the Standalone Financial Statement for the Year ended March 31,2023

4 Investments in Subsidiary

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Investment at Cost (Unquoted)		
Investment in Equity Shares of Subsidiary		
50,000 (31st March 2022: 50,000) Equity Shares of Meghmani Advanced Sciences Limited	5.00	5.00
Aggregate book value of Unquoted Investment	**5.00**	**5.00**
Aggregate value of impairment of Investment in Subsidiary	**-**	**-**

5 Financial Assets : Investments

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Investment in Equity Shares of Associate at Cost (Unquoted)		
26% Share in Renew Green (GJS Three) Pvt Limited 1,30,71,419 (31 March 2022 : NIL) Equity Shares of ₹10 each (refer note below)	2,054.08	-
Investment - Others (Unquoted)		
24,500 Equity Shares (31 March 2022 : Nil) Shares Of - Meghmani Foundation	2.45	-
Aggregate book value of Unquoted Investment	**2,056.53**	**-**

The Company has entered into Share Subscription and Shareholders' Agreement (SSSA)" with ReNew Green (GJS three) Private Limited ("RGPL") whereby the Company has invested ₹2,054.08 Lakhs for 26% equity share capital of RGPL. RGPL is in the business of developing and operating 18.34 MW wind-solar hybrid power plant in Gujarat. Based on "Energy Supply Agreement(ESA) with RGPL the company will have exclusive right to purchase the energy produced by RGPL for a period of 25 years.

RGPL is currently in the process of setting up the wind-solar hybrid power plant and is expected to commence its operations in near future.

6 Other Financial Assets (Non-Current)

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Security Deposits	696.65	645.48
Bank Deposits with original maturity of more than 12 months (including interest accrued) (refer note below)	43.81	26.34
Mark to Market Derivative Assets	-	152.55
Total	**740.46**	**824.37**

Margin Money Deposits amounting ₹43.81 Lakh (31 March 2022: ₹26.34 Lakh) are given as Security Deposit against Bank Guarantee with bank. These deposits are made for varying periods of between 1 year to 10 years and earn interest ranging between 5.40% to 7.25%.

7 Income Tax Assets (Net)

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Advance payment of Income Tax (Net of Provision)	639.62	255.24
Total	**639.62**	**255.24**

8 Other Non-Current Assets

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good		
Capital Advances	1,543.10	799.62
Balance with Government Authorities (Amount paid under Protest)	80.38	84.53
Total	**1,623.48**	**884.15**

Notes to the Standalone Financial Statement for the Year ended March 31,2023

9 Inventories (valued at lower of cost or net realisable value)

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Raw Materials (including in Transit ₹618.35 Lakhs (31st March 2022: ₹ NIL)	6,362.93	11,379.71
Work-in-Progress	48.07	
Finished Goods	9,645.57	755.54
Finished Goods In Transit	759.29	-
Consumable Stores and Spares	4,237.20	3,184.11
Others (Packing Materials)	129.76	94.53
Total	**21,182.82**	**15,413.89**

During the year the company recorded inventory write-down to Net Realisable value of ₹3,023.66 lakhs (March 31, 2022: Nil).

10 Trade Receivables

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Trade Receivables - Related Parties (refer note 37)	4,484.51	7,122.08
Trade Receivables - Others	12,147.72	18,510.32
Total Trade Receivables	**16,632.23**	**25,632.40**
Break-up for security details:		
Secured, Considered Good	628.67	626.95
Unsecured, Considered Good	16,003.56	25,005.45
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
Total	**16,632.23**	**25,632.40**
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, Considered Good	-	-
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
Total	**16,632.23**	**25,632.40**

Trade Receivable are secured to the extent of deposit received from the Customers.

Trade Receivables are non interest bearing and generally have credit period of 30-90 days.

For amount due and terms and conditions relating to related party, please refer note no 37.

No Trade or Other Receivable are due from directors or other officers of the Company either severally or jointly with any other person.

For information about Credit Risk and Market Risk related to Trade Receivables, please refer note no 43.

Trade Receivables Ageing Schedule

(₹ in Lakhs)

As at 31 March 2023	Current but Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables - Considered good	11,859.23	4,766.00	4.76	2.24	-	-	16,632.23
Undisputed Trade Receivables - Which have significant increase in Credit Risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in Credit Risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Total	**11,859.23**	**4,766.00**	**4.76**	**2.24**	**-**	**-**	**16,632.23**

Notes to the Standalone Financial Statement for the Year ended March 31,2023

(₹ in Lakhs)

As at 31 March 2022	Current but Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables - Considered good	19,104.87	6,491.16	5.05	28.78	-	2.54	25,632.40
Undisputed Trade Receivables - Which have significant increase in Credit Risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in Credit Risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Total	**19,104.87**	**6,491.16**	**5.05**	**28.78**	**-**	**2.54**	**25,632.40**

11 Cash and Cash Equivalents

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Balance with Banks		
- In Current Accounts	1,417.51	2,502.50
- Deposits with original maturity of less than three months (refer note below)	-	0.10
Cash on Hand	1.49	0.94
Total	**1,419.00**	**2,503.54**

Deposits are made for varying periods of between 60 days to 90 days and earn interest rate around 5.10%

12 Bank Balances other than Cash and Cash Equivalents

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Balance with Banks earmarked for CSR Expenses	85.00	-
Balance with Banks earmarked for Unpaid Dividend	1.80	-
Total	**86.80**	**-**

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2023 and 31st March, 2022

13 Loans

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good (current)		
Loans to Employees (refer note below)	14.47	22.69
Total	**14.47**	**22.69**

Loans to Employees are interest free and generally given for tenure of 6 to 12 months

Since all the above loans given by the Company are unsecured and considered good, the bifurcation of loan in other categories as required by Schedule III of Companies Act 2013 via: a) Secured, b) Loans which have significant increase in credit risk and c) Credit Impaired is not applicable.

Notes to the Standalone Financial Statement for the Year ended March 31,2023

14 Other Financial Assets (Current)

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good		
Export Benefits Receivables	11.80	35.14
Balances with Government Authorities (refer note below)	89.73	-
Government Grant/Incentive Receivable	1,053.97	-
Security Deposits	75.00	-
Mark to Market Derivative Assets	436.17	152.55
Other Receivables	157.96	-
Total	**1,824.63**	**187.69**

Balance with Government Authorities pertains to Refund Receivable from Goods and Service Tax Authorities.

15 Other Current Assets

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good		
Prepaid Expenses	185.29	100.14
Export Benefits Receivables	5.12	98.85
Balances with Government Authorities (refer note below)	43.01	169.46
Advance to Employees	6.10	4.36
Advances to Suppliers	545.46	556.40
Total	**784.98**	**929.21**

Balance with Government Authorities include VAT / Cenvat / Goods and Service Tax Credit Receivable, net of liabilities

16 Share Capital

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital		
Equity Shares of ₹10 each		
12,05,00,000 Equity Shares (31st March 2022: 12,05,00,000) each Share of ₹10/-	**12,050.00**	**12,050.00**
Preference Shares of ₹100 each		
20,00,000 Preference Shares (31st March 2022: 20,00,000) each Share of ₹100 /-	**2,000.00**	**2,000.00**
Preference Shares of ₹10 each		
432,628,796 Preference Shares (31st March 2022: 432,628,796) each Share of ₹10 /-	**43,262.88**	**43,262.88**
Total Authorised Capital	**57,312.88**	**57,312.88**

Particular	As at March 31, 2023	As at March 31, 2022
ISSUED, SUBSCRIBED AND FULLY PAID UP		
EQUITY SHARE CAPITAL		
4,15,50,158 Equity Shares (31st March 2022: 4,15,50,158) each of ₹10 /- Fully Paid Up	4,155.02	4,155.02
Total	**4,155.02**	**4,155.02**

Notes to the Standalone Financial Statement for the Year ended March 31,2023

Reconciliation Shares outstanding at the beginning and at the end of the Year

(₹ in Lakhs)

Equity Share Capital	No. of Shares	Amount
As at 1st April 2021	**4,15,52,665**	**4,155.27**
Less: Shares Cancelled pursuant to Scheme of Arrangement (refer note (iii) below)	(2,507)	(0.25)
As at 31st March 2022	**4,15,50,158**	**4,155.02**
Change During the Year	-	-
As at 31st March 2023	**4,15,50,158**	**4,155.02**

Instrument entirely Equity in Nature (Optionally Convertible Redeemable Preference Share Capital)

(₹ in Lakhs)

	No. of Shares	Amount (₹ in Lakhs)
As at 1st April 2021	**21,09,19,871**	**21,091.99**
Change During the Year (refer note below)	(21,09,19,871)	(21,091.99)
As at 31st March 2022	**-**	**-**

(i) Equity Share:

The Company has one class of Equity Shares with par value of ₹10 per share. Each Equity Shareholder is entitled to one vote per share. All Equity Shareholders have equal dividend rights. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders."

(ii) Conversion of Optionally Convertible Redeemable Preference Shares (OCRPS) to Compulsory Redeemable Preference Shares (RPS):

As per the Order, OCRPS issued by the Company is transferred to Meghmani Organochem Limited as per the Scheme. Further, the OCRPS will be converted into equal number of RPS with same terms and conditions and tenure from the effective date i.e. May 3, 2021 i.e. the date of the Order. Accordingly, OCRPS is classified as equity instrument under total Equity for the year ended March 31, 2021 and the same will be classified and accounted for as debt instrument from the effective date.

(iii) Shares cancelled pursuant to Scheme of Arrangement:

Pursuant to the Scheme, Shareholders of Meghmani Organics Limited(MOL) were allotted 94 Equity Shares of ₹10 each of the Company for every 1,000 Equity Shares of Re. 1 of MOL. Accordingly, 2,507 Equity Shares of the Company were cancelled on account of rounding off adjustment basis share swap ratio.

Details of Shareholding (more than 5% Equity Shares)

(In Numbers)

	Particular	As at March 31, 2023	As at March 31, 2022
(a)	Natwarlal Patel	41,76,851	41,76,851
	% of Share held	10.05%	10.05%
(b)	Ashish Soparkar	46,19,857	46,14,657
	% of Share held	11.12%	11.11%
(c)	Jayanti Patel	35,76,707	35,76,707
	% of Share held	8.61%	8.61%
(d)	Ramesh Patel	29,19,569	29,14,769
	% of Share held	7.03%	7.01%
(e)	Maulik Patel	21,54,367	20,94,591
	% of Share held	5.18%	5.04%

As per records of the Company, including its Register of Shareholder / Members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to the Standalone Financial Statement for the Year ended March 31,2023

Promoters' Shareholding

Promoter Name (31 March 2023)	No of Share at the beginning of the Year	Change during the Year	No of Share at the end of the Year	% of Total share	% Change during the Year
Ashish Soparkar	46,14,657	5,200	46,19,857	11.12%	0.11%
Natwarlal Patel	41,76,851	-	41,76,851	10.05%	0.00%
Jayanti Patel	35,76,707	-	35,76,707	8.61%	0.00%
Ramesh Patel	29,14,769	4,800	29,19,569	7.03%	0.16%
Maulik Patel	20,94,591	59,776	21,54,367	5.18%	2.85%
Anand Patel	18,16,644	-	18,16,644	4.37%	0.00%
Kaushal Soparkar	17,21,379	1,550	17,22,929	4.15%	0.09%

Promoter Name (31 March 2022)	No of Share at the beginning of the Year	Change during the Year*	No of Share at the end of the Year	% of Total share	% Change during the Year
Ashish Soparkar	21,98,563	24,16,094	46,14,657	11.11%	109.89%
Natwarlal Patel	22,27,305	19,49,546	41,76,851	10.05%	87.53%
Jayanti Patel	18,82,414	16,94,293	35,76,707	8.61%	90.01%
Ramesh Patel	13,82,414	15,32,355	29,14,769	7.01%	110.85%
Anand Patel	10,69,983	7,46,661	18,16,644	4.37%	69.78%
Maulik Patel	18,97,011	1,97,580	20,94,591	5.04%	10.42%
Kaushal Soparkar	15,80,747	1,40,632	17,21,379	4.14%	8.90%

* *Change during the year includes shares issued to shareholders of Meghmani Organics Limited(MOL) as per the share swap ratio approved by NCLT in its Order, the Company has allotted Equity Shares in the ratio of 94 Equity Shares of ₹10 each for every 1,000 Equity Shares of Re. 1 each held by the shareholders of MOL.*

Dividend Distribution made and proposed

(In numbers)

PARTICULAR	As at March 31, 2023	As at March 31, 2022
Dividend on Equity shares declared and paid:		
Interim Dividend for 31 March 2023 : ₹2.50 per share (31 March 2022 : NIL)	1,038.75	-
Proposed dividend on Equity shares:		
Proposed Dividend for 31 March 2023 : ₹2.50 per share (31 March 2022 : NIL)	1,038.75	-

Proposed Dividends on Equity Shares are subject to approval at the Annual General Meeting and are not recognised as a Liability as at 31 March.

17 Other Equity

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Capital Reserve		
Balance as at the beginning of the Year	(24,668.00)	(24,668.28)
Adjustment on cancellation of Equity Shares pursuant to Scheme of Arrangement	-	0.28
Balance as at the end of the Year	**(24,668.00)**	**(24,668.00)**
Retained Earnings		
Balance as at the beginning of the Year	93,109.93	67,834.41
Add : Profit for the Year	35,335.75	25,278.68
Add : Other Comprehensive Income for the Year	22.76	(3.16)
Less: Dividend Paid	(1,038.75)	-
Balance as at the end of the Year	**1,27,429.69**	**93,109.93**
Total	**1,02,761.69**	**68,441.93**

Notes to the Standalone Financial Statement for the Year ended March 31,2023

Capital Reserve

The balance in Capital Reserve represents difference between consideration paid and net asset acquired under common control Business Combination transactions and cancellation of shares pursuant to Sceme of Arrangement

18 Borrowings

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Term Loan Facilities from Banks:		
Indian Rupee Loan (Secured) (refer note below)	43,464.04	51,679.85
From Financial Institutions		
Foreign Currency Loan (Secured) (refer note below)	-	4,042.56
From Corporate Bodies		
Redeemable Preference Share Capital	11,000.00	21,091.99
Total Non-Current Borrowing	**54,464.04**	**76,814.40**
[refer note 20 for Current Maturities of Term Loan from Banks and Financial Institutions ₹23,979.43 Lakh (31st March 2022 : ₹14,107.47 Lakh)]		
The above amounts includes:		
Secured Borrowing	**54,464.04**	**76,814.40**
Unsecured Borrowing	-	-

refer note - 43 For Interest Rate Risk and Liquidity Risk.

Details of Security and Repayment Terms :

(i) The Company has taken External Commercial Borrowing of Euro 180.00 lakhs equivalent to ₹14,400.00 lakhs from Standard Chartered Bank to finance its capital expenditure plans. Outstanding balance for this borrowing is Euro 48.00 lakhs equivalent to ₹4,293.24 lakhs (31st Mach 2022: ₹8,085.00 lakhs).The borrowing is secured by first pari passu mortgage charge on all immovable properties, first pari passu hypothecation charge over all the moveable assets.The borrowing carries interest @ Euribor + 1.6% p.a. payable on quarterly rests.The Company has entered into Interest Rate Swap ('IRS') agreement with the bank for a fixed interest @ 1.85% p.a. and hedging of the foreign exchange rate whereby the Company will pay additional interest @ 4.95% p.a.The effective interest rate after considering basic interest rate and interest for hedging is 6.80%.The borrowing is repayable in 15 quarterly instalments of Euro 12 Lakhs each, starting from July 3, 2020.

ii) The Company has availed following Rupee Term Loan facilities:

1) Term loan amounting ₹11,000 Lakhs from HDFC Bank Limited for capital expenditure toward setting up of new Chloromethane Plant. Outstanding balance for this facility is ₹1,650 lakhs (31st March 2022: ₹3,850 lakhs).This borrowing carries interest @ 1 year MCLR (Benchmark rate) plus Nil spread.The interest rate for the current year ranges between 7.20% to 7.85% (31st March 2022: 7.20%).The Term Loan is repayable in 20 quarterly instalments of ₹550.00 Lakhs each and repayment started from 9th March 2019.

2) Term loan amounting ₹15,000 Lakhs from HDFC Bank Limited for capital expenditure toward setting up of new Caustic Soda Lye Plant with new 36 MW Captive Power Plant. Outstanding balance for this facility is ₹6,667 Lakhs (31st March 2022: ₹10,000 Lakhs). This borrowing carries interest @ 1 year MCLR (Benchmark rate) plus NIL spread (to be set every year) payable on monthly rest.The effective interest rate ranges between 7.20% to 8.85%. (31st March 2022: 7.25%) The term loan is repayable in 18 quarterly instalments of ₹833.33 Lakhs each starting from 1st November, 2020.

3) Term loan amounting ₹12,500 lakhs from Federal Bank Limited for capital expenditure toward setting up of new Hydrogen Peroxide Plant. Outstanding balance for this facility is ₹5,263 Lakhs (31st March 2022: ₹7,895 Lakhs).The borrowing carries interest @ 12 month T-bill rate (benchmark as published by RBI - to be reset every year) plus spread (fixed @ 0.94%) payable on monthly rest. The effective interest rate remained 7.90% (31st March 2022: 6.64%).The Term Loan is repayable in 19 quarterly instalments of ₹657.89 lakhs each starting from 29th September, 2020.

4) Term loan amounting ₹19,000 lakhs from State Bank of India for capital expenditure toward setting up of new Epichlorhydrin Plant. Outstanding balance for this facility is ₹17,095 Lakhs as at the Balance Sheet date (31st March 2022: ₹19,000 Lakhs) . The borrowing carries interest at 6 month MCLR (Benchmark rate) plus spread of 0.10% (to be reset every half year) payable on monthly rest. The effective interest rate ranges between 7.05% to 8.15% (31st March 2022 : 7.05%). The Term Loan is repayable in 20 quarterly instalments of ₹950.00 lakhs each starting from 31st December. 2022.

5) Term loan amounting ₹28,475 lakhs from HDFC Bank Limited for capital expenditure toward setting up of new Chloro Polyvinyl Chloride Plant and expansion of Caustic capacity with 36 MW Captive Power Plant. Outstanding balance for the facility is ₹28,475 Lakhs as

at the Balance Sheet date (31st March 2022: ₹21,000 Lakhs), the company has drawn down ₹7,475 lakhs during the year. The borrowing carries interest at 6 month MCLR (Benchmark rate) plus Nil spread payable on monthly rest. The effective interest rate ranges between 7.05% to 8.45% (31st March 2022 : 7.05%). The Term Loan is repayable in 20 quarterly instalments of ₹1,423.75 lakhs each starting from September 2023.

6) The Term Loan facilities are secured by first pari passu mortgage charge of all immovable properties of the Company and first pari passu hypothecation charge over all the movable assets of the Company."

iii) The Company has executed an Indenture of Mortgage with Lenders of these term loans (Secured Parties) by creating mortgages on Immovable Properties of the Company by creating a charge by way of registered mortgage. According to the indenture, all the Secured Parties will share pari passu charge with first ranking and priority over the Immovable Properties of the Company, both present and future.

iv) Bank loans availed by the Company are subject to certain covenants relating to Interest Service Coverage Ratio, Current Ratio, Debt Service Coverage Ratio, Total Outside Liabilities to Total Net Worth, Fixed Assets Coverage Ratio, Ratio of Total Term Liabilities to Net Worth and Return on Property, Plant and Equipments. The Company has complied with the covenants as per the terms of the loan agreements.

v) 15,00,00,000 Redeemable Preference Shares (31 March 2022 : 21,09,19,871) of ₹10 each is cumulative and carry coupon/dividend rate of 8.00% p.a. with redeemable tenure of 20 Years from the date of allotment, The Company has the right to exercise the option of early redemption, considering which Company has redeemed ₹6,091.99 lakhs during the year. Redemption is done at face value.

19 Long Term Provisions

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
Gratuity (refer note 36)	157.94	197.78
Compensated Absences	114.17	91.53
Total	**272.11**	**289.31**

20 Borrowings (Current)

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Secured Loans		
Rupee Loans repayable on Demand		
Cash Credit / Overdraft / WCDL Facility from Banks (refer note below)	9,170.91	8,014.33
Current Maturities of Long-Term Debt (refer note 18)	23,979.43	14,107.47
Total	**33,150.34**	**22,121.80**

Note:

The Company has availed Working Capital Facility of ₹40,000 Lakhs (31st March 2022: ₹25,000 Lakhs) as sanctioned limit from consortium comprising of ICICI Bank Limited ₹9,000 Lakhs, Standard Chartered Bank ₹8,000 Lakhs and HDFC Bank Ltd. ₹8,000 Lakhs, State Bank of India ₹10,000 Lakhs and Kotak Mahindra Bank ₹5,000 Lakhs.

Rate of interest stipulated by ICICI Bank Limited is 6 Month MCLR +Nil spread on the principal amount remains outstanding each day.

Interest rate for the year ranges between 4.90% - 8.35% (31st March 2022: 4.90% - 7.25%).

Rate of interest stipulated by Standard Chartered Bank is monthly MCLR . Interest rate for the year ranges between 5.10% - 7.10% (31st March 2022: 5.00% - 6.75%).

Rate of interest stipulated by HDFC Bank Limited is as per prevailing 6 month MCLR + Nil margin.

Interest rate for this ranges between @ 5.00% -8.00% (31st March 2022: 4.90% - 7.20%)."

The Company has availed Working Capital Facility of ₹5,000 Lakhs (31st March 2022: ₹ NIL) from Kotak Mahindra Bank. The rate of interest stipulated by Kotak Mahindra Bank is 6 month MCLR +NIL Spread Interest rate for the year ranges from 5.00% to 7.70% (31st March 2022: Nil).

The Company has availed Working Capital Facility of ₹10,000 Lakhs (31st March 2022: ₹ NIL Lakhs) from State Bank of India .The rate of interest stipulated by State Bank of India is 6 month MCLR +NIL Spread Interest rate for the year ranges from 6.40% to 7.85% (31st March 2022: Nil).

Bank loans availed by the Company are subject to certain covenants relating to Interest Service Coverage Ratio, Current Ratio, Debt Service Coverage Ratio, Total Outside Liabilities to Total Net Worth, Fixed Assets Coverage Ratio, Ratio of Total Term Liabilities to Net Worth and Return on Property, Plant and Equipments. The Company has complied with the covenants as per the terms of the loan agreements.

Notes to the Standalone Financial Statement for the Year ended March 31,2023

21 Trade Payable

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Outstanding dues of Micro and Small Enterprise (refer note 40)	840.51	915.25
Outstanding dues of Creditors other than Micro and Small Enterprise	10,176.79	7,895.25
Total	**11,017.30**	**8,810.50**

Trade Payables are non-interest bearing and are normally settled on 90-360 days terms.

For amounts due to related parties and terms and conditions with Related Parties, refer note 37.

For Company's Credit Risk management processes refer note 43.

Trade Payables Ageing Schedule

(₹ in Lakhs)

As at 31 March 2023	Unbilled Dues	Current but Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	
Total outstanding dues of Micro and Small Enterprise	-	605.15	230.97	4.39	-	-	840.51
Total outstanding dues of creditors other than Micro and Small Enterprise	141.13	7,269.14	2,748.06	14.30	0.92	3.24	10,176.79
Disputed outstanding dues of Micro and Small Enterprise	-	-	-	-	-	-	-
Disputed outstanding dues of creditors other than Micro and Small Enterprise	-	-	-	-	-	-	-
Total	**141.13**	**7,874.29**	**2,979.03**	**18.69**	**0.92**	**3.24**	**11,017.30**

As at 31 March 2022	Unbilled Dues	Current but Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	
Total outstanding dues of Micro and Small Enterprise	-	512.82	402.43	-	-	-	915.25
Total outstanding dues of creditors other than Micro and Small Enterprise	54.66	4,877.84	2,857.21	53.81	51.55	0.17	7,895.25
Disputed outstanding dues of Micro and Small Enterprise	-	-	-	-	-	-	-
Disputed outstanding dues of creditors other than Micro and Small Enterprise	-	-	-	-	-	-	-
Total	**54.66**	**5,390.66**	**3,259.63**	**53.81**	**51.55**	**0.17**	**8,810.50**

22 Other Current Financial Liabilities

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Financial Liabilities carried at Amortised Cost		
Interest Accrued but not due on Borrowing	1,929.11	1,841.65
Capital Creditors (refer note (i) below)	6,085.25	6,497.86
Security Deposits Payable	1,217.00	1,049.00
Employee Benefits Payable	2,446.60	2,951.74
Unclaimed Dividend (refer note (ii) below)	1.80	-
Book Overdraft	93.46	-
Expenses Payable	7,495.70	6,275.64
Total	**19,268.92**	**18,615.89**

(i) Refer note 40 for capital creditors due to MSME.

(ii) It does not include any amount due and outstanding to be credited to the Investor Education and Protection Fund, it represents only unclaimed dividend.

Notes to the Standalone Financial Statement for the Year ended March 31,2023

23 Other Current Liabilities

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Advances from Customers	155.89	80.88
Statutory Dues Payables	1,019.50	2,525.45
Total	**1,175.39**	**2,606.33**

24 Short Term Provisions

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
Compensated Absences	15.55	17.89
Total	**15.55**	**17.89**

25 Current Tax Liabilities (Net)

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Current Tax Payable (net)	9.62	942.21
Total	**9.62**	**942.21**

26 Revenue from Operations

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Sales of Products		
Sale of Products	2,16,579.06	1,54,712.61
Sale of By-product	365.10	260.71
Sales of Products	**2,16,944.16**	**1,54,973.32**
Other Operating Revenue		
Export Benefits and Other Incentives	1,637.43	1.77
Scrap Sales	258.38	119.05
Total Other Operating Revenue	**1,895.81**	**120.82**
Total	**2,18,839.97**	**1,55,094.14**

26.1 Disaggregated Revenue Information

Set out below is the disaggregation of the Company's revenue from Contracts with Customers:

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Type of Goods or Service		
Chlor Alkali & its Derivatives	2,16,944.16	1,54,973.32
Sales of Stock in Trade		-
Total Revenue from Contracts with Customers	**2,16,944.16**	**1,54,973.32**
Geographical location of Customer		
India	2,08,275.41	1,54,861.21
Outside India	8,668.75	112.11
Total Revenue from Contracts with Customers	**2,16,944.16**	**1,54,973.32**
Timing of Revenue Recognition		
Goods transferred at a point in time	2,16,944.16	1,54,973.32
Total Revenue from Contracts with Customers	**2,16,944.16**	**1,54,973.32**

Notes to the Standalone Financial Statement for the Year ended March 31,2023

26.2 Contract balances

The Company has recognised the following Revenue-related Contract Asset and Liabilities (₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Trade Receivables	16,632.23	25,632.40
Advance from Customers	155.89	80.88

Trade Receivables are non interest bearing and generally have credit period of 30-90 days.

Trade Receivable are secured to the extent of deposits received from the Customers.

Contract Liabilities includes Short Term Advance received from Customers towards Sale of Products.

26.3 Reconciling the amount of Revenue recognised in the Statement of Profit and Loss with the Contracted price

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Revenue as per contracted price	2,30,930.33	1,61,322.77
Adjustments		
Sale Returns	(342.55)	(75.11)
Trade Discount and Quantity Rebate	(12,023.77)	(4,929.90)
Cash Discount	(586.12)	(439.93)
Sales Commission	(1,033.74)	(904.51)
Revenue from Contract with Customers	**2,16,944.16**	**1,54,973.32-**

Net of amount capitalised during the trial run amounting to 3,333.21

26.4 Performance Obligation

The performance obligation is satisfied upon dispatch of Goods from the Company's premises / delivery of Goods to the Customer in accordance with the terms of contract with Customer and payment is generally due within 30 to 90 days from date of dispatch/ delivery of Goods.

26.5 Information about Major Customers

No single Customer represents 10% or more of the Company's total Revenue during the year ended 31st March 2023 and 31st March 2022.

27 Other Income

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income on		
- Bank Deposit	81.80	12.28
- Other	2.47	3.65
Net gain on Foreign Currency Transactions and Translations (net)	315.87	111.86
Miscellaneous Income	54.51	98.94
Insurance Claims Received	91.96	172.11
Provision No Longer Required Written Back	-	12.24
Sundry Balance Written Back	251.78	-
Total	**798.39**	**411.08**

28 Cost of Materials Consumed

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Chlor Alkali & its Derivatives	1,21,175.69	75,941.09
Total	**1,21,175.69**	**75,941.09**

Note : The above amount comprises of Raw Material consumption generated from the accounting system and related adjustment there to. Purchase for the Year amounts to ₹1,16,158.90 Lakhs (31st March 2022 : ₹85,338.40 Lakhs). Refer note 9 for details of inventory of Raw Material.

Notes to the Standalone Financial Statement for the Year ended March 31,2023

29 Change In Inventories Of Finished Goods, Work in Progress and Stock in Trade

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the Year		
(i) Finished Goods	755.54	914.31
(ii) Work in Progress	-	-
(iii) Stock in Trade	-	8.89
Total (A)	**755.54**	**923.20**
Inventories at the end of the Year		
(i) Finished Goods	10,404.86	755.54
(ii) Work in Progress	48.07	-
(iii) Stock in Trade	-	-
Total (B)	**10,452.93**	**755.54**
Changes in Inventories (A-B)	**(9,697.39)**	**167.66**

30 Employee Benefit Expenses

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and Wages	6,107.68	4,567.53
Director Remuneration	1,775.00	2,480.00
Contribution to Provident and Other Funds (refer note 36)	311.91	256.81
Staff Welfare Expenses	465.49	375.12
Total	**8,660.07**	**7,679.46**

31 Finance Costs

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Interest Expense on :		
- Term Loan	4,107.21	2,473.01
- Cash Credit and Working Capital Demand Loan	610.76	469.06
- Lease Liability (refer note 41)	26.79	31.48
- Others	234.28	216.99
Dividend on Non Convertible Redeemable Preference Shares	1,638.47	1,539.43
Loss/(Gain) on Derivative Instruments	(131.07)	65.60
Exchange Loss/(Gain) on restatement of External Commercial Borrowing (ECB)	15.34	(422.88)
Other Borrowing Costs (includes Bank Charges, etc.)	48.44	54.33
Total	**6,550.22**	**4,427.02**

32 Power and Fuel Expenses

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Power and Fuel	9,101.23	4,112.59
Electricity Duty on Power Generation	2,373.48	2,302.59
Renewal Purchase Obligation	814.79	937.89
Total	**12,289.50**	**7,353.07**

Notes to the Standalone Financial Statement for the Year ended March 31,2023

33 Other Expenses

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of Stores and Spares	2,681.96	1,873.45
Consumption of Packing Materials	2,593.12	2,151.10
Repairs and Maintenance:		
- Buildings	73.43	114.48
- Plant and Machinery	1,278.60	940.87
Rent (refer note 41)	195.23	3.50
Rates and Taxes	167.76	128.85
Insurance	600.99	447.05
Contract Labour Charges	1,422.22	1,200.53
Selling and Promotion Expenses	2,936.42	1,701.90
Loss on Sale of Property, Plant and Equipment	0.49	7.16
Water Charges	3,081.36	2,669.54
Expenditure towards Corporate Social Responsibility (refer not (i) below)	458.00	360.00
Payments to the Auditors (refer note (ii) below)	25.96	24.10
Miscellaneous Expenses	1,996.82	1,381.59
Total	**17,512.36**	**13,004.12**

Miscellaneous expenses includes political contribution of ₹250.00 Lakhs (31st March 2022 : Nil)

(i) Corporate Social Responsibility Expenditure

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent during the Year	458.00	360.00
Amount approved by the Board to be spend during the Year	458.00	360.00
Amount Spent during the year in Cash		
i. Construction / Acquisition of an Assets	-	-
ii. On purpose other than (i) above	75.00	275.00
Details related to spent/unspent obligation		
i) Contribution to Public Trust	-	
ii) Contribution to Charitable Trust	75.00	275.00
iii) Unspent amount for ongoing Project	383.00	85.00

Details of ongoing projects :

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
In case of Section 135(6) (Ongoing Project)		
Opening Balances		
With Company	-	-
In Separate CSR unspent account	85.00	-
Amount required to be spent during the Year	458.00	360.00
Amount spent during the Year		
From Company's bank account	75.00	275.00
From Separate CSR unspent account	-	-
Closing balances		
With company	-	-
In Separate CSR unspent account (refer note below)	468.00	85.00

Includes amount transferred to separate CSR bank accounts as per Section 135 of the Companies Act.

Nature of CSR Activities

(i) Eradicating hunger, poverty and mal nutrition, promoting health care including preventive health and sanitation.
(ii) Promoting education including special education and employment enhancing vocation skills in educational institutes.

Notes to the Standalone Financial Statement for the Year ended March 31,2023

(ii) Payment to Auditors (excluding Tax) (₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
(a) Statutory Audit Fees	25.00	23.00
(b) Reimbursement of Expenses	0.96	1.10
	25.96	**24.10**

34 DISCLOSURE OF EARNING PER SHARE

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the year.

The following reflects the Income and Share used in the Basic and Diluted EPS computation: (₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to Shareholders	35,335.75	25,278.68
Total number of Equity Shares at the end of the Year (Nos)	4,15,50,158	4,15,50,158
Weighted Average number of Equity Shares outstanding (Nos)		
- For basic EPS calculation	4,15,50,158	4,15,50,158
- For diluted EPS calculation	4,15,50,158	4,15,50,158
Nominal value per Equity Share (₹)	10.00	10.00
Basic Earnings Per Share (₹)	85.04	60.84
Diluted Earnings Per Share (₹)	85.04	60.84

35 Tax expense

(a) Amounts recognised in Profit and Loss (₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Current Income Tax	9,430.77	6,967.28
Deferred Tax Expenses	7,486.06	6,096.28
Tax Expense for the Year	**16,916.83**	**13,063.56**

(b) Amounts recognised in Other Comprehensive Income (₹ in Lakhs)

Particular	March 31, 2023			March 31, 2022		
	Before Tax	Tax (Expense) Benefit	Net of Tax	Before Tax	Tax (Expense) /Benefit	Net of Tax
Items that will not be reclassified to Profit or Loss						
Remeasurements of the Defined Benefit Plans	34.98	(12.22)	22.76	(4.85)	1.69	(3.16)
Total	**34.98**	**(12.22)**	**22.76**	**(4.85)**	**1.69**	**(3.16)**

(c) Reconciliation of Effective Tax Rate (₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Profit Before Tax	**52,252.58**	**38,342.24**
Tax using the Company's domestic tax rate	18,259.14	13,398.31
(Current Year 34.944% and 31st March 2022 34.944%)		
Tax effect on Non Deductible Tax Expenses/Income not subject to tax/other ajustments		
Dividend on Preference Share	572.55	537.94
Corporate Social Responsibility Expense	80.02	28.13
Other	65.57	5.22
Income exempt u/s 80 IA	(2,060.45)	(754.95)
True up Tax adjustments	-	(151.10)
Tax Expense as per Standalone Statement of Profit and Loss	**16,916.83**	**13,063.56**
Effective Tax Rate	**32.38%**	**34.07%**

Notes to the Standalone Financial Statement for the Year ended March 31,2023

(d) Movement in Deferred Tax balances for the Year ended 31st March 2023

(₹ in Lakhs)

Particulars	Net balance 1st April 2022	Recognised in Profit and Loss	Recognised in OCI	Other	March 31, 2023		
					Net	Deferred Tax Asset	Deferred Tax Liability
Property, Plant and Equipment	(14,372.65)	(8,183.60)	-	-	(22,556.24)	-	(22,556.24)
Employee Benefits	113.38	4.28	(12.22)	-	105.43	105.43	-
Lease Liabilities	18.94	(1.61)	-	-	17.33	17.33	-
Tax Credit (MAT)	4,890.66	689.96	-	-	5,580.62	5,580.62	-
Others	174.56	4.91	-	-	179.47	179.47	-
Tax Assets/ (Liabilities)	**(9,175.12)**	**(7,486.06)**	**(12.22)**	**-**	**(16,673.40)**	**5,882.85**	**(22,556.24)**
Set off Tax							5,882.85
Net Tax Assets / (Liabilities)							**(16,673.40)**

(e) Movement in Deferred Tax balances for the year ended 31st March 2021

(₹ in Lakhs)

Particulars	Net balance 1st April 2021	Recognised in Profit and Loss	Recognised in OCI	Other	31st March 2022		
					Net	Deferred Tax Asset	Deferred tax liability
Property, Plant and Equipment	(12,709.61)	(1,663.04)	-	-	(14,372.65)	-	(14,372.65)
Gain on derivative - Mark to market	159.80	(159.80)	-	-	-	-	-
Employee Benefits	60.41	51.27	1.69	-	113.38	113.38	-
Lease Liabilities	6.43	12.51	-	-	18.94	18.94	-
Carried Forward Loss	2,798.58	(2,798.58)	-	-	-	-	
Tax Credit (MAT)	6,388.61	(1,837.27)	-	339.33	4,890.66	4,890.66	-
Others	215.25	(40.69)	-	-	174.56	174.56	-
Tax Assets/ (Liabilities)	**(3,080.53)**	**(6,435.60)**	**1.69**	**339.33**	**(9,175.11)**	**5,197.54**	**(14,372.65)**
Set off Tax							5,197.54
Net Tax Assets/ (Liabilities)							**(9,175.12)**

Notes to the Standalone Financial Statement for the Year ended March 31,2023

36 GRATUITY AND OTHER EMPLOYMENT BENEFIT PLANS

(a) Retirement Benefits

The Gratuity Plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans:

Table 1: Reconciliation of Defined Benefit Obligation (DBO)

(₹ in Lakhs)

Particular	March 31, 2023	March 31, 2022
Opening balance of Defined Benefit Obligation	**553.94**	**441.71**
Service Cost		
a. Current Service Cost	113.27	95.58
Interest Cost	34.34	25.62
Benefits Paid	(18.53)	(14.11)
Re-measurements		
a. Actuarial Loss/(Gain) from changes in financial assumptions	(39.59)	(15.53)
b. Actuarial Loss/(Gain) from experience over the past period	4.70	20.67
c. Actuarial (Loss)/Gain from change in demographic assumptions	-	-
Closing balance of the Defined Benefit Obligation	**648.14**	**553.94**

Table 2: Reconciliation of Fair Value of Plan Assets

(₹ in Lakhs)

Particular	March 31, 2023	March 31, 2022
Opening balance of Fair Value of Plan Assets	**356.16**	**337.90**
Contributions by Employer	128.79	12.48
Benefits Paid	(18.53)	(14.11)
Interest Income on Plan Assets	23.69	19.60
Re-measurements		
a. Actuarial (Loss)/Gain from changes in financial assumptions		
b. Return on plan assets excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	0.09	0.29
Closing balance of Fair Value of Plan Assets	**490.20**	**356.16**
Actual Return on Plan Assets	*21.78*	*19.89*
Expected Employer Contributions for the coming period	*100.00*	*100.00*

Table 3: Expenses Recognised in the Profit and Loss Account

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31,2022
Service Cost		
a. Current Service Cost	113.27	95.58
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	-	-
Net Interest on net Defined Benefit Liability/ (Asset)	12.66	6.02
Employer Expenses	**125.93**	**101.60**

Table 4: Net Liability/ (Asset) recognised in the Balance Sheet

(₹ in Lakhs)

Particular	March 31, 2023	March 31, 2022
Present Value of DBO	648.14	553.94
Fair Value of Plan Assets	490.20	356.16
Liability/ (Asset) recognised in the Balance Sheet	**157.94**	**197.78**
Funded Status [Surplus/(Deficit)]	**(157.94)**	**(197.78)**
Of Which, Short term Liability	**-**	**-**
Experience Adjustment on Plan Liabilities: (Gain)/Loss	**4.70**	**20.67**
Experience Adjustment on Plan Assets: Gain/(Loss)	**0.09**	**0.29**

Notes to the Standalone Financial Statement for the Year ended March 31,2023

Table 5: Percentage Break-down of Total Plan Assets

Particular	March 31, 2023	March 31, 2022
Investment Funds with Insurance Company	100%	100%
Of which, Traditional/ Non-Unit Linked	100%	100%
Total	**100%**	**100%**

Note: None of the assets carry a quoted market price in an active market or represent the Company's own transferable financial instruments or are property occupied by the Company.

Table 6: Actuarial Assumptions

Particular	March 31, 2023	March 31, 2022
Salary Growth Rate	10% p.a.	10% p.a.
Discount Rate	7.1%p.a	6.2% p.a.
Withdrawal Rate	12% p.a.	12% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2012-14 Ult.
Expected Return on Plan Assets	6.2%p.a	5.8% p.a.
Expected weighted average remaining working life	5 years	5 years

Table 7: Movement in Other Comprehensive Income

(₹ in Lakhs)

Particular	March 31, 2023	March 31, 2022
Opening Balance (Loss)/Gain	**(149.06)**	**(144.21)**
Re-measurements on DBO		
a. Actuarial (Loss)/Gain from changes in financial assumptions	39.59	15.53
b. Actuarial (Loss)/Gain from experience over the past period	(4.70)	(20.67)
c. Actuarial (Loss)/Gain from change in demographic assumptions		-
Re-measurements on Plan Assets		
a. Actuarial (Loss)/Gain from changes in financial assumptions		
b. Return on Plan assets, excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	0.09	0.29
Other Comprehensive Income	34.98	(4.85)
Closing Balance (Loss)/Gain	**(114.08)**	**(149.06)**

Table 8: Sensitivity Analysis

Financial Year ended 31st March 2023	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by ₹42.61 Lakh	DBO decreases by ₹38.70 Lakh
Discount Rate	DBO decreases by ₹39.35 Lakh	DBO increases by ₹44.25 Lakh
Withdrawal Rate	DBO decreases by ₹8.24 Lakh	DBO increases by ₹8.96 Lakh
Mortality (increase in expected lifetime by 1 year)	DBO increases by ₹0.12 Lakh	
Mortality (increase in expected lifetime by 3 years)	DBO increases by ₹0.34 Lakh	

Notes to the Standalone Financial Statement for the Year ended March 31,2023

Table 8: Sensitivity Analysis

Financial Year ended 31st March 2022	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by ₹38.53 Lakh	DBO decreases by ₹34.76 Lakh
Discount Rate	DBO decreases by ₹35.62 Lakh	DBO increases by ₹40.39 Lakh
Withdrawal Rate	DBO decreases by ₹9.02 Lakh	DBO increases by ₹9.92 Lakh
Mortality (increase in expected lifetime by 1 year)	DBO increases by ₹0.14 Lakh	
Mortality (increase in expected lifetime by 3 years)	DBO increases by ₹0.41 Lakh	

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses.

Table 9: Movement in Surplus/ (Deficit)

(₹ in Lakhs)

Particular	March 31, 2023	March 31, 2022
Surplus/ (Deficit) at start of Year	(197.78)	(103.81)
Current Service Cost	(113.27)	(95.58)
Past Service Cost	1.96	-
Net Interest on net DBO	(12.66)	(6.02)
Actuarial gain/ (loss)	34.98	(4.85)
Contributions	128.79	12.48
Surplus/ (Deficit) at end of Year	**(157.97)**	**(197.78)**

(b) Defined Contribution Plans

The Company makes Provident Fund contributions to Defined Contribution Plans for qualifying Employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The Company has recognised Provident Fund contribution of ₹185.77 Lakhs (31st March 2022: ₹155.21 Lakhs)and contribution to labour welfare of ₹0.21 lakhs (31st March 2022: ₹0.19 lakhs)as expense in Note 30 under the head 'Contributions to Provident and Other Funds'.

Notes to the Standalone Financial Statement for the Year ended March 31,2023

37 RELATED PARTIES DISCLOSURES :-

Wholly Owned Subsidiary Company	:	Meghmani Advanced Sciences Limited (MASL)
Associates	:	ReNew Green (GJS Three) Pvt Limited
➢ Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence :	:	Meghmani Organics Limited (MOL) (formerly Meghmani Organochem Limited) Meghmani Dyes & Intermediates LLP (MDIL) Meghmani Industries Limited (MIL) Meghmani Pigments (MP) Trent Chemical Industries (Trent Chemicals) Arjan Owners LLP (Arjan) (Formerly Panchratna Corporation) Meghmani Novotech Pvt Ltd (Meghmani Novotech) Meghmani LLP (formerly Meghmani Unichem LLP) (MLLP) Atvantic Finechem Private Limited (Atvantic) Kilburn Chemicals Limited (Kilburn) Meghmani Foundation
➢ Key Managerial Personnel	:	Mr. Maulik Patel (Chairman and Managing Director) Mr. Kaushal Soparkar (Managing Director) Mr. Ankit Patel (Executive Director) Mr. Karana Patel, Executive Director Mr. Darshan Patel (Executive Director) Mr. Kamlesh Mehta (Company Secretary) Mr. Sanjay Jain (Chief Financial Officer)
➢ Relatives of Key Managerial Personnel	:	Mr. Jayanti Patel Mr. Ashish Soparkar Mr. Natwarlal Patel Mr. Ramesh Patel Mr. Anand Patel
➢ Non Executive Directors	:	Mr. Manubhai Patel Mr. Balkrishna Thakkar (Ceased to be Director from 23rd Sep 2021) Ms. Nirali Parikh Mr. Kanubhai Patel (Appointed on 20th May 2021) Mr. Sanjay Asher (Appointed on 20th May 2021) Mr. Raju Swami (Appointed on 20th May 2021)

Notes to the Standalone Financial Statement for the Year ended March 31,2023

Transaction with Related Parties (Continued):

(₹ in Lakhs)

Particulars	Subsidiary/Associate		Enterprises in which Key Managerial Personnel (KMP) and its Relatives have significant influence		Key Managerial Personnel and its Relatives(KMP)		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March31, 2022	March 31, 2023	March31, 2022	March 31, 2023	March31, 2022
Sale of Goods to MOL	-	-	18,881.44	16,730.24	-	-	18,881.44	16,730.24
Sale of Goods to MDIL	-	-	1,059.73	1,256.87	-	-	1,059.73	1,256.87
Sale of Goods to MIL	-	-	1,689.28	1,616.66	-	-	1,689.28	1,616.66
Sale of Goods to MP	-	-	246.61	210.69	-	-	246.61	210.69
Sale of Goods to MLLP	-	-	6,392.20	7,761.17	-	-	6,392.20	7,761.17
Sale of Goods to Trent Chemicals	-	-	952.61	1,670.99	-	-	952.61	1,670.99
Sale of Goods to Atvantic	-	-	2.43	-	-	-	2.43	-
Sale of Goods to Kilburn	-	-	26.57	-	-	-	26.57	-
Sale of Goods to Meghmani Novotech	-	-	140.00	36.66	-	-	140.00	36.66
Availing of Services (Rent) Arjan	-	-	143.55	127.29	-	-	143.55	127.29
Purchase of MEIS Licence from MOL	-	-	-	232.25	-	-	-	232.25
Sitting fees	-	-		-	26.75	22.00	26.75	22.00
Maulik Patel- Remuneration	-	-	-	-	439.07	615.33	439.07	615.33
Kaushal Soparkar- Remuneration	-	-	-	-	439.07	615.33	439.07	615.33
Ankit Patel- Remuneration	-	-	-	-	439.07	615.33	439.07	615.33
Karana Patel- Remuneration	-	-	-	-	279.57	385.33	279.57	385.33
Darshan Patel- Remuneration	-	-	-	-	199.82	270.33	199.82	270.33
Kamlesh Mehta - Remuneration	-	-	-	-	25.62	-	25.62	-
Sanjay Jain - Remuneration	-	-	-	-	53.69	47.22	53.69	47.22
Investment in Equity shares of Renew Green (GJS three) Pvt Ltd	2,054.08	-	-	-	-	-	2,054.08	-
Investment in Meghmani Foundation	-	-	2.45	-	-	-	2.45	-
Contribution for CSR to Meghmani foundation	-	-	75.00	-	-	-	75.00	-
Redemption of Preference Shares to MOL	-	-	6,091.99	-	-	-	6,091.99	-
Dividend Paid	-	-	-	-	600.14	-	600.14	-
Dividend Paid on RPS to MOL	-	-	1,638.47	1,539.43	-	-	1,638.47	1,539.43

Notes to the Standalone Financial Statement for the Year ended March 31,2023

Outstanding Balance with Related Parties:

(₹ in Lakhs)

Particulars	Subsidiary/Associate		Enterprises in which Key Managerial Personnel (KMP) and its Relatives have significant influence		Key Managerial Personnel and its Relatives(KMP)		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Receivable from MOL	-	-	1,818.09	3,864.46	-	-	1,818.09	3,864.46
Receivables from MDI	-	-	152.14	310.73	-	-	152.14	310.73
Receivables from MIL	-	-	304.73	440.87	-	-	304.73	440.87
Receivables from MP	-	-	44.29	24.39	-	-	44.29	24.39
Receivables from MLLP	-	-	1,290.04	1,784.19	-	-	1,290.04	1,784.19
Receivables from Trent Chemical	-	-	188.80	458.41	-	-	188.80	458.41
Receivables from Meghmani Novotech	-	-	36.66	31.38	-	-	36.66	31.38
Payable to Kilburn	-	-	0.26	-	-	-	0.26	-
Receivables from Atvantic	-	-	2.43	-	-	-	2.43	-
Payable to Arjan	-	-	-	-	-	-	-	-
Remuneration Payable to Maulik Patel	-	-	-	-	399.87	275.04	399.87	275.04
Remuneration Payable to Kaushal Soparkar	-	-	-	-	399.87	275.04	399.87	275.04
Remuneration Payable to Ankit Patel	-	-	-	-	399.87	275.15	399.87	275.15
Remuneration Payable to Karana Patel	-	-	-	-	241.89	166.98	241.89	166.98
Remuneration Payable to Darshan Patel	-	-	-	-	162.14	111.98	162.14	111.98
Remuneration Payable to Kamlesh Mehta	-	-	-	-	2.71	-	2.71	-
Remuneration Payable to Sanjay Jain	-	-	-	-	3.30	2.31	3.30	2.31
Dividend Payable on RPS to MOL	-	-	1474.63	1,385.48	-	-	1,474.63	1,385.48

Receivables from related parties are net of payable.

(i) Transaction entered into with Related Parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

(ii) The Company's transactions with Related Parties are at arm's length. Management believes that the Company's domestic transactions with related parties post 31st March 2023 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the Financial Statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the period end.

Notes to the Standalone Financial Statement for the Year ended March 31,2023

38 Segment Reporting

The Company's Chief Operating Decision Maker (CODM) examines the Company's performance from business and geographic perspective. In accordance with Ind AS-108 - Operating Segments, evaluation by the CODM and based on the nature of activities performed by the Company, which primarily relate to manufacturing of Chloro Alkali & its Derivatives, the Company does not operate in more than one business segment.

Analysis By Geographical Segment

Segment Revenue is analysed based on the location of Customers regardless of where the goods are produced. The following provides an analysis of the Sales by Geographical Markets.

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Revenue :		
Within India	2,08,275.40	1,54,861.21
Outside India	8,668.75	112.11
Total Revenue from Contracts with Customers	**2,16,944.16**	**1,54,973.32**

The following is analysis of the carrying amount of Non Current Assets, which do not include Deferred Tax Assets, Tax Assets, Investment in Subsidiary and Financial Assets analysed by the geographical area in which the assets are located:

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Carrying amount of Segment Assets		
Within India	1,97,838.68	1,66,592.59
Outside India	-	-

39 Contingent Liabilities & Commitments

A. Claim against the Company not acknowledged as Debts (excluding Interest and Penalty)

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Disputed Income Tax Liability*	1,662.83	892.09
Disputed Service Tax Liability**	53.69	53.69
Disputed Custom Duty Liability***	621.83	621.83
(In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various Forums / Authorities. The Company has assessed that it is only possible but not probable, the outflow of economic resources will be required)		
In respect of Letter of Credit	2,036.53	6,345.89

* Income tax demand comprise demand from the Indian Income Tax authorities for payment of additional tax of ₹1,662.83 lakhs (31 March 2022: ₹892.09 lakhs), upon completion of their tax review for the assessment year 2016-17, 2017-18 and 2018-19. The tax demands are mainly on account of adjustment pertaining to 80 IA benefits claimed for captive power plant against sale of steam and power. The matter is pending before CIT (A) and Income Tax Appellate Tribunal (ITAT).

** Service tax demand comprise demand from Service tax Authorities for payment of additional tax of ₹53.69 lakhs (31 March 2022: ₹53.69 lakhs), upon completion of their tax review for the financial year 2012-13 and 2014-15. The tax demands are on account of service tax on sales commission and classification of coal. The matter is pending before Commissioner of Excise Service Tax Appellate Tribunal (CESTAT).

*** Customs tax demand comprise demand from Custom Authorities for payment of additional tax of ₹621.83 lakhs (31 March 2022: ₹621.83 lakhs), upon completion of their tax review for the financial year 2012-13. The tax demands are on account of classification of coal. The matter is pending before Commissioner of Excise Service Tax Appellate Tribunal (CESTAT).

The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be in favour of Company in the appellate process and no tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

Notes to the Standalone Financial Statement for the Year ended March 31,2023

B. Capital Commitment

The Estimated amount of Contract to be executed on Capital Account of 24,965.66 Lakhs (31st March 2022 ₹4,795.40 Lakhs) and not provided for (Net of Advances).

C. Other Commitment

The Company has imported capital good for the various expansion projects under the EPCG Scheme at Nil rate of Custom Duty by undertaking obligation to export. Future outstanding export obligation under the scheme is ₹ NIL (31st March 2022: ₹8,164.49 lakhs).

40 DISCLOSURES AS PER MSMED ACT, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26th August, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its Customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act').

Accordingly, the disclosure in respect of the amounts payable to such Enterprises as at 31st March, 2023 has been made in the Financial Statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any Supplier as at the Balance-Sheet date.

The details as required by MSMED Act are given below: (₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any Supplier as at the end of each accounting year;		
Principal and Interest		
Trade Payables	840.51	915.25
Capital Payables	1,042.37	593.31
The amount of interest paid by the Buyer in terms of Section 18 of MSMED Act, along with the amounts of the payment made to the Supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	70.76	49.19
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	-	-

On the basis of information and records available with the Company, the above disclosures are made in respect of amount due to the Micro, Small and Medium Enterprises, which have been registered with the relevant competent Authorities. This has been relied upon by the Auditors.

41 Leases

The Company has lease contracts for office premise. Leases of office premise is having lease terms of 3 to 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain premises in good state. The lease contract include extension and termination options. The Company also has certain premises and assets with lease terms of 12 months or less. The Company applies the 'short-term lease'recognition exemptions for these leases.

Notes to the Standalone Financial Statement for the Year ended March 31,2023

Terms of Cancellation and Escalation

The Leases are cancellable by giving one month notice by either parties and these does not carries any escalation.

(A) Leases as lessee

(i) The movement in Lease Liabilities during the Year

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Opening Balance	376.22	375.55
Additions during the Year	-	79.74
Finance costs incurred during the Year	26.79	31.48
Payments of Lease Liabilities	(141.17)	(110.55)
Balance at the end of the Year	**261.84**	**376.22**

(ii) The carrying value of the Rights-of-Use and Depreciation charged during the Year

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Opening Balance	3,489.77	1,446.83
Additions during the Year	15,190.75	2,167.32
Depreciation charged during the Year	(235.94)	(124.38)
Balance at the end of the Year	**18,444.59**	**3,489.77**

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense of Right-of-Use Assets	235.94	124.38
Interest Expense on lease liabilities	26.79	31.48
Expense relating to Short-Term Leases (included in Other Expenses)	195.23	3.50
Total Expenses	**457.97**	**159.36**

(iv) Amounts recognised in Statement of Cash Flows

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Total Cash outflow for Leases	**(141.17)**	**(110.55)**

(v) Maturity analysis of Lease Liabilities

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Maturity Analysis of contractual undiscounted Cash Flows		
Less than one Year	143.85	141.17
One to five Years	141.22	285.07
More than five Years	-	-
Total undiscounted Lease Liability	**285.07**	**426.24**

Balances of Lease Liabilities

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Non Current Lease Liability	134.91	261.84
Current Lease Liability	126.93	114.38
Total Lease Liability	**261.84**	**376.22**

Notes to the Standalone Financial Statement for the Year ended March 31,2023

42. Capital Management

Capital includes only Equity attributable to the Equity Shareholders to ensure that it maintains an efficient Capital Structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its Capital Structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the Capital Structure, the Company may adjust the dividend payment to Shareholders, Return on Capital to Shareholders or issue new Shares. No changes were made in the objectives, policies or processes during the year ended 31 March 2023 and 31 March 2022.

The Company monitors capital using a ratio of 'Adjusted Net Debt' to 'Adjusted Equity'. For this purpose, adjusted net Debt is defined as Total Liabilities, comprising Interest-Bearing Loans and Borrowings, less Cash and Cash Equivalents. Adjusted Equity comprises all components of Equity.

(₹ in Lakhs)

Particular	March 31, 2023	March 31, 2022
Total Interest bearing liabilities	87,876.22	99,312.42
Less : Cash and Cash Equivalent	1,419.00	2,503.54
Adjusted Net Debt	**86,457.22**	**96,808.88**
Total Equity	1,06,916.71	72,596.95
Adjusted Equity	**1,06,916.71**	**72,596.95**
Adjusted Net Debt to Adjusted Equity Ratio	0.81	1.33

43 Financial Instruments – Fair Values and Risk Management

The Significant Accounting Policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note 2 to the Financial Statements.

A. Category-wise classification of Financial Instrument

The carrying value of Financial Instruments by categories as of 31st March, 2023 and 31st March, 2022 is as follows:

(₹ in Lakhs)

March 31, 2023	Carrying Amount			Total
	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income	Amortised Cost	
Financial Assets				
Other Non-Current Financial Asset (refer note 6)	-	-	740.46	740.46
Non Current Investment (refer note 5)	-	-	2,056.53	2,056.53
Trade Receivables (refer note 10)	-	-	16,632.23	16,632.23
Cash and Cash Equivalents (refer note 11)	-	-	1,419.00	1,419.00
Bank Balances other than above (refer note 12)	-	-	86.80	86.80
Loans (refer note 13)	-	-	14.47	14.47
Other Current Financial Assets (refer note 14)	436.17	-	1,388.46	1,824.63
Total Financial Assets	**436.17**	**-**	**22,337.96**	**22,774.13**
Financial Liabilities				
Non-Current Borrowings (refer note 18)	-	-	54,464.04	54,464.04
Non-Current Lease Liabilities (refer note 41)	-	-	134.91	134.91
Current Borrowings (refer note 20)	-	-	33,150.34	33,150.34
Current Lease Liabilities (refer note 41)	-	-	126.93	126.93
Trade Payable (refer note 21)	-	-	11,017.30	11,017.30
Other Current-Financials Liabilities (refer note 22)	-	-	19,268.92	19,268.92
Total Financial Liabilities	**-**	**-**	**1,18,162.44**	**1,18,162.44**

(₹ in Lakhs)

March 31, 2022	Carrying Amount			Total
	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income	Amortised Cost	
Financial Assets				
Other Non-Current Financial Asset (refer note 6)	152.55	-	671.82	824.37
Trade Receivables (refer note 10)	-	-	25,632.40	25,632.40
Cash and Cash Equivalents (refer note 11)	-	-	2,503.54	2,503.54
Loans (refer note 13)	-	-	22.69	22.69
Other Current Financial Assets (refer note 14)	152.55	-	35.14	187.69
Total Financial Assets	**305.10**	**-**	**28,865.60**	**29,170.69**
Financial Liabilities				
Non-Current Borrowings (refer note 18)	-	-	76,814.40	76,814.40
Non-Current Lease Liabilities (refer note 41)	-	-	261.84	261.84
Current Borrowings (refer note 20)	-	-	22,121.80	22,121.80
Current Lease Liabilities (refer note 41)	-	-	114.38	114.38
Trade Payable (refer note 21)	-	-	8,810.50	8,810.50
Other Current-Financials Liabilities (refer note 22)	-	-	18,615.89	18,615.89
Total Financial Liabilities	**-**	**-**	**1,26,738.81**	**1,26,738.81**

B. Measurement of Fair values and Sensitivity analysis

Fair Value Hierarchy:

The fair value of the Financial Assets and Liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

(i) **Level 1:** quoted prices (unadjusted) in active markets for identical Assets or Liabilities.

(ii) **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the Asset or Liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

(iii) **Level 3:** inputs for the Asset or Liability that are not based on observable market data (unobservable inputs).

Financial Instrument measured at Fair Value

(₹ in Lakhs)

Financial Assets / Financial Liabilities	Fair value as at		Fair value hierarchy	Significant observable inputs
	March 31, 2023	March 31, 2022		
Mark to market Derivative Assets on Interest Rate Swap and Cross Currency Swap valued at FVTPL. (refer note 14)	436.17	305.10	Level 2	Fair value as ascertained and provided by Bank

Financial Instrument measured at Amortised Cost

The carrying amount of Financial Assets and Financial Liabilities measured at amortised cost in the Financial Statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Reconciliation of level 1 Fair Values

There have been no transfers between level 1, level 2 and level 3 during the year ended March 31, 2023.

Financial Risk Management Framework

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends risk management objectives and policies. The activities of this operations include management of cash resources, hedging of foreign currency exposure, credit control and ensuring compliance with market risk limits and policies.

Notes to the Standalone Financial Statement for the Year ended March 31,2023

The Company's principal Financial Liabilities, other than Derivatives, comprises of Long Term and Short Term Borrowings, Trade and Other Payables, and Financial Liabilities. The main purpose of these Financial Liabilities is to finance the Company's Operations. The Company's principal Financial Assets include Loans, Trade and other Receivables, Cash and Cash Equivalents, Other Bank Balances and Other Financial Assets that derive directly from its Operations.

The Company has an effective risk management framework to monitor the risks controls in key business processes. In order to minimise any adverse effects on the bottom line, the Company takes various mitigation measures such as credit control, foreign exchange forward contracts to hedge foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Company has exposure to the following risks arising from Financial Instruments

- Credit Risk ;
- Liquidity Risk ; and
- Market Risk"

i. Credit Risk

Credit Risk is the risk that counter party will not meet its obligation leading to a financial loss. The Company is exposed to credit risk arising from its operating activities primarily from Trade Receivables and from financing activities primarily relating to parking of surplus funds as Deposits with Banks. The Company considers probability of default upon initial recognition of Assets and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period.

The carrying amount of following Financial Assets represents the maximum credit exposure:

Financial Instruments and Cash Deposit:

Credit Risk from Balances with Banks and Financial Institutions is managed by the Company's Treasury Department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Trade Receivables

The Sales Department has established a Credit Policy under which each new Customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each Customer and reviewed periodically. Any sales exceeding those limits requires further approval.

Trade Receivables of the Company are typically unsecured ,except to the extent of the security deposits received from the Customers or Financial Guarantees provided by the market organizers in the business.Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of Customers to which Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its Customers' financial condition and monitors the creditworthiness of its Customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade Receivables is created to the extent and as and when required, based upon the expected collectability of Accounts Receivables. The Company evaluates the concentration of risk with respect to Trade Receivables as low, as its Customers are located in several jurisdictions and industries and operate in largely independent markets.

The Company measures the expected credit loss of Trade Receivables and Loan from individual Customers based on historical trend, industry practices and the business environment in which the Entity operates. Loss rates are based on actual credit loss experience and past trends.

The maximum exposure to Credit Risk for Trade Receivables by geographic region was as follows:

(₹ in Lakhs)

Particular	March 31, 2023	March 31, 2022
Domestic	16,590.74	25,632.40
Other Regions	41.48	-
Total	**16,632.23**	**25,632.40**

Notes to the Standalone Financial Statement for the Year ended March 31,2023

Age of Receivables

(₹ in Lakhs)

Particular	March 31, 2023	March 31, 2022
Neither due nor Impaired	11,859.23	19,104.87
Past due 1–90 days	4,741.89	6,485.73
Past due 91–180 days	24.11	5.43
More than 180 days	7.00	36.37
	16,632.23	**25,632.40**

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of Customer Credit Risk, including underlying Customers' Credit Ratings if they are available.

Management estimates that the amount of provision of ₹ Nil Lakh (31st March 2022 : NIL) is appropriate

ii. ***Liquidity Risk***

Liquidity Risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to Liquidity Risk

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual Cash Flows and matching the maturity profiles of the Financial Assets and Liabilities. The table below summarises the remaining contractual maturities of Financial Liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Non-Derivative Financial Liabilities

(₹ in Lakhs)

March 31, 2023	Carrying amount	Contractual Cash Flows				
		Total	1 Year or Less	1-2 Years	2-5 Years	More than 5 Years
India Rupee Loan	59,150.23	59,150.23	15,686.19	15,459.91	26,580.38	1,423.75
Foreign Currency Loan	4,293.24	4,293.24	4,293.24	-	-	-
Redeemable Preference Share	15,000.00	15,000.00	4,000.00	4,000.00	7,000.00	-
Working Capital Loans from Banks	9,170.91	9,170.91	9,170.91	-	-	-
Trade Payables	11,017.30	11,017.30	11,017.30	-	-	-
Other Payables	19,530.76	19,530.76	19,395.85	125.51	9.40	-
Total	**1,18,162.45**	**1,18,162.45**	**63,563.49**	**19,585.42**	**33,589.78**	**1,423.75**

Non-Derivative Financial Liabilities

(₹ in Lakhs)

March 31, 2022	Carrying amount	Contractual Cash Flows				
		Total	1 Year or Less	1-2 Years	2-5 Years	More than 5 Years
Indian Rupee Loan	61,744.77	61,744.77	10,064.91	11,414.90	40,264.96	
Foreign Currency Loan	8,085.12	8,085.12	4,042.56	4,042.56	-	-
Redeemable Preference Share	21,091.99	21,091.99	-	-	-	21,091.99
Working Capital Loans from Banks	8,014.33	8,014.33	8,014.33	-		-
Trade Payables	8,810.50	8,810.50	8,810.50	-	-	-
Other Payables	18,992.11	18,992.11	18,730.27	126.88	134.96	-
Total	**1,26,738.83**	**1,26,738.82**	**49,662.57**	**15,584.34**	**40,399.92**	**21,091.99**

Notes to the Standalone Financial Statement for the Year ended March 31,2023

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular Industry

In order to avoid excessive concentrations of risk, the policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels

iii. Market Risk

Market Risk is the risk that the fair value of future Cash Flows of a Financial Instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Currency Risk, Interest Rate Risk, and Other Price Risk such as Equity Price Risk. Financial Instruments affected by market risk include Loans and Borrowings, Deposits, FVTOCI and Amortised Cost Investments and Derivative Financial Instruments.

Foreign Currency Risk

Foreign Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of actual sales and purchases and 12-month period for foreign currency loans. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Exposure to Currency Risk

The Currency profile of Financial Assets and Financial Liabilities as at 31st March, 2023 and 31st March , 2022 are as below:

The Company's exposure to Foreign Currency Risk at the end of the reporting period expressed in ₹ are as follows

(₹ in Lakhs)

March 31, 2023	Total	INR Equivalent to USD	INR Equivalent to Euro	INR Equivalent to CNY	INR
Financial Assets					
Trade and Other Receivables	16,632.23	167.85	0.05	-	16,464.33
Other Current Financial Assets	1,824.63	157.94	436.17	-	1,230.51
	18,456.86	**325.79**	**436.23**	**-**	**17,694.84**
Financial Liabilities					
Current Borrowings	33,150.34	-	4,293.24		28,857.10
Trade Payables	11,017.30	3,062.67	1.79	-	7,952.84
Other Current Financial Liabilities	19,268.92	54.96	890.15	227.44	18,096.38
Less : Foreign Currency Hedged	4,293.24	-	4,293.24	-	-
Total	**59,143.33**	**3,117.62**	**891.93**	**227.44**	**54,906.32**

(₹ in Lakhs)

March 31, 2022	Total	INR Equivalent to USD	INR Equivalent to Euro	INR Equivalent to CNY	INR
Financial Assets					
Trade and other Receivables	25,632.40	475.93		-	25,156.47
Other Non-Current Financial Assets	824.37	-	152.55	-	671.82
Other Current Financial Assets	187.69	-	152.55	-	35.14
Total	**26,644.46**	**475.93**	**305.10**	**-**	**25,863.43**

(₹ in Lakhs)

March 31, 2022	Total	INR Equivalent to USD	INR Equivalent to Euro	INR Equivalent to CNY	INR
Financial Liabilities					
Non Current Borrowings	76,814.40	-	4,042.56	-	72,771.84
Current Borrowings	22,121.80	-	4,042.56	-	18,079.24
Trade Payables	8,810.50	811.02	-	-	7,999.48
Other Current Financial Liabilities	18,615.89	128.52	84.76	328.66	18,073.95
Less : Foreign Currency Hedged	8,085.12	-	8,085.12	-	-
Total	**1,18,277.49**	**939.54**	**84.76**	**328.66**	**1,16,924.51**

Sensitivity Analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against Foreign Currency at March 31 would have affected the measurement of financial instruments denominated in foreign currency and affected Equity and Profit or Loss by the amounts shown below.This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in Lakhs)

March 31, 2023	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	(139.59)	139.59	(90.81)	90.81
EUR	(22.79)	22.79	(14.82)	14.82
CNY	(11.37)	11.37	(7.40)	7.40

(₹ in Lakhs)

March 31, 2022	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	(23.18)	23.18	(15.08)	15.08
EUR	11.02	(11.02)	7.17	(7.17)
CNY	(16.43)	16.43	(10.69)	10.69

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 Long-Term Debt obligations with floating interest rates. The Company manages its Interest Rate Risk by having balanced portfolio of fixed and variable rate Loans and Borrowings.

Exposure to Interest Rate Risk

The Company's Interest Rate Risk arises from Borrowings obligations. Borrowings is exposed to fair value interest rate risk. The interest rate profile of the Company's interest-bearing Financial Instruments as reported to the management of the Company is as follows.

(₹ in Lakhs)

Variable-Rate Instruments	March 31, 2023	March 31, 2022
Non Current - Borrowings	54,464.04	76,814.40
Current - Borrowings	33,150.34	22,121.80
Total	**87,614.38**	**98,936.20**

Cash Flow Sensitivity Analysis for Variable-Rate Instruments

A reasonably possible change of 100 basis points in Interest Rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amounts shown below. This analysis assumes that all other variables, in particular Foreign Currency Exchange Rates, remain constant.

Notes to the Standalone Financial Statement for the Year ended March 31,2023

(₹ in Lakhs)

Particulars	Profit or Loss		Equity, Net of Tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
As at March 31, 2023				
Non Current - Borrowings	(544.64)	544.64	(354.32)	354.32
Current - Borrowings	(331.50)	331.50	(215.66)	215.66
Total	**(876.14)**	**876.14**	**(569.98)**	**569.98**
As at March 31, 2022				
Non Current - Borrowings	(768.14)	768.14	(499.72)	499.72
Current - Borrowings	(221.22)	221.22	(143.92)	143.92
Total	**(989.36)**	**989.36**	**(643.64)**	**643.64**

44. Ratios

Disclosure of Ratios	Numerator	Denominator	Year ended March 31, 2023	Year ended March 31, 2022	% Change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	0.65	0.84	-23%	No major variance
Debt-Equity Ratio	Current Borrowings + Non Current Borrowings + Lease Payemnts	Shareholder's Equity	0.82	1.37	-40%	There is an improvement in Debt Equity Ratio on account of decrease in borrowings due to repayment of long term debts during the year and higher profitability
Debt Service Coverage Ratio	Earnings for Debt Service = Net Profit after Taxes + Non-Cash Operating expenses + Interest & Lease payment + Other adjustment like loss on sale of Assets"	Debt Service = Interest & Lease Payments + Principal Repayments	1.32	1.40	-6%	No major variance
Return on Equity Ratio	Net Profits after Taxes – Preference Dividend	Average Shareholder's Equity	39.37%	35.85%	10%	No major variance
Inventory Turnover Ratio	Revenue from Operation	Average Inventory	11.96	14.91	-20%	No major variance
Trade Receivables Turnover Ratio	Revenue from Operation	Average Trade Receivable	10.36	8.27	25%	There is improvement in the ratio on account of reduction in receivables due to better collection over sales.
Trade Payables Turnover Ratio	Total Purchase	Average Trade Payables	12.36	11.19	10%	No major variance
Net Capital Turnover Ratio	Revenue from Operation	Working Capital = Current Assets – Current Liabilities	-9.59	-18.16	47%	There is improvement in the ratio on account of increase in Revenue from Operations, however the same is negative on account of Current Ratio below 1.
Net Profit Ratio	Net Profit	Revenue from Operation	16.15%	16.30%	-1%	No major variance
Return on Capital Employed	Earnings before Interest and Taxes	Capital Employed = Tangible Net Worth +Total Debt + Lease Liability + Deferred TaxLiability	30.03%	28.11%	7%	No major variance
Return on Investment	Interest (Finance Income)	Average of Investment in Subsidiary, Associate & Bank Deposit	7.68%	7.26%	6%	No major variance

Notes to the Standalone Financial Statement for the Year ended March 31,2023

45 Composite Scheme of Arrangement

The NCLT Ahmedabad Bench vide its Order dated 03 May 2021 (the "Order"), approved the Composite Scheme of Arrangement ("the Scheme") to merge Meghmani Organics Limited (MOL) with the Company along with its Trading Division and Equity Investment in the Company. Pursuant to the Scheme, the Company filed Information Memorandum with National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) and further filed the same with SEBI for the approval. The Company has received final approval on August 16, 2021, pursuant to which the Company was listed with NSE and BSE on August 18,2021.

Further, as per the Order, Optionally Convertible Redeemable Preference Shares (OCRPS) issued by the Company to Meghmani Organics Limited is converted into equal number of Redeemable Preference Shares (RPS) with same terms and conditions and tenure. Accordingly, the RPS has been reclassified from Instruments entirely Equity in nature to Non Current Borrowings.

46 Events occurred after the Balance Sheet date

The Company evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to approval of Financial Statement to determine the necessity for recognition and/or reporting of any of these events and transactions in the Financial Statements. As of 25th April 2023 there were no material subsequent events to be recognized or reported that are not already disclosed.

47. Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Company do not have any transactions or balance with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

48 Previous years figures have been regrouped, restated and reclassified wherever necessary to make them comparable with those of the current year.

As per our Report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E / E300003

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

per Sukrut Mehta
Partner
Membership No. 101974

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman & Managing Director
DIN: 02006947

K.D. Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN: 01998162

Place: Ahmedabad
Date: 25th April, 2023

Place: Ahmedabad
Date: 25th April, 2023

Consolidated Financial Statements

Independent Auditor's Report

To the Members of Meghmani Finechem Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Meghmani Finechem Limited (hereinafter referred to as "the Holding Company"), its Subsidiary (the Holding Company and its Subsidiary together referred to as "the Group") its associate comprising of the Consolidated Balance Sheet as at March 31 2023, the Consolidated Statement of Profit and Loss, including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and Notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and its associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) <u>Revenue recognition</u> *(as described in Note 2 of the consolidated financial statements)*	
The group majorly generates revenue from sale of Chloro-Alkali and its Derivatives products. The Group recognises revenue from sales of goods in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers, measured at fair value of the consideration received or receivable in the ordinary course of its activities. Revenue from sale of goods is recognised net of discounts, rebates and taxes. Certain terms in sales arrangements relating to timing for transfer of control to the customer and delivery specifications including incoterms, involves significant judgment in determining whether the revenue is recognised in the correct period.	Our audit procedures included the following: ➢ Read and evaluated the Group's policy for revenue recognition and assessed its compliance with Ind AS 115 'Revenue from Contracts with Customers'. ➢ Assessed the design and tested the operating effectiveness of internal controls related to revenue. ➢ Performed on test check basis, sales transactions and inspected the underlying sales orders, invoice copies, terms of delivery, lorry receipts, bill of lading, and collection as per the terms of the contract with customers. ➢ Performed on test check basis, transactions near year end date as well as credit notes issued after the year end date. Assessed the relevant disclosures in the Consolidated Financial Statements for compliance with disclosure requirements.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including Other Comprehensive Income, Consolidated Cash Flows and Consolidated Statement of Changes in Equity of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group and of its Associate are responsible for assessing the ability of their respective Companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the Companies included in the Group and of its Associate are also responsible for overseeing the financial reporting process of their respective Companies.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Associate of which we are the independent auditors, to express an opinion on the consolidated financial

statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such Entities included in the consolidated financial statements of which we are the independent auditors. For the other Entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) The consolidated financial statements also include the Group's share of net loss of ₹1.69 lakhs for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of one Associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of this Associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid Associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, the financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of section 143 of the Act, based on our audit on separate financial statements and the other financial information of the Subsidiary Company and Associate, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and the other financial information of Associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its Subsidiary Company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its Subsidiary, incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the Subsidiary and Associate, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its Associate in its consolidated financial statements – Refer Note 38 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term derivative contracts – Refer (a) Note 43 to the consolidated financial statements in respect of such items as it relates to the Group and its Associate and (b) the Group's share of net loss in respect of its Associate;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary and Associate, incorporated in India during the year ended March 31, 2023.

iv. a) The respective managements of the Holding Company and its Subsidiary and Associate which are Companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary and associate to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or Entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such Subsidiary and Associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its Subsidiary and Associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiary and associate from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary and associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us of the subsidiary and associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The interim dividend declared and paid during the year by the Holding Company incorporated in India and until the date of the respective audit reports of such Holding Company, is in accordance with Section 123 of the Act.

As stated in note 17 to the consolidated financial statements, the respective Board of Directors of the Holding Company incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its Subsidiary and Associate Companies incorporated in India, hence reporting under this clause is not applicable.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN: 23101974BGUFLA8675

Place: Ahmedabad
Date: April 25, 2023

Annexure I to the Independent Auditor's report of even date on the Consolidated Financial Statements of Meghmani Finechem Limited

There are no qualification or adverse remarks in the Companies (Auditors Report) Order (CARO) report of the Subsidiary Company included in the consolidated financial statements and the report of the Associate Company included in the consolidated financial statements has not been issued by its auditor till the date of our auditor's report. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to Holding Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN: 23101974BGUFLA8675

Place: Ahmedabad
Date: April 25, 2023

Annexure 2 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Meghmani Finechem Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Meghmani Finechem Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its Subsidiary (the Holding Company and its Subsidiary together referred to as "the Group") and its Associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and its Associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group and its Associate, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN: 23101974BGUFLA8675

Place: Ahmedabad
Date: April 25, 2023

Consolidated Balance Sheet as at March 31, 2023

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
I. Assets			
Non-Current Assets			
(a) Property, Plant and Equipment	3.1	1,77,885.52	1,03,940.33
(b) Capital Work in Progress	3.2	15,810.25	58,925.44
(c) Intangible Assets	3.3	2,519.43	2,842.67
(d) Financial Assets			
(i) Investments	4	2,054.84	-
(ii) Other Financial Assets	5	740.46	824.37
(e) Income Tax Assets (net)	6	639.62	255.24
(f) Other Non-Current Assets	7	1,623.48	884.15
Total Non-Current Assets		**2,01,273.60**	**1,67,672.20**
Current Assets			
(a) Inventories	8	21,182.82	15,413.89
(b) Financial Assets			
(i) Trade Receivables	9	16,632.23	25,632.40
(ii) Cash and Cash Equivalents	10	1,424.00	2,508.54
(iii) Bank Balances other than (ii) above	11	86.80	-
(iv) Loans	12	14.47	22.69
(v) Other Financial Assets	13	1,824.63	187.69
(c) Other Current Assets	14	784.98	929.21
Total Current Assets		**41,949.93**	**44,694.42**
Total Assets		**2,43,223.53**	**2,12,366.62**
II Equity and Liabilities			
Equity			
(a) Equity Share Capital	15	4,155.02	4,155.02
(b) Other Equity	16	1,02,755.00	68,441.93
Total Equity		**1,06,910.02**	**72,596.95**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	54,464.04	76,814.40
(ii) Lease Liabilities	39	134.91	261.84
(b) Provisions	18	272.11	289.31
(c) Deferred Tax Liabilities (net)	34	16,673.40	9,175.12
Total Non-Current Liabilities		**71,544.46**	**86,540.67**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	33,150.34	22,121.80
(ii) Lease Liabilities	39	126.93	114.38
(iii) Trade Payables	20	11,017.30	8,810.50
(iv) Other Financial Liabilities	21	19,273.92	18,615.89
(b) Other Current Liabilities	22	1,175.39	2,606.33
(c) Provisions	23	15.55	17.89
(d) Current Tax Liabilities (net)	24	9.62	942.21
Total Current Liabilities		**64,769.05**	**53,229.00**
Total Liabilities		**1,36,313.51**	**1,39,769.67**
Total Equity and Liabilities		**2,43,223.53**	**2,12,366.62**
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our Report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E / E300003

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

per Sukrut Mehta
Partner
Membership No. 101974

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman & Managing Director
DIN: 02006947

K.D. Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN: 01998162

Place: Ahmedabad
Date: 25th April, 2023

Place: Ahmedabad
Date: 25th April, 2023

Statement of Consolidated Profit and Loss for the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Revenue			
Revenue from Operations	25	2,18,839.97	1,55,094.14
Other Income	26	798.39	411.08
Total Income (A)		**2,19,638.36**	**1,55,505.22**
Expenses			
Cost of Materials Consumed	27	1,21,175.69	75,941.09
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	28	(9,697.39)	167.66
Employee Benefits Expenses	29	8,660.07	7,679.46
Finance Costs	30	6,550.22	4,427.02
Depreciation and Amortization Expenses	3	10,895.33	8,590.56
Power and Fuel Expenses	31	12,289.50	7,353.07
Other Expenses	32	17,517.36	13,004.12
Total Expense (B)		**1,67,390.78**	**1,17,162.98**
Profit before Exceptional Items, Share of Profit from Associate and Tax (C) = (A-B)		**52,247.58**	**38,342.24**
Share of Profit from Associate		(1.69)	-
Profit Before Tax (D)		**52,245.89**	**38,342.24**
Tax Expense:	34		
Current Tax		9,430.77	6,967.28
Net Deferred Tax Expense /(Benefit)		7,486.06	6,096.28
Total Tax Expense (E)		**16,916.83**	**13,063.56**
Net Profit for the Year (F) = (D-E)		**35,329.06**	**25,278.68**
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss in subsequent periods			
Remeasurement Gain / (Loss) on Defined Benefit Plans		34.98	(4.85)
Income Tax effect on above		(12.22)	1.69
Total Other Comprehensive Income / (Loss) for the Year, net of Tax (G)		**22.76**	**(3.16)**
Total Comprehensive Income for the Year (H) = (F+G)		**35,351.82**	**25,275.52**
Profit attributable to :			
Owners of the Company		35,329.06	25,278.68
Non controlling interests		-	-
Other comprehensive income attributable to:			
Owners of the Company		22.76	(3.16)
Non controlling interests		-	-
Total comprehensive income attributable to:			
Owners of the Company		35,351.82	25,275.52
Non controlling interests		-	-
Earnings per Equity Share (face value of ₹ 10 each) (in ₹)			
Basic	33	85.03	60.84
Diluted		85.03	60.84
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our Report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E / E300003

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

per Sukrut Mehta
Partner
Membership No. 101974

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman & Managing Director
DIN: 02006947

K.D. Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN: 01998162

Place: Ahmedabad
Date: 25th April, 2023

Place: Ahmedabad
Date: 25th April, 2023

Consolidated Cash Flow Statement for the Year ended March 31, 2023

(₹ in Lakhs)

	Particulars	March 31, 2023	March 31, 2022
A.	**Cash Flow from Operating Activities**		
	Profit Before Taxation	52,247.58	38,342.24
	Adjustment to reconcile profit before tax to net cash flow:		
	Depreciation and Amortisation Expenses	10,895.33	8,590.56
	Interest Income	(84.27)	(15.93)
	Interest and Finance Charges	6,550.22	4,427.02
	Unrealised Foreign Exchange (Gain)/Loss	(75.47)	28.72
	(Profit)/Loss on Sale of Property, Plant & Equipment	0.49	7.16
	Provision No Longer Required Written back	-	(12.20)
	Sundry Balances Written off	(251.79)	-
	Operating Profit before Exceptional & Extraordinary Item	**69,282.09**	**51,367.56**
	Extraordinary Items	**-**	**-**
	Operating Profit before Working Capital Changes	**69,282.09**	**51,367.56**
	Adjustment for:		
	(Increase) in Inventories	(5,768.93)	(10,017.92)
	(Increase)/Decrease in Trade Receivables	9,041.80	(13,748.68)
	(Increase) in Other Non Current Financial Assets	(52.66)	(35.64)
	(Increase)/Decrease in Other Non Current Assets	4.15	(23.33)
	(Increase)/Decrease in Other Current Financial Assets	(1,353.32)	24.19
	(Increase)/Decrease in Other Current Assets	144.23	(342.96)
	(Increase)/Decrease in Short Term Loans and Advances	8.22	(11.27)
	Increase in Trade Payables	2,240.65	1,476.86
	Increase in Long Term Provision	17.78	121.62
	Increase in Other Current Financial Liabilities	1,233.18	3,727.69
	Increase/(Decrease) in Other Current Liabilities	(1,430.94)	1,880.56
	Increase/(Decrease) in Short Term Provisions	(2.34)	7.85
	Working Capital Changes	**4,081.82**	**(16,941.03)**
	Cash Generated from Operation	**73,363.91**	**34,426.53**
	Direct Taxes Paid (Net of Refund)	(10,747.74)	(6,044.86)
	Net Cash Generated from Operating Activities	**62,616.17**	**28,381.67**
B.	**Cash Flow from Investment Activities**		
	Purchase of Property, Plant & Equipment (including CWIP and Intangible Assets)	(41,645.44)	(45,629.92)
	Investment in Associate	(2,054.08)	-
	Other Investments	(2.45)	-
	(Investment in)/Redemption of Fixed Deposits	(18.13)	137.90
	(Investment) of earmarked balances with Bank	(86.80)	-
	Interest Received	84.92	29.39
	Net Cash (Used in) Investing Activities	**(43,721.98)**	**(45,462.63)**
C.	**Cash Flow from Financing Activities**		
	Interest and Finance Charges Paid	(6,045.19)	(4,803.91)
	Proceeds from Long-Term Borrowing	7,475.00	35,930.00
	Repayment of Long-Term Borrowing	(13,909.53)	(12,004.88)
	Proceed/(Repayment) from Short-Term Borrowing (Net)	1,156.58	510.84
	Payment of Lease Liability	(141.17)	(110.55)
	Dividend paid on Preference Shares	(1,385.48)	-
	Dividend paid on Equity Shares	(1,036.95)	-
	Redemption of Preference Shares	(6,091.99)	-

Consolidated Cash Flow Statement for the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Net Cash (Used in)/Generated from Financing Activities	**(19,978.73)**	**19,521.50**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(1,084.54)**	**2,440.54**
Cash and Cash Equivalent at the beginning of the Year	**2,508.54**	**68.00**
Cash and Cash Equivalent at the end of the Year	**1,424.00**	**2,508.54**
Cash and Cash Equivalent comprises as under		
Cash on Hand	1.49	0.94
Balance with Schedule Banks in Current Accounts	1,422.51	2,507.50
Deposits with Schedule Banks	-	0.10
Cash & Cash Equivalent at the end of the Year (refer note 10)	**1,424.00**	**2,508.54**

Notes to the Cash Flow Statement for the year ended on 31 March 2023

1) The Cash Flow Statement has been prepared as per Indirect Method in accordance with the Indian Accounting Standard - 7 on "Statement of Cash Flow " issued by the Institute of Chartered Accountants of India.

2) Changes in liabilities arising from Financing Activities

(₹ in Lakhs)

Particulars	April 1, 2022	Cash Flow	Other	March 31, 2023
Current Borrowings (Note 19)	8,014.33	1,156.58	-	9,170.91
Non-Current Lease Liabilities (Note 39)	261.84	(141.17)	14.24	134.91
Non- Current Borrowings (Note 17)	90,921.87	(12,526.52)	48.12	78,443.47
Accrued Interest (Note 21)	1,841.65	(6,045.19)	6,132.65	1,929.11
Total Liabilities from Financing Activities	**1,01,039.69**	**(17,556.30)**	**6.195.01**	**89,678.41**

(₹ in Lakhs)

Particulars	April 1, 2021	Cash Flow	Other	March 31, 2022
Current Borrowings (Note 19)	7,503.49	510.84	-	8,014.33
Non-Current Lease Liabilities (Note 39)	306.00	(110.55)	66.38	261.84
Non- Current Borrowings (Note 17)	46,327.65	23,925.12	20,669.10	90,921.87
Accrued Interest (Note 21)	332.10	(4,803.91)	6,313.47	1,841.65
Total Liabilities from Financing Activities	**54,469.24**	**19,521.49**	**27,048.96**	**1,01,039.69**

Others includes the effects of reclassification of Non Current portion of Borrowings including Lease Liabilities to Current due to passage of time and effect of unrealised foreign currency amount on External Commercial Borrowings

The accompanying Notes are an integral part of these Consolidated Financial Statements

As per our Report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. - 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

Place: Ahmedabad
Date: 25th April, 2023

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman & Managing Director
DIN: 02006947

K.D. Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN: 01998162

Place: Ahmedabad
Date: 25th April, 2023

Consolidated Statement of Changes in Equity (SOCIE)

for the Year ended March 31, 2023

(A) Equity Share Capital

(₹ in Lakhs)

Particulars	No. of Shares	Amount
Equity Share of ₹10 each Issued, Subscribed and Fully Paid up		
Balance as at 1st April 2021	**4,15,52,665**	**4,155.27**
Changes in Equity Share Capital due to Prior Period Errors	-	-
Balance as at 1st April 2021	4,15,52,665	4,155.27
Changes in Equity Share Capital during the Year (refer note 15)	(2,507)	(0.25)
Balance as at 31st March 2022	**4,15,50,158**	**4,155.02**
Balance as at 1st April 2022	**4,15,50,158**	**4,155.02**
Changes in Equity Share Capital due to Prior Period Errors	-	-
Balance as at 1st April 2022	4,15,50,158	4,155.02
Changes in Equity Share Capital during the Year	-	-
Balance as at 31st March 2023	**4,15,50,158**	**4,155.02**

(B) Instrument entirely Equity in nature

(₹ in Lakhs)

Particulars	No. of Shares	Amount
8% Optionally Convertible Preference Share (OCRPS) of ₹10 Issued, Subscribed and Fully Paid up		
Balance as at 1st April 2021	**21,09,19,871**	**21,091.99**
Conversion of 8% OCRPS to RPS pursuant to scheme of Arrangement*	(21,09,19,871)	(21,091.99)
Balance as at 31st March 2022	**-**	**-**

**As per Order dated 03 May 2021 of The NCLT Ahmedabad Bench , OCRPS have been converted into equal number of RPS with same terms and condition and tenure from May 3, 2021 i.e date of the order and effective date. Accordingly, OCRPS is classified as debt instrument from the date of order.*

(C) Other Equity

(₹ in Lakhs)

Particulars	Capital Reserve (refer note 16)	Retained Earnings (refer note 16)	Total Other Equity (refer note 16)
Balance at 1st April 2021	**(24,668.28)**	**67,834.41**	**43,166.13**
Changes in Accounting Policy / Prior Period Errors	-	-	-
Balance as at 1st April 2021	(24,668.28)	67,834.41	43,166.13
Profit for the Year	-	25,278.68	25,278.68
Other Comprehensive Income for the Year (net of Taxes)	-	(3.16)	(3.16)
Total Comprehensive Income for the Year	**-**	**25,275.52**	**25,275.52**
Adjustment on cancellation of equity shares pursuant to Scheme of Arrangement	0.28	-	0.28
Balance at 31st March 2022	**(24,668.00)**	**93,109.93**	**68,441.93**

Consolidated Statement of Changes in Equity (SOCIE)

for the Year ended March 31, 2023

(C) Other Equity (contd)

(₹ in Lakhs)

Particulars	Capital Reserve (refer note 16)	Retained Earnings (refer note 16)	Total Other Equity (refer note 16)
Balance as at 1st April 2022	**(24,668.00)**	**93,109.93**	**68,441.93**
Changes in Accounting Policy / Prior Period Errors	-	-	-
Balance as at 1st April 2022	(24,668.00)	93,109.93	68,441.93
Profit for the Year	-	35,329.06	35,329.06
Other Comprehensive Income for the Year (net of Taxes)	-	22.76	22.76
Total Comprehensive Income for the Year	**-**	**35,351.82**	**35,351.82**
Dividend Paid During the Year	-	(1,038.75)	(1,038.75)
Balance as at 31st March 2023	**(24,668.00)**	**1,27,423.00**	**1,02,755.00**

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our Report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. - 324982E / E300003

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

per Sukrut Mehta
Partner
Membership No. 101974

Sanjay Jain
Chief Financial Officer

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Chairman & Managing Director
DIN: 02006947

K.D. Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN: 01998162

Place: Ahmedabad
Date: 25th April, 2023

Place: Ahmedabad
Date: 25th April, 2023

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

1. CORPORATE INFORMATION

The Consolidated Financial Statements comprises Financial Statements of Meghmani Finechem Limited (the Company) and its Subsidiary Meghmani Advanced Sciences Limited (Collectively, the Group) and its Associate i.e ReNew Green (GJS Three) Private Limited for year ended on March 31, 2023. Meghmani Finechem Limited (the Company) is a Public Company limited by shares domiciled in India incorporated under the provisions of Companies Act, 1956. Its share are listed on Bombay Stock Exchange and National Stock Exchange in India. The registered office at Meghmani House, B/h Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad – 380 015, India. The Group is primarily engaged in manufacturing and selling of Chlor Alkali & its Derivatives. The Group is also engaged in trading of Agrochemical Products.

The Consolidated Financial Statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 25th April 2023.

2. SIGNIFICANT ACCOUNTIG POLICIES

2.1 Basis for Preparation of Accounts

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter.

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

- Certain Financial Assets and Liabilities measured at fair value (refer accounting policy regarding financial instruments) i.e. Derivative Financial Instruments

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

2.2 Basis of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Company, its Subsidiary and its associate as at 31st March 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of Subsidiary :

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

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

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

Consolidation Procedure

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

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

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

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of Subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group Assets and Liabilities, Equity, Income, Expenses and Cash Flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

Equity Accounted Investees :

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

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

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

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

2.3 Significant Accounting Estimates, Assumptions and Judgements

The preparation of the Group's Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of Revenues, Expenses, Assets and Liabilities, and the accompanying disclosures, and the disclosure of Contingent Liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of Assets or Liabilities affected in future periods.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Taxes:

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Defined Benefit Plans (Gratuity Benefits)

A liability in respect of Defined Benefit Plans is recognised in the Balance Sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent Actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 32 for details of the key assumptions used in determining the accounting for these plans.

Useful Economic Lives of Property, Plant and Equipment

Property, Plant and Equipment as disclosed in note 3 are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values.

Intangible Assets

Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and future economic benefits are probable. The costs which can be capitalised are directly attributable to development of the asset. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer note 2.3 (f) for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in note 3.

Impairment of Non- Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

2.4 Summary of Significant Accounting Policies

a. BUSINESS COMBINATION INVOLVING ENTITIES UNDER COMMON CONTROL

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

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

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

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

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonious accounting policies and tax adjustments if any.

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

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

b. CURRENT VS. NON-CURRENT CLASSIFICATION:

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

An asset is treated as current when it is:

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

A liability is treated as current when it is:

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

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

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

c. REVENUE RECOGNITION

Revenue from contracts with Customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the Customer.

1) *Sale of Goods*

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

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

(i) Variable Consideration

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

Volume Rebates

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

(ii) Contract Assets

A contract asset is the right to consideration in exchange for goods transferred to the Customer. If the Group performs its obligation by transferring goods to a Customer before the Customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(iii) Trade Receivables

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

(iv) Contract Liabilities

A contract liability is the obligation to transfer goods or services to a Customer for which the Group has received consideration (or an amount of consideration is due) from the Customer. If a Customer pays consideration before the Group transfers Goods to the Customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2) Interest Income

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

3) Export Incentives

Export incentives under various schemes notified by Government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and is included in Revenue in the Statement of Profit and Loss due to its operating nature.

4) Dividend

Dividend income is recognised when the right to receive the same is established, which is generally when shareholders approve the dividend.

5) Insurance Claims

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

d. FOREIGN CURRENCIES

The Group's Consolidated Financial Statements are presented in INR, which is also the Group's functional currency.

Transactions and Balances

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

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

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

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

e. FAIR VALUE MEASUREMEMT

The Group measures certain financial instruments at fair value at each Balance Sheet date.

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

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

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

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

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

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

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

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

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

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

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. Refer note 41.

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

f. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for plant & machinery where management believe and based on independent technical evaluation.

Leasehold Land is amortized over the lease period on Straight line basis. Estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of Property, Plant, and Equipment.

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

g. INTANGIBLE ASSETS

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

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

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

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

Intangible Assets

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

h. IMPAIRMENT OF NON- FINANCIAL ASSETS

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Companies or other available fair value indicators.

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

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

i. FINANCIAL INSTRUMENT

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

(A) *Financial Asset*

Initial Recognition and Measurement

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Debt Instruments at Amortised Cost

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

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

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

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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

Debt Instrument at Fair Value through Profit & Loss (FVTPL)

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

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

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

Equity Investments

Investment in Associates are out of scope of Ind AS 109 and it is accounted as per Ind AS 28.

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

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

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

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Balance Sheet) when:

The rights to receive cash flows from the asset have expired, or

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

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

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

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

Impairment of Financial Assets

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

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., Loans, Debt Securities, Deposits, Trade Receivables and Bank Balance

b) Trade Receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'Contractual Revenue Receivables' in these Consolidated Financial Statements)

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

- Trade Receivables

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an Entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

(B) Financial Liabilities

Initial Recognition and Measurement

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

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

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

Subsequent measurement of Financial Liabilities

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

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

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

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

Loan and Borrowings

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

Trade and Other Payables

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

Derivatives and Hedging Activities

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

De-recognition

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

Off-setting Financial Instrument

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

j. INVENTORIES

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

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

Traded Goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

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

k. BORROWING COSTS

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

l. RETIREMENT AND OTHER EMPLOYEE BENEFITS

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

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

The Group has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year.

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

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

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

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

m. ACCOUNTING FOR TAXES ON INCOME

Tax Expense comprises of Current Income Tax and Deferred Tax

Current Income Taxes

Current Income Tax Assets and Liabilities are measured at the amount expected to be recovered from or paid to the Taxation Authorities in accordance with the Income-Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Deferred Taxes

Deferred Tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

their carrying amounts for financial reporting purposes at the reporting date.

Deferred Tax Liabilities are recognised for all taxable temporary differences, except:

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

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

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

The carrying amount of Deferred Tax Asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised Deferred Tax Assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the Deferred Tax Asset to be recovered.

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

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

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

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) is in the nature of unused tax credit which can be carried forward and utilised when the Group will pay normal income tax during the specified period. Deferred Tax Assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period.

n. PROVISIONS

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

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

o. CONTINGENT LIABILITIES

Provisions are not recognised for future operating losses.

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

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

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

p. LEASES

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

Where the Group is the lessee

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

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

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

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

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

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

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

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

q. EARNING PER SHARE

Basic Earnings Per Share

Basic Earnings Per Share are calculated by dividing the Net Profit or Loss for the period attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the period.

Diluted Earnings per Share

For the purpose of calculating Diluted Earnings Per Share, the Net Profit or Loss for the period attributable to Equity Shareholders and the weighted average number of Shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

r. CASH AND CASH EQUIVALENTS

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

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

s. GOVERNMENT GRANTS AND SUBSIDIES:

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

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

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

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

t. SEGMENT REPORTING

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

Unallocable items includes general Corporate income and expense items which are not allocated to any business segment.

Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

u. DIVIDEND TO EQUITY AND REDEEMABLE PREFERENCE SHAREHOLDERS OF THE GROUP

The Group recognises a liability for dividends to Equity Holders of the Group when the dividend is authorised and the dividend is no longer at the discretion of the Group. As per the Corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in Equity.

The Group recognises liability for dividends to Redeemable Preference share Holders on accrual basis. Dividend is paid based on authorisation by the Board of Directors. Dividend to Redeemable Preference Shareholders is cumulative and recognised in Finance Cost as Interest Expense.

v. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23,

2022, to amend the following Ind AS which are effective from April 01, 2022:

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

(iv) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

(v) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022:

(vi) Ind AS 41 Agriculture – Taxation in fair value measurements

The Group assessed the above amendments for the accounting period beginning on or after 1st April 2022 and these do not have material impact on the financial statements of the Group.

The accounting policies adopted in the preparation of the financial statements are consistent with applicable Accounting Standards (Ind AS) for the year ended March 31, 2023.

W. STANDARDS NOTIFIED BUT NOT YET EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, as and when they become effective. The Ministry of Corporate affairs (MCA) has notified certain amendments to Ind AS, through Companies (Indian Accounting Standards) Amendment Rules, 2023 on 31st March, 2023. The amendments have been made in the following standards:

Ind AS 1: Presentation of Financial Statements is amended to replace the term "significant accounting policies" with "material accounting policy information" and providing guidance relating to immaterial transactions, disclosure of entity specific transactions and more.

Ind AS 8: Accounting Policies, Changes in Accounting Estimates and Errors to include the definition of accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty."

Ind AS 12: Income Taxes relating to initial recognition exemption of deferred tax related to assets and liabilities arising from a single transaction.

Other Amendments in Ind AS 102 – Share based Payments, Ind AS 103 – Business Combinations, Ind AS 109 – Financial Instruments, Ind AS 115 – Revenue from Contracts with Customers which are mainly editorial in nature in order to provide better clarification of the respective Ind AS's.

These amendments shall come into force with effect from April 01, 2023. The Group is assessing the potential effect of the amendments on its financial statements. The Group will adopt these amendments, if applicable, from applicability date.

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

3 Property, Plant and Equipment, Capital Work in Progress and Other Intangible Assets as at March 31,2023

(₹ in Lakhs)

Description	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As at 1st April, 2022	Additions	Deduction / Adjustments	As at 31st March, 2023	As at 1st April, 2022	For the Year	On Deduction /Adjustment	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
3.1 TANGIBLE ASSET										
Freehold Land	-	1,527.28	-	1,527.28	-	-	-	-	1,527.28	-
Right of Use Asset - Lease Hold Land	3,221.83	15,190.75	-	18,412.58	56.77	126.17	-	182.94	18,229.64	3,165.06
Building	15,577.16	5,800.83	-	21,377.99	3,549.84	826.58	-	4,376.42	17,001.57	12,027.30
Right of Use Asset - Building	583.03	-	-	583.03	258.32	109.76	-	368.08	214.95	324.71
Plant & Machineries	95,227.50	49,629.51	-	1,44,857.01	30,688.40	8,093.55	-	38,781.95	1,06,075.06	64,539.10
Captive Power Plant & Equipment	28,575.88	12,128.59	-	40,704.47	5,198.44	1,273.38	-	6,471.82	34,232.65	23,377.44
Furnitures & Fixtures	443.96	31.89	-	475.85	143.07	43.16	-	186.23	289.62	300.89
Office Equipment	131.93	160.69	-	292.62	41.63	39.35	-	80.98	211.64	90.32
Vehicles	194.43	25.69	-	220.12	108.83	44.53	-	153.36	66.76	85.60
Computers	74.60	22.54	1.73	95.41	44.69	15.61	1.24	59.06	36.35	29.91
TOTAL (A)	**1,44,030.32**	**84,517.77**	**1.73**	**2,28,546.36**	**40,089.99**	**10,572.09**	**1.24**	**50,660.84**	**1,77,885.52**	**1,03,940.33**
3.3 INTANGIBLE ASSET										
Usage Rights	2,621.23	-	-	2,621.23	453.65	247.00	-	700.65	1,920.58	2,167.58
Technical Know-How	802.50	-	-	802.50	127.41	76.24	-	203.65	598.85	675.09
TOTAL (B)	**3,423.73**	**-**	**-**	**3,423.73**	**581.06**	**323.24**	**-**	**904.30**	**2,519.43**	**2,842.67**
TOTAL (A+B)	**1,47,454.05**	**84,517.77**	**1.73**	**2,31,970.09**	**40,671.05**	**10,895.33**	**1.24**	**51,565.13**	**1,80,404.95**	**1,06,783.00**

Notes: -

During the Current Year exchange gain of ₹ Nil (31 March 2022: exchange gain of ₹ Nil) arising on reporting of long term foreign currency monetary item related to Property, Plant and Equipment has been added/deducted to cost of Property, Plant and Equipment and the unamortised balance carried as part of tangible asset as at the year end aggregate to ₹345.87 Lakhs (31st March 2022: ₹375.41 Lakhs), in view of option given in para D13AA of Ind-AS 101 on first time adoption of Ind-AS.

3.2 Capital Work-in-Progress

(₹ in Lakhs)

Particulars	Amount
Cost	
As at 31st March 2022	58,925.44
Addition during the Year	24,508.17
Capitalisation	(67,623.36)
As at 31st March 2023	**15,810.25**

Ageing Schedule of Capital Work in Progress as at March 31,2023

(₹ in Lakhs)

Particulars	Amount of CWIP for a period of				Total
	Less than 1 Year	1-2 Year	2- 3 Year	More than 3 Year	
Project in Progress	15,810.25	-	-	-	15,810.25
As at 31st March 2023	**15,810.25**	**-**	**-**	**-**	**15,810.25**

Capital Work in Progress ₹15,810.25 Lakhs as at 31st March 2023 comprises expenditure for Expansion Project of Chloro Polyvinyl Chloride, Chlorotoluene and Research & Development center which are in the course of construction.

The amount of borrowing costs added to cost of Capital Work-in-Progress during the year ended 31st March 2023 is ₹911.75 Lakhs (31st March 2022: ₹1,645.65 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 7.05% to 7.70%, which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

Refer note 39 for Right to Use asset details.

As on 31st March, 2023 there are no Projects whose completion are overdue or exceed its cost as compare to plan, also there is no suspended Projects as on 31st March,2023

For Property Plant & Equipment and Intangible Assets existing as on 1 April 2015 i.e. the date of transition to Ind AS, the Group has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation so netted off as on 1 April 2015.

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

3 Property, Plant and Equipment, Capital Work in Progress and Other Intangible Assets as at March 31,2022

(₹ in Lakhs)

	Description	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
		As at 1st April, 2021	Additions	Deduction / Adjustments	As at 31st March, 2022	As at 1st April, 2021	For the Year	On Deduction / Adjustment	As at 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
3.1	**TANGIBLE ASSET**										
	Right of Use Asset - Lease Hold Land	1,136.93	2,084.90	-	3,221.83	26.13	30.64	-	56.77	3,165.06	1,110.80
	Building	15,485.30	92.00	0.14	15,577.16	2,898.84	651.15	0.15	3,549.84	12,027.30	12,586.46
	Right of Use Asset - Building	500.61	82.42	-	583.03	164.58	93.74	-	258.32	324.71	336.01
	Plant & Machineries	92,483.71	2,817.06	73.27	95,227.50	24,468.24	6,220.16	-	30,688.40	64,539.10	68,015.48
	Captive Power Plant & Equipment	28,516.59	59.29	-	28,575.88	4,070.87	1,127.57	-	5,198.44	23,377.44	24,445.72
	Furnitures & Fixtures	454.92	24.12	35.08	443.96	133.61	41.34	31.88	143.07	300.89	321.31
	Office Equipment	110.03	39.92	18.02	131.93	36.41	20.02	14.80	41.63	90.32	73.62
	Vehicles	200.82	4.90	11.29	194.43	49.48	69.90	10.55	108.83	85.60	151.35
	Computers	56.30	18.30	-	74.60	31.89	12.80	-	44.69	29.91	24.41
	TOTAL (A)	**1,38,945.21**	**5,222.91**	**137.80**	**1,44,030.32**	**31,880.05**	**8,267.32**	**57.38**	**40,089.99**	**1,03,940.33**	**1,07,065.16**
3.3	**INTANGIBLE ASSET**										
	Usage Rights	2,621.23	-	-	2,621.23	206.65	247.00	-	453.65	2,167.58	2,414.58
	Technical Know-How	802.50	-	-	802.50	51.17	76.24	-	127.41	675.09	751.32
	TOTAL (B)	**3,423.73**	**-**	**-**	**3,423.73**	**257.82**	**323.24**	**-**	**581.06**	**2,842.67**	**3,165.90**
	TOTAL (A+B)	**1,42,368.94**	**5,222.91**	**137.80**	**1,47,454.05**	**32,137.87**	**8,590.56**	**57.38**	**40,671.05**	**1,06,783.00**	**1,10,231.06**

Notes:

During the Current Year exchange gain of ₹ Nil (31 March 2021: exchange gain of ₹ Nil) arising on reporting of long term foreign currency monetary item related to Property, Plant and Equipment has been added/deducted to cost of Property, Plant and Equipment and the unamortised balance carried as part of tangible asset as at the year end aggregate to ₹375.41 Lakhs (31st March 2021: ₹404.35 Lakhs), in view of option given in para D13AA of Ind-AS on first time adoption of Ind-AS.

3.2 Capital Work-in-Progress

(₹ in Lakhs)

Particulars	Amount
Cost	
As at 31st March 2021	12,583.73
Addition during the Year	49,237.84
Capitalisation	(2,896.14)
As at 31st March 2022	**58,925.44**

Ageing Schedule of Capital Work in Progress as at March 31,2022

(₹ in Lakhs)

Particulars	Amount of CWIP for a period of				Total
	Less than 1 Year	1-2 Year	2- 3 Year	More than 3 Year	
Project in Progress	47,239.57	10,739.57	922.68	23.62	58,925.44
As at 31st March 2022	47,239.57	10,739.57	922.68	23.62	58,925.44

Project completion schedule for overdue amount

Particulars	Less than 1 Year	1-2 Year	2- 3 Year	More than 3 Year	Total
Caustic III & 36 MW B	21,207.61	-	-	-	21,207.61
As at 31st March 2022	**21,207.61**	**-**	**-**	**-**	**21,207.61**

Capital Work in Progress as at 31st March 2022 comprises expenditure for Expansion Project of Epichlorhydrin , Chloro Polyvinyl Chloride and Caustic Soda (including Captive Power Plant) which are in the course of construction.

The amount of borrowing costs added to cost of Capital Work-in-Progress during the year ended 31st March 2022 is ₹1645.65 Lakhs (31st March 2021: ₹823.38 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 6.75% to 8.75%, which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

refer note 39 for Right to Use asset details.

For Property Plant & Equipment and Intangible Assets existing as on 1 April 2015 i.e. the date of transition to Ind AS, the Group has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation so netted off as on 1 April 2015.

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

4 Financial Assets : Investments

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Investment in Equity Shares of Associate at Cost (Unquoted)		
26% Share in Renew Green (GJS Three) Pvt Limited 1,30,71,419 (31 March 2022 : NIL) Equity Shares of ₹10 each (refer note below)	2,052.39	-
Investment - Others (Unquoted)		
24,500 Equity Shares (31 March 2022 : Nil) Shares Of - Meghmani Foundation	2.45	-
Aggregate book value of Unquoted Investment	**2,054.84**	**-**

The Holding Company has entered into Share Subscription and Shareholders' Agreement (SSSA)" with ReNew Green (GJS three) Private Limited ("RGPL") whereby the Holding Company has invested ₹2,054.08 Lakhs for 26% equity share capital of RGPL. RGPL is in the business of developing and operating 18.34 MW wind-solar hybrid power plant in Gujarat. Based on "Energy Supply Agreement(ESA) with RGPL the company will have exclusive right to purchase the energy produced by RGPL for a period of 25 years.

RGPL is currently in the process of setting up the wind-solar hybrid power plant and is expected to commence its operations in near future.

Pursuant to above, RGPL is considered as an Associate and has been consolidated accordingly.

5 Other Financial Assets (Non-Current)

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Security Deposits	696.65	645.48
Bank Deposits with original maturity of more than 12 months (including interest accrued) (refer note below)	43.81	26.34
Mark to Market Derivative Assets	-	152.55
Total	**740.46**	**824.37**

Margin Money Deposits amounting ₹43.81 Lakh (31 March 2022: ₹26.34 Lakh) are given as Security Deposit against Bank Guarantee with bank. These deposits are made for varying periods of between 1 year to 10 years and earn interest ranging between 5.40% to 7.25%.

6 Income Tax Assets (Net)

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Advance payment of Income Tax (Net of Provision)	639.62	255.24
Total	**639.62**	**255.24**

7 Other Non-Current Assets

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good		
Capital Advances	1,543.10	799.62
Balance with Government Authorities (Amount paid under Protest)	80.38	84.53
Total	**1,623.48**	**884.15**

8 Inventories (valued at lower of cost or net realisable value)

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Raw Materials (including in Transit ₹618.35 Lakhs (31st March 2022: ₹ NIL)	6,362.93	11,379.71
Work-in-Progress	48.07	-
Finished Goods	9,645.57	755.54
Finished Goods In Transit	759.29	-
Consumable Stores and Spares	4,237.20	3,184.11
Others (Packing Materials)	129.76	94.53
Total	**21,182.82**	**15,413.89**

During the year the Group recorded inventory write-down to Net Realisable value of ₹3,023.66 lakhs (March 31, 2022: Nil).

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

9 Trade Receivables

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Trade Receivables - Related Parties (refer note 36)	4,484.51	7,122.08
Trade Receivables - Others	12,147.72	18,510.32
Total Tarde Receivables	**16,632.23**	**25,632.40**
Break-up for security details:		
Secured, Considered Good	628.67	626.95
Unsecured, Considered Good	16,003.56	25,005.45
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
Total	**16,632.23**	**25,632.40**
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, Considered Good	-	-
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
Total	**16,632.23**	**25,632.40**

Trade Receivable are secured to the extent of deposit received from the Customers.

Trade Receivables are non interest bearing and generally have credit period of 30-90 days.

For amount due and terms and conditions relating to related party, please refer note no 36.

No Trade or Other Receivable are due from Directors or other Officers of the Group either severally or jointly with any other person.

For information about Credit Risk and Market Risk related to Trade Receivables, please refer note no 41.

Trade Receivables Ageing Schedule

As at March 31, 2023	Current but Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables - Considered good	11,859.23	4,766.00	4.76	2.24	-	-	16,632.23
Undisputed Trade Receivables - Which have significant increase in Credit Risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in Credit Risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Total	**11,859.23**	**4,766.00**	**4.76**	**2.24**	**-**	**-**	**16,632.23**

As at March 31, 2022	Current but Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables - Considered good	19,104.87	6,491.16	5.05	28.78	-	2.54	25,632.40
Undisputed Trade Receivables - Which have significant increase in Credit Risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in Credit Risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Total	**19,104.87**	**6,491.16**	**5.05**	**28.78**	**-**	**2.54**	**25,632.40**

10 Cash and Cash Equivalents

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Balance with Banks		
- In Current Accounts	1,422.51	2,507.50
- Deposits with original maturity of less than three months (refer note below)	-	0.10
Cash on Hand	1.49	0.94
Total	**1,424.00**	**2,508.54**

Deposits are made for varying periods of between 60 days to 90 days and earn interest rate around 5.10%

11 Bank Balances other than Cash and Cash Equivalents

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Balance with Banks earmarked for CSR Expenses	85.00	-
Balance with Banks earmarked for Unpaid Dividend	1.80	-
Total	**86.80**	**-**

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2023 and 31st March, 2022

12 Loans

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good (current)		
Loans to Employees (refer note below)	14.47	22.69
Total	**14.47**	**22.69**

Loans to Employees are interest free and generally given for tenure of 6 to 12 months Since all the above loans given by the Group are unsecured and considered good, the bifurcation of loan in other categories as required by Schedule III of Companies Act 2013 via: a) Secured, b) Loans which have significant increase in credit risk and c) Credit Impaired is not applicable.

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

13 Other Financial Assets (Current)

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good		
Export Benefits Receivables	11.80	35.14
Balances with Government Authorities (refer note below)	89.73	-
Government Grant/Incentive Receivable	1,053.97	-
Security Deposits	75.00	-
Mark to Market Derivative Assets	436.17	152.55
Other Receivables	157.96	-
Total	**1,824.63**	**187.69**

Balance with Government Authorities pertains to Refund Receivable from Goods and Service Tax Authorities.

14 Other Current Assets

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good		
Prepaid Expenses	185.29	100.14
Export Benefits Receivables	5.12	98.85
Balances with Government Authorities (refer note below)	43.01	169.46
Advance to Employees	6.10	4.36
Advances to Suppliers	545.46	556.40
Total	**784.98**	**929.21**

Balance with Government Authorities include VAT / Cenvat / Goods and Service Tax credit Receivable,net of liabilities.

15 Share Capital

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital		
Equity Shares of ₹10 each		
12,05,00,000 Equity Shares (31st March 2022: 12,05,00,000) each Share of ₹10/-	12,050.00	12,050.00
Preference Shares of ₹100 each		
20,00,000 Preference Shares (31st March 2022: 20,00,000) each Share of ₹100 /-	2,000.00	2,000.00
Preference Shares of ₹10 each		
432,628,796 Preference Shares (31st March 2022: 432,628,796) each Share of ₹10 /-	43,262.88	43,262.88
Total Authorised Capital	**57,312.88**	**57,312.88**

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
ISSUED, SUBSCRIBED AND FULLY PAID UP		
EQUITY SHARE CAPITAL		
4,15,50,158 Equity Shares (31st March 2022: 4,15,50,158) each of ₹10 /- Fully Paid Up	4,155.02	4,155.02
Total	**4,155.02**	**4,155.02**

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

Reconciliation Shares outstanding at the beginning and at the end of the Year (₹ in Lakhs)

Equity Share Capital	No. of Shares	Amount
As at 1st April 2021	**4,15,52,665**	**4,155.27**
Less: Shares Cancelled pursuant to Scheme of Arrangement (refer note (iii) below)	(2,507)	(0.25)
As at 31st March 2022	**4,15,50,158**	**4,155.02**
Change During the Year	-	-
As at 31st March 2023	**4,15,50,158**	**4,155.02**

Instrument entirely Equity in Nature (Optionally Convertible Redeemable Preference Share Capital) (₹ in Lakhs)

	No. of Shares	Amount
As at 1st April 2021	**21,09,19,871**	**21,091.99**
Change During the Year (refer note (ii) below)	(21,09,19,871)	(21,091.99)
As at 31st March 2022	-	-

(i) Equity Share:

The Holding Company has one class of Equity Shares with par value of ₹10 per share. Each Equity Shareholder is entitled to one vote per share. All Equity Shareholders have equal dividend rights. In the event of liquidation of the Holding Company, the holders of Equity Shares will be entitled to receive the remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

(ii) Conversion of Optionally Convertible Redeemable Preference Shares (OCRPS) to Compulsory Redeemable Preference Shares (RPS):

As per the Order, OCRPS issued by the Holding Company is transferred to Meghmani Organochem Limited as per the Scheme. Further, the OCRPS will be converted into equal number of RPS with same terms and conditions and tenure from the effective date i.e. May 3, 2021 i.e. the date of the Order. Accordingly, OCRPS is classified as equity instrument under total Equity for the year ended March 31, 2021 and the same will be classified and accounted for as debt instrument from the effective date.

(iii) Shares cancelled pursuant to Scheme of Arrangement:

Pursuant to the Scheme, Shareholders of Meghmani Organics Limited(MOL) were allotted 94 Equity Shares of ₹10 each of the Company for every 1,000 Equity Shares of Re. 1 of MOL. Accordingly, 2,507 Equity Shares of the Company were cancelled on account of rounding off adjustment basis share swap ratio.

Details of Shareholding (more than 5% Equity Shares) (In numbers)

	Particular	As at March 31, 2023	As at March 31, 2022
(a)	Natwarlal Patel	41,76,851	41,76,851
	% of Share held	10.05%	10.05%
(b)	Ashish Soparkar	46,19,857	46,14,657
	% of Share held	11.12%	11.11%
(c)	Jayanti Patel	35,76,707	35,76,707
	% of Share held	8.61%	8.61%
(d)	Ramesh Patel	29,19,569	29,14,769
	% of Share held	7.03%	7.01%
(e)	Maulik Patel	21,54,367	20,94,591
	% of Share held	5.18%	5.04%

As per records of the Holding Company, including its Register of Shareholder / Members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

Promoters' Shareholding

Promoter Name (31 March 2023)	No of Share at the beginning of the Year	Change during the Year	No of Share at the end of the Year	% of Total share	% Change during the Year
Ashish Soparkar	46,14,657	5,200	46,19,857	11.12%	0.11%
Natwarlal Patel	41,76,851	-	41,76,851	10.05%	0.00%
Jayanti Patel	35,76,707	-	35,76,707	8.61%	0.00%
Ramesh Patel	29,14,769	4,800	29,19,569	7.03%	0.16%
Maulik Patel	20,94,591	59,776	21,54,367	5.18%	2.85%
Anand Patel	18,16,644	-	18,16,644	4.37%	0.00%
Kaushal Soparkar	17,21,379	1,550	17,22,929	4.15%	0.09%

Promoter Name (31 March 2022)	No of Share at the beginning of the Year	Change during the Year*	No of Share at the end of the Year	% of Total share	% Change during the Year
Ashish Soparkar	21,98,563	24,16,094	46,14,657	11.11%	109.89%
Natwarlal Patel	22,27,305	19,49,546	41,76,851	10.05%	87.53%
Jayanti Patel	18,82,414	16,94,293	35,76,707	8.61%	90.01%
Ramesh Patel	13,82,414	15,32,355	29,14,769	7.01%	110.85%
Anand Patel	10,69,983	7,46,661	18,16,644	4.37%	69.78%
Maulik Patel	18,97,011	1,97,580	20,94,591	5.04%	10.42%
Kaushal Soparkar	15,80,747	1,40,632	17,21,379	4.14%	8.90%

** Change during the year includes shares issued to shareholders of Meghmani Organics Limited(MOL) as per the share swap ratio approved by NCLT in its Order, the Holding Company has allotted Equity Shares in the ratio of 94 Equity Shares of ₹10 each for every 1,000 Equity Shares of Re. 1 each held by the shareholders of MOL."*

Dividend Distribution made and proposed

(₹ in Lakhs)

PARTICULAR	As at March 31, 2023	As at March 31, 2022
Dividend on Equity shares declared and paid:		
Interim Dividend for 31 March 2023 : ₹2.50 per share (31 March 2022 : NIL)	1,038.75	-
Proposed dividend on Equity shares:		
Proposed Dividend for 31 March 2023 : ₹2.50 per share (31 March 2022 : NIL)	1,038.75	-

Proposed Dividends on Equity Shares are subject to approval at the Annual General Meeting and are not recognised as a Liability as at 31 March.

16 Other Equity

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Capital Reserve		
Balance as at the beginning of the Year	(24,668.00)	(24,668.28)
Adjustment on cancellation of Equity Shares pursuant to Scheme of Arrangement	-	0.28
Balance as at the end of the Year	**(24,668.00)**	**(24,668.00)**
Retained Earnings		
Balance as at the beginning of the Year	93,109.93	67,834.41
Add : Profit for the Year	35,329.06	25,278.68
Add : Other Comprehensive Income for the Year	22.76	(3.16)
Less: Dividend Paid	(1,038.75)	-
Balance as at the end of the Year	**1,27,423.00**	**93,109.93**
Total	**1,02,755.00**	**68,441.93**

Capital Reserve

The balance in Capital Reserve represents difference between consideration paid and net asset acquired under common control Business Combination transactions and cancellation of shares pursuant to Sceme of Arrangement

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

17 Borrowings

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Term Loan Facilities from Banks:		
Indian Rupee Loan (Secured) (refer note below)	43,464.04	51,679.85
From Financial Institutions		
Foreign Currency Loan (Secured) (refer note below)	-	4,042.56
From Corporate Bodies		
Redeemable Preference Share Capital	11,000.00	21,091.99
Total Non-Current Borrowing	**54,464.04**	**76,814.40**
[refer note 19 for Current Maturities of Term Loan from Banks and Financial Institutions ₹23,979.43 Lakh (31st March 2022 : ₹14,107.47 Lakh)]		
The above amounts includes:		
Secured Borrowing	**54,464.04**	**76,814.40**
Unsecured Borrowing	-	-

refer note - 41 For Interest Rate Risk and Liquidity Risk.

Details of Security and Repayment Terms :

i) The Holding Company has taken External Commercial Borrowing of Euro 180.00 lakhs equivalent to ₹14,400.00 lakhs from Standard Chartered Bank to finance its capital expenditure plans. Outstanding balance for this borrowing is Euro 48.00 lakhs equivalent to ₹4,293.24 lakhs (31st Mach 2022: ₹8,085.00 lakhs). The borrowing is secured by first pari passu mortgage charge on all immovable properties, first pari passu hypothecation charge over all the moveable assets. The borrowing carries interest @ Euribor + 1.6% p.a. payable on quarterly rests. The Holding Company has entered into Interest Rate Swap ('IRS') agreement with the bank for a fixed interest @ 1.85% p.a. and hedging of the foreign exchange rate whereby the Holding Company will pay additional interest @ 4.95% p.a. The effective interest rate after considering basic interest rate and interest for hedging is 6.80%.The borrowing is repayable in 15 quarterly instalments of Euro 12 Lakhs each, starting from July 3, 2020.

ii) The Holding Company has availed following Rupee Term Loan facilities:

1) Term loan amounting ₹11,000 Lakhs from HDFC Bank Limited for capital expenditure toward setting up of new Chloromethane Plant. Outstanding balance for this facility is ₹1,650 lakhs (31st March 2022: ₹3,850 lakhs). This borrowing carries interest @ 1 year MCLR (Benchmark rate) plus Nil spread payable on monthly rest. The interest rate for the current year ranges between 7.20% - 8.85% (31st March 2022: 7.20%). The Term Loan is repayable in 20 quarterly instalments of ₹550.00 Lakhs each and repayment started from 9th March 2019.

2) Term loan amounting ₹15,000 Lakhs from HDFC Bank Limited for capital expenditure toward setting up of new Caustic Soda Lye Plant with new 36 MW Captive Power Plant. Outstanding balance for this facility is ₹6,667 Lakhs (31st March 2022: ₹10,000 Lakhs). This borrowing carries interest @ 1 year MCLR (Benchmark rate) plus NIL spread (to be set every year) payable on monthly rest. The effective interest rate ranges between 7.20% to 8.85%. (31st March 2022: 7.25%) The term loan is repayable in 18 quarterly instalments of ₹833.33 Lakhs each starting from 1st November, 2020.

3) Term loan amounting ₹12,500 lakhs from Federal Bank Limited for capital expenditure toward setting up of new Hydrogen Peroxide Plant. Outstanding balance for this facility is ₹5,263 Lakhs (31st March 2022: ₹7,895 Lakhs). The borrowing carries interest @ 12 month T-bill rate (benchmark as published by RBI - to be reset every year) plus spread (fixed @ 0.94%) payable on monthly rest. The effective interest rate remained at 7.90% (31st March 2022: 6.64%). The Term Loan is repayable in 19 quarterly instalments of ₹657.89 lakhs each starting from 29th September, 2020.

4) Term loan amounting ₹19,000 lakhs from State Bank of India for capital expenditure toward setting up of new Epichlorhydrin Plant. Outstanding balance for this facility is ₹17,095 Lakhs as at the Balance Sheet date (31st March 2022: ₹19,000 Lakhs). The borrowing carries interest at 6 month MCLR (Benchmark rate) plus spread of 0.10% (to be reset every half year) payable on monthly rest. The effective interest rate ranges between 7.05% to 8.15% (31st March 2022 : 7.05%). The Term Loan is repayable in 20 quarterly instalments of ₹950.00 lakhs each starting from 31st December. 2022.

5) Term loan amounting ₹28,475 lakhs from HDFC Bank Limited for capital expenditure toward setting up of new Chloro Polyvinyl Chloride Plant and expansion of Caustic capacity with 36 MW Captive Power Plant. Outstanding balance for the facility is ₹28,475 Lakhs as at the Balance Sheet date (31st March 2022: ₹21,000 Lakhs), the holding company has drawn down ₹7,475 lakhs during the year. The borrowing carries interest at 6 month MCLR (Benchmark rate) plus nil spread payable on monthly rest. The effective interest rate ranges between 7.05% to 8.45% (31st March 2022 : 7.05%). The Term Loan is repayable in 20 quarterly

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

instalments of ₹1,423.75 lakhs each starting from September 2023.

6) The Term Loan facilities are secured by first pari passu mortgage charge of all immovable properties of the Holding Company, and first pari passu hypothecation charge over all the movable assets of the Holding Company."

iii) The Holding Company has executed an Indenture of Mortgage with Lenders of these term loans (Secured Parties) by creating mortgages on Immovable Properties of the holding Company by creating a charge by way of registered mortgage. According to the indenture, all the Secured Parties will share pari passu charge with first ranking and priority over the Immovable Properties of the Holding Company, both present and future.

iv) Bank loans availed by the Holding Company are subject to certain covenants relating to Interest Service Coverage Ratio, Current Ratio, Debt Service Coverage Ratio, Total Outside Liabilities to Total Net Worth, Fixed Assets Coverage Ratio, Ratio of Total Term Liabilities to Net Worth and Return on Property, Plant and Equipments. The Holding Company has complied with the covenants as per the terms of the loan agreements.

v) 15,00,00,000 Redeemable Preference Shares (31 March 2022 : 21,09,19,871) of ₹10 each is cumulative and carry coupon/dividend rate of 8.00% p.a. with redeemable tenure of 20 Years from the date of allotment, The Holding Company has the right to exercise the option of early redemption, considering which Holding Company has redeemed ₹6,091.99 lakhs during the year. Redemption is done at face value.

18 Long Term Provisions

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
Gratuity (refer note 35)	157.94	197.78
Compensated Absences	114.17	91.53
Total	**272.11**	**289.31**

19 Borrowings (Current)

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Secured Loans		
Rupee Loans repayable on Demand		
Cash Credit / Overdraft / WCDL Facility from Banks (refer note below)	9,170.91	8,014.33
Current Maturities of Long-Term Debt (refer note 17)	23,979.43	14,107.47
Total	**33,150.34**	**22,121.80**

Note:

The Holding Company has availed Working Capital Facility of ₹40,000 Lakhs (31st March 2022: ₹25,000 Lakhs) as sanctioned limit from consortium comprising of ICICI Bank Limited ₹9,000 Lakhs, Standard Chartered Bank ₹8,000 Lakhs and HDFC Bank Ltd. ₹8,000 Lakhs, State Bank of India ₹10,000 Lakhs and Kotak Mahindra Bank ₹5,000 Lakhs.

Rate of interest stipulated by ICICI Bank Limited is 6 Month MCLR +Nil spread on the principal amount remains outstanding each day.

Interest rate for the year ranges between 4.90% - 8.35% (31st March 2022: 4.90% - 7.25%).

Rate of interest stipulated by Standard Chartered Bank is monthly MCLR . Interest rate for the year ranges between 5.10% - 7.10% (31st March 2022: 5.00% - 6.75%).

Rate of interest stipulated by HDFC Bank Limited is as per prevailing 6 Month MCLR + Nil margin.

Interest rate for this ranges between @ 5.00% -8.00% (31st March 2022: 4.90% - 7.20%).

The Holding Company has availed Working Capital Facility of ₹5,000 Lakhs (31st March 2022: ₹ NIL) from Kotak Mahindra Bank. The rate of interest stipulated by Kotak Mahindra Bank is 6 month MCLR +NIL Spread Interest rate for the year ranges from 5.00% to 7.70% (31st March 2022: Nil).

The Holding Company has availed Working Capital Facility of ₹10,000 Lakhs (31st March 2022: ₹ NIL) from State Bank of Inida .The rate of interest stipulated by State Bank of India is 6 month MCLR +NIL Spread Interest rate for the year ranges from 6.40% to 7.85% (31st March 2022: Nil).

Bank loans availed by the Holding Company are subject to certain covenants relating to Interest Service Coverage Ratio, Current Ratio, Debt Service Coverage Ratio, Total Outside Liabilities to Total Net Worth, Fixed Assets Coverage Ratio, Ratio of Total Term Liabilities to Net Worth and Return on Property, Plant and Equipments. The Holding Company has complied with the covenants as per the terms of the loan agreements.

20 Trade Payables

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Trade Payables	11,017.30	8,810.50
Total	**11,017.30**	**8,810.50**

Trade Payables are non-interest bearing and are normally settled on 90-360 days terms.

For amounts due to related parties and terms and conditions with Related Parties, refer note 36.

For Group's Credit Risk management processes refer note 41.

Trade Payables Ageing Schedule

(₹ in Lakhs)

As at March 31, 2023	Unbilled Dues	Current but Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	
Total outstanding dues of Micro and Small Enterprise	-	605.15	230.97	4.39	-	-	840.51
Total outstanding dues of Creditors other than Micro and Small Enterprise	141.13	7,269.14	2,748.06	14.30	0.92	3.24	10,176.79
Disputed outstanding dues of Micro and Small Enterprise	-	-	-	-	-	-	-
Disputed outstanding dues of Creditors other than Micro and Small Enterprise	-	-	-	-	-	-	-
Total	**141.13**	**7,874.29**	**2,979.03**	**18.69**	**0.92**	**3.24**	**11,017.30**

(₹ in Lakhs)

As at March 31, 2022	Unbilled Dues	Current but Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	
Total outstanding dues of Micro and Small Enterprise	-	512.82	402.43	-	-	-	915.25
Total outstanding dues of Creditors other than Micro and Small Enterprise	54.66	4,877.84	2,857.21	53.81	51.55	0.17	7,895.25
Disputed outstanding dues of Micro and Small Enterprise	-	-	-	-	-	-	-
Disputed outstanding dues of Creditors other than Micro and Small Enterprise	-	-	-	-	-	-	-
Total	**54.66**	**5,390.66**	**3,259.63**	**53.81**	**51.55**	**0.17**	**8,810.50**

21 Other Current Financial Liabilities

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Financial Liabilities carried at Amortised Cost		
Interest Accrued but not due on Borrowing	1,929.11	1,841.65
Capital Creditors	6,085.25	6,497.86
Security Deposits Payable	1,217.00	1,049.00
Employee Benefits Payable	2,446.60	2,951.74
Unclaimed Dividend (refer note below)	1.80	-
Book Overdraft	93.46	-
Expenses Payable	7,500.70	6,275.64
Total	**19,273.92**	**18,615.89**

It does not include any amount due and outstanding to be credited to the Investor Education and Protection Fund, it represents only unclaimed dividend.

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

22 Other Current Liabilities

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Advances from Customers	155.89	80.88
Statutory Dues Payables	1,019.50	2,525.45
Total	**1,175.39**	**2,606.33**

23 Short Term Provisions

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
Compensated Absences	15.55	17.89
Total	**15.55**	**17.89**

24 Current Tax Liabilities (Net)

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Current Tax Payable (net)	9.62	942.21
Total	**9.62**	**942.21**

25 Revenue from Operations

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Sales of Products		
Sale of Products	2,16,579.06	1,54,712.61
Sale of By-product	365.10	260.71
Sales of Products	**2,16,944.16**	**1,54,973.32**
Other Operating Revenue		
Export Benefits and Other Incentives	1,637.43	1.77
Scrap Sales	258.38	119.05
Total Other Operating Revenue	**1,895.81**	**120.82**
Total	**2,18,839.97**	**1,55,094.14**

25.1 Disaggregated Revenue Information

Set out below is the disaggregation of the Group's Revenue from Contracts with Customers:

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Type of Goods or Service		
Chlor Alklai & its Derivatives	2,16,944.16	1,54,973.32
Sales of Stock in Trade		-
Total Revenue from Contracts with Customers	**2,16,944.16**	**1,54,973.32**
Geographical location of Customer		
India	2,08,275.41	1,54,861.21
Outside India	8,668.75	112.11
Total Revenue from Contracts with Customers	**2,16,944.16**	**1,54,973.32**
Timing of Revenue Recognition		
Goods transferred at a point in time	2,16,944.16	1,54,973.32
Total Revenue from Contracts with Customers	**2,16,944.16**	**1,54,973.32**

25.2 Contract balances

The Group has recognised the following Revenue-related Contract Asset and Liabilities

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Trade Receivables	16,632.23	25,632.40
Advance from Customers	155.89	80.88

Trade Receivables are non interest bearing and generally have credit period of 30-90 days.

Trade Receivable are secured to the extent of deposits received from the Customers.

Contract Liabilities includes Short Term Advance received from Customers towards Sale of Products.

25.3 Reconciling the amount of Revenue recognised in the Statement of Profit and Loss with the Contracted price

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Revenue as per contracted price	2,30,930.33	1,61,322.77
Adjustments		
Sale Returns	(342.55)	(75.11)
Trade Discount and Quantity Rebate	(12,023.77)	(4,929.90)
Cash Discount	(586.12)	(439.93)
Sales Commission	(1,033.74)	(904.51)
Revenue from contract with Customers	**2,16,944.16**	**1,54,973.32**

Net of amount capitalised during the trial run amounting to ₹3,333.21 lakhs (March 31, 2022 ₹ Nil)

25.4 Performance Obligation

The performance obligation is satisfied upon dispatch of Goods from the Group's premises / delivery of Goods to the Customer in accordance with the terms of contract with Customer and payment is generally due within 30 to 90 days from date of dispatch /delivery of Goods.

25.5 Information about Major Customers

No single Customer represents 10% or more of the Group's total Revenue during the year ended 31st March 2023 and 31st March 2022.

26 Other Income

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income on		
- Bank Deposit	81.80	12.28
- Other	2.47	3.65
Net gain on Foreign Currency Transactions and Translations (net)	315.87	111.86
Miscellaneous Income	54.51	98.94
Insurance Claims Received	91.96	172.11
Provision No Longer Required Written Back	-	12.24
Sundry Balance Written Back	251.78	-
Total	**798.39**	**411.08**

27 Cost of Materials Consumed

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Chlor Alkali & its Derivatives	1,21,175.69	75,941.09
Total	**1,21,175.69**	**75,941.09**

Note: The above amount comprises of Raw Material consumption generated from the accounting system and related adjustment thereto. Purchases therein amounts to Rs. 116,158.90 lakhs (Rs. 85,338.40 lakhs March 31, 2022) and inventory of raw material is as per note 8.

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

28 Change In Inventories Of Finished Goods, Work in Progress and Stock in Trade

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the Year		
(i) Finished Goods	755.54	914.31
(ii) Work in Progress	-	-
(iii) Stock in Trade	-	8.89
Total (A)	**755.54**	**923.20**
Inventories at the end of the Year		
(i) Finished Goods	10,404.86	755.54
(ii) Work in Progress	48.07	-
(iii) Stock in Trade	-	-
Total (B)	**10,452.93**	**755.54**
Changes in Inventories (A-B)	**(9,697.39)**	**167.66**

29 Employee Benefit Expenses

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and Wages	6,107.68	4,567.53
Director Remuneration	1,775.00	2,480.00
Contribution to Provident and Other Funds (refer note 35)	311.91	256.81
Staff Welfare Expenses	465.49	375.12
Total	**8,660.07**	**7,679.46**

30 Finance Costs

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Interest Expense on :		
- Term Loan	4,107.21	2,473.01
- Cash Credit and Working Capital Demand Loan	610.76	469.06
- Lease Liability (refer note 39)	26.79	31.48
- Others	234.28	216.99
Dividend on Non Convertible Redeemable Preference Shares	1,638.47	1,539.43
Loss/(Gain) on Derivative Instruments	(131.07)	65.60
Exchange Loss/(Gain) on restatement of External Commercial Borrowing (ECB)	15.34	(422.88)
Other Borrowing Costs (includes Bank Charges, etc.)	48.44	54.33
Total	**6,550.22**	**4,427.02**

31 Power and Fuel Expenses

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Power and Fuel	9,101.23	4,112.59
Electricity Duty on Power Generation	2,373.48	2,302.59
Renewal Purchase Obligation	814.79	937.89
Total	**12,289.50**	**7,353.07**

32 Other Expenses

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of Stores and Spares	2,681.96	1,873.45
Consumption of Packing Materials	2,593.12	2,151.10
Repairs and Maintenance:		
- Buildings	73.43	114.48
- Plant and Machinery	1,278.60	940.87
Rent (refer note 39)	195.23	3.50
Rates and Taxes	167.76	128.85
Insurance	600.99	447.05
Contract Labour Charges	1,422.22	1,200.53
Selling and Promotion Expenses	2,936.42	1,701.90
Loss on Sale of Property, Plant and Equipment	0.49	7.16
Water Charges	3,081.36	2,669.54
Expenditure towards Corporate Social Responsibility (refer not (i) below)	458.00	360.00
Payments to the Auditors (refer note (ii) below)	25.96	24.10
Miscellaneous Expenses	2,001.82	1,381.59
Total	**17,517.36**	**13,004.12**

Miscellaneous expenses includes political contribution of ₹250.00 Lakhs (31st March 2022 : Nil)

(i) Corporate Social Responsibility Expenditure

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent during the Year	458.00	360.00
Amount approved by the Board to be spend during the Year	458.00	360.00
Amount Spent during the year in Cash		
i. Construction / Acquisition of an Assets	-	-
ii. On purpose other than (i) above	75.00	275.00
Details related to spent/unspent obligation		
i) Contribution to Public Trust	-	
ii) Contribution to Charitable Trust	75.00	275.00
iii) Unspent amount for ongoing Project	383.00	85.00

Details of ongoing projects :

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
In case of Section 135(6) (Ongoing Project)		
Opening Balances		
With company	-	-
In Separate CSR unspent account	85.00	-
Amount required to be spent during the Year	458.00	360.00
Amount spent during the Year		
From Company's bank account	75.00	275.00
From Separate CSR unspent account	-	-
Closing balances		
With company	-	-
In Separate CSR unspent account (refer note below)	468.00	85.00

Includes amount transferred to separate CSR bank account as per Section 135 of the Companies Act.

Nature of CSR Activities

(i) Eradicating hunger, poverty and mal nutrition, promoting health care including preventive health and sanitation.

(ii) Promoting education including special education and employment enhancing vocation skills in educational institutes.

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

(ii) Payment to Auditors (excluding Tax)

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
(a) Statutory Audit Fees	25.00	23.00
(b) Reimbursement of Expenses	0.96	1.10
	25.96	**24.10**

33 DISCLOSURE OF EARNING PER SHARE

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the year.

The following reflects the Income and Share used in the Basic and Diluted EPS computation:

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to Shareholders	35,329.06	25,278.68
Total number of Equity Shares at the end of the Year (Nos)	4,15,50,158	4,15,50,158
Weighted Average number of Equity Shares outstanding (Nos)		
- For basic EPS calculation	4,15,50,158	4,15,50,158
- For diluted EPS calculation	4,15,50,158	4,15,50,158
Nominal value per Equity Share (₹)	10.00	10.00
Basic Earnings Per Share (₹)	85.03	60.84
Diluted Earnings Per Share (₹)	85.03	60.84

34 Tax expense

(a) Amounts recognised in Profit and Loss

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Current Income Tax	9,430.77	6,967.28
Deferred Tax Expenses	7,486.06	6,096.28
Tax Expense for the Year	**16,916.83**	**13,063.56**

(b) Amounts recognised in Other Comprehensive Income

(₹ in Lakhs)

Particular	March 31, 2023			March 31, 2022		
	Before Tax	Tax (Expense) / Benefit	Net of Tax	Before Tax	Tax (Expense) / Benefit	Net of Tax
Items that will not be reclassified to Profit or Loss						
Remeasurements of the Defined Benefit Plans	34.98	(12.22)	22.76	(4.85)	1.69	(3.16)
Total	**34.98**	**(12.22)**	**22.76**	**(4.85)**	**1.69**	**(3.16)**

(c) Reconciliation of Effective Tax Rate

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Profit Before Tax	**52,245.89**	**38,342.24**
Tax using the Group's domestic tax rate	18,256.80	13,398.31
(Current Year 34.944% and 31st March 2022 34.944%)		
Tax effect on Non Deductible Tax Expenses/Income not subject to tax/ other ajustments		
Dividend on Preference Share	572.55	537.94
Corporate Social Responsibility Expense	80.02	28.13
Other	67.91	5.22
Income exempt u/s 80 IA	(2,060.45)	(754.95)
True up tax adjustments	-	(151.10)
Tax Expense as per Consolidated Statement of Profit and Loss	**16,916.83**	**13,063.56**
Effective Tax Rate	**32.38%**	**34.07%**

(d) Movement in Deferred Tax balances for the Year ended 31st March 2023

(₹ in Lakhs)

Particulars	Net balance 1st April 2022	Recognised in Profit and Loss	Recognised in OCI	Other	March 31, 2023		
					Net	Deferred Tax Asset	Deferred Tax Liability
Property, Plant and Equipment	(14,372.65)	(8,183.60)	-	-	(22,556.24)	-	(22,556.24)
Employee Benefits	113.38	4.28	(12.22)	-	105.43	105.43	-
Lease Liabilities	18.94	(1.61)	-	-	17.33	17.33	-
Tax Credit (MAT)	4,890.66	689.96	-	-	5,580.62	5,580.62	-
Others	174.56	4.91	-	-	179.47	179.47	-
Tax Assets/ (Liabilities)	**(9,175.12)**	**(7,486.06)**	**(12.22)**	**-**	**(16,673.40)**	**5,882.85**	**(22,556.24)**
Set off Tax							**5,882.85**
Net Tax Assets / (Liabilities)							**(16,673.40)**

(e) Movement in Deferred Tax balances for the Year ended 31st March 2022

(₹ in Lakhs)

Particulars	Net balance 1st April 2021	Recognised in Profit and Loss	Recognised in OCI	Other	31st March 2022		
					Net	Deferred Tax Asset	Deferred Tax liability
Property, Plant and Equipment	(12,709.61)	(1,663.04)	-	-	(14,372.65)	-	(14,372.65)
Gain on Derivative - Mark to market	159.80	(159.80)	-	-	-	-	-
Employee Benefits	60.41	51.27	1.69	-	113.38	113.38	-
Lease Liabilities	6.43	12.51	-	-	18.94	18.94	-
Carried Forward Loss	2,798.58	(2,798.58)	-	-	-	-	
Tax Credit (MAT)	6,388.61	(1,837.27)	-	339.33	4,890.66	4,890.66	-
Others	215.25	(40.69)	-	-	174.56	174.56	-
Tax Assets/ (Liabilities)	**(3,080.53)**	**(6,435.60)**	**1.69**	**339.33**	**(9,175.11)**	**5,197.54**	**(14,372.65)**
Set off Tax							**5,197.54**
Net Tax Assets/ (Liabilities)							**(9,175.12)**

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

35 GRATUITY AND OTHER EMPLOYMENT BENEFIT PLANS

(a) Retirement Benefits

The Gratuity Plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans:

Table 1: Reconciliation of Defined Benefit Obligation (DBO)

(₹ in Lakhs)

Particular	March 31, 2023	March 31, 2022
Opening balance of Defined Benefit Obligation	**553.94**	**441.71**
Service Cost		
a. Current Service Cost	113.27	95.58
Interest Cost	34.34	25.62
Benefits Paid	(18.53)	(14.11)
Re-measurements		
a. Actuarial Loss/(Gain) from changes in financial assumptions	(39.59)	(15.53)
b. Actuarial Loss/(Gain) from experience over the past period	4.70	20.67
c. Actuarial (Loss)/Gain from change in demographic assumptions	-	-
Closing balance of the Defined Benefit Obligation	**648.14**	**553.94**

Table 2: Reconciliation of Fair Value of Plan Assets

(₹ in Lakhs)

Particular	March 31, 2023	March 31, 2022
Opening balance of Fair Value of Plan Assets	**356.16**	**337.90**
Contributions by Employer	128.79	12.48
Benefits Paid	(18.53)	(14.11)
Interest Income on Plan Assets	23.69	19.60
Re-measurements		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	-
b. Return on plan assets excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	0.09	0.29
Closing balance of Fair Value of Plan Assets	**490.20**	**356.16**
Actual Return on Plan Assets	*21.78*	*19.89*
Expected Employer Contributions for the coming period	*100.00*	*100.00*

Table 3: Expenses Recognised in the Profit and Loss Account

(₹ in Lakhs)

Particular	Year ended March 31,2023	Year ended March 31,2022
Service Cost		
a. Current Service Cost	113.27	95.58
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	-	-
Net Interest on net Defined Benefit Liability/ (Asset)	12.66	6.02
Employer Expenses	**125.93**	**101.60**

Table 4: Net Liability/ (Asset) recognised in the Balance Sheet

(₹ in Lakhs)

Particular	March 31, 2023	March 31, 2022
Present Value of DBO	648.14	553.94
Fair Value of Plan Assets	490.20	356.16
Liability/ (Asset) recognised in the Balance Sheet	**157.94**	**197.78**
Funded Status [Surplus/(Deficit)]	**(157.94)**	**(197.78)**
Of Which, Short term Liability	**-**	**-**
Experience Adjustment on Plan Liabilities: (Gain)/Loss	**4.70**	**20.67**
Experience Adjustment on Plan Assets: Gain/(Loss)	**0.09**	**0.29**

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

Table 5: Percentage Break-down of Total Plan Assets

Particular	March 31, 2023	March 31, 2022
Investment Funds with Insurance Company	100%	100%
Of which, Traditional/ Non-Unit Linked	100%	100%
Total	**100%**	**100%**

Note: None of the assets carry a quoted market price in an active market or represent the Group's own transferable financial instruments or are property occupied by the Group.

Table 6: Actuarial Assumptions

Particular	March 31, 2023	March 31, 2022
Salary Growth Rate	10% p.a.	10% p.a.
Discount Rate	7.1%p.a	6.2% p.a.
Withdrawal Rate	12% p.a.	12% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2012-14 Ult.
Expected Return on Plan Assets	6.2%p.a	5.8% p.a.
Expected weighted average remaining working life	5 years	5 years

Table 7: Movement in Other Comprehensive Income

(₹ in Lakhs)

Particular	March 31, 2023	March 31, 2022
Opening Balance (Loss)/Gain	**(149.06)**	**(144.21)**
Re-measurements on DBO		
a. Actuarial (Loss)/Gain from changes in financial assumptions	39.59	15.53
b. Actuarial (Loss)/Gain from experience over the past period	(4.70)	(20.67)
c. Actuarial (Loss)/Gain from change in demographic assumptions	-	-
Re-measurements on Plan Assets		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	-
b. Return on Plan assets, excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	0.09	0.29
Other Comprehensive Income	34.98	(4.85)
Closing Balance (Loss)/Gain	**(114.08)**	**(149.06)**

Table 8: Sensitivity Analysis

Financial Year ended 31st March 2023	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by ₹42.61 Lakh	DBO decreases by ₹38.70 Lakh
Discount Rate	DBO decreases by ₹39.35 Lakh	DBO increases by ₹44.25 Lakh
Withdrawal Rate	DBO decreases by ₹8.24 Lakh	DBO increases by ₹8.96 Lakh
Mortality (increase in expected lifetime by 1 year)	DBO increases by ₹0.12 Lakh	
Mortality (increase in expected lifetime by 3 years)	DBO increases by ₹0.34 Lakh	

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

Financial Year ended 31st March 2022	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by ₹38.53 Lakh	DBO decreases by ₹34.76 Lakh
Discount Rate	DBO decreases by ₹35.62 Lakh	DBO increases by ₹40.39 Lakh
Withdrawal Rate	DBO decreases by ₹9.02 Lakh	DBO increases by ₹9.92 Lakh
Mortality (increase in expected lifetime by 1 year)	DBO increases by ₹0.14 Lakh	
Mortality (increase in expected lifetime by 3 years)	DBO increases by ₹0.41 Lakh	

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses.

Table 9: Movement in Surplus/ (Deficit)

(₹ in Lakhs)

Particular	March 31, 2023	March 31, 2022
Surplus/ (Deficit) at start of Year	(197.78)	(103.81)
Current Service Cost	(113.27)	(95.58)
Past Service Cost	1.96	-
Net Interest on net DBO	(12.66)	(6.02)
Actuarial gain/ (loss)	34.98	(4.85)
Contributions	128.79	12.48
Surplus/ (Deficit) at end of Year	**(157.97)**	**(197.78)**

(b) Defined Contribution Plans

The Group makes Provident Fund contributions to Defined Contribution Plans for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of payroll costs to fund the benefits. The Group has recognised Provident Fund contribution of ₹185.77 Lakhs (31st March 2022: ₹155.21 Lakhs) and contribution to labour welfare of ₹0.21 lakhs (31st March 2022: ₹0.19 lakhs) as expense in Note 30 under the head 'Contributions to Provident and Other Funds'.

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

36 RELATED PARTIES DISCLOSURES :-

Associates	:	ReNew Green (GJS Three) Pvt Limited
➢ Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence :	:	Meghmani Organics Limited (MOL) (formerly Meghmani Organochem Limited) Meghmani Dyes & Intermediates LLP (MDIL) Meghmani Industries Limited (MIL) Meghmani Pigments (MP) Trent Chemical Industries (Trent Chemicals) Arjan Owners LLP (Arjan) (Formerly Panchratna Corporation) Meghmani Novotech Pvt Ltd (Meghmani Novotech) Meghmani LLP (formerly Meghmani Unichem LLP) (MLLP) Atvantic Finechem Private Limited (Atvantic) Kilburn Chemicals Limited (Kilburn) Meghmani Foundation
➢ Key Managerial Personnel	:	Mr. Maulik Patel (Chairman and Managing Director) Mr. Kaushal Soparkar (Managing Director) Mr. Ankit Patel (Executive Director) Mr. Karana Patel, Executive Director Mr. Darshan Patel (Executive Director) Mr. Kamlesh Mehta (Company Secretary) Mr. Sanjay Jain (Chief Financial Officer)
➢ Relatives of Key Managerial Personnel	:	Mr. Jayanti Patel Mr. Ashish Soparkar Mr. Natwarlal Patel Mr. Ramesh Patel Mr. Anand Patel
➢ Non Executive Directors	:	Mr. Manubhai Patel Mr. Balkrishna Thakkar (Ceased to be Director from 23rd Sep 2021) Ms. Nirali Parikh Mr. Kanubhai Patel (Appointed on 20th May 2021) Mr. Sanjay Asher (Appointed on 20th May 2021) Mr. Raju Swami (Appointed on 20th May 2021)

Notes to the Consolidated Financial Statement for the Year ended March 31,2023

Transaction with Related Parties (Continued):

(₹ in Lakhs)

Particulars	Associate		Enterprises in which Key Managerial Personnel (KMP) and its Relatives have significant influence		Key Managerial Personnel and its Relatives(KMP)		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Sale of Goods to MOL	-	-	18,881.44	16,730.24	-	-	18,881.44	16,730.24
Sale of Goods to MDIL	-	-	1,059.73	1,256.87	-	-	1,059.73	1,256.87
Sale of Goods to MIL	-	-	1,689.28	1,616.66	-	-	1,689.28	1,616.66
Sale of Goods to MP	-	-	246.61	210.69	-	-	246.61	210.69
Sale of Goods to MLLP	-	-	6,392.20	7,761.17	-	-	6,392.20	7,761.17
Sale of Goods to Trent Chemicals	-	-	952.61	1,670.99	-	-	952.61	1,670.99
Sale of Goods to Atvantic	-	-	2.43	-	-	-	2.43	-
Sale of Goods to Kilburn	-	-	26.57	-	-	-	26.57	-
Sale of Goods to Meghmani Novotech	-	-	140.00	36.66	-	-	140.00	36.66
Availing of Services (Rent) Arjan	-	-	143.55	127.29	-	-	143.55	127.29
Purchase of MEIS Licence from MOL	-	-	-	232.25	-	-	-	232.25
Sitting fees	-	-	-	-	26.75	22.00	26.75	22.00
Maulik Patel- Remuneration	-	-	-	-	439.07	615.33	439.07	615.33
Kaushal Soparkar- Remuneration	-	-	-	-	439.07	615.33	439.07	615.33
Ankit Patel- Remuneration	-	-	-	-	439.07	615.33	439.07	615.33
Karana Patel- Remuneration	-	-	-	-	279.57	385.33	279.57	385.33
Darshan Patel- Remuneration	-	-	-	-	199.82	270.33	199.82	270.33
Sanjay Jain - Remuneration	-	-	-	-	53.69	47.22	53.69	47.22
Kamlesh Mehta - Remuneration	-	-	-	-	25.62	-	25.62	-
Investment in Equity shares of Renew Green (GJS three) Pvt Ltd	2,054.08	-	-	-	-	-	2,054.08	-
Investment in Meghmani Foundation	-	-	2.45	-	-	-	2.45	-
Contribution for CSR to Meghmani foundation	-	-	75.00	-	-	-	75.00	-
Redemption of Preference Shares to MOL	-	-	6,091.99	-	-	-	6,091.99	-
Dividend Paid	-	-	-	-	600.14	-	600.14	-
Dividend Paid on RPS to MOL	-	-	1,638.47	1,539.43	-	-	1,638.47	1,539.43

Outstanding Balance with Related Parties:

(₹ in Lakhs)

Particulars	Associate		Enterprises in which Key Managerial Personnel (KMP) and its Relatives have significant influence		Key Managerial Personnel and its Relatives(KMP)		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Receivable from MOL	-	-	1,818.09	3,864.46	-	-	1,818.09	3,864.46
Receivables from MDI	-	-	152.14	310.73	-	-	152.14	310.73
Receivables from MIL	-	-	304.73	440.87	-	-	304.73	440.87
Receivables from MP	-	-	44.29	24.39	-	-	44.29	24.39
Receivables from MLLP	-	-	1,290.04	1,784.19	-	-	1,290.04	1,784.19
Receivables from Trent Chemical	-	-	188.80	458.41	-	-	188.80	458.41
Receivables from Meghmani Novotech	-	-	36.66	31.38	-	-	36.66	31.38
Payable to Kilburn	-	-	0.26	-	-	-	0.26	-
Receivables from Atvantic	-	-	2.43	-	-	-	2.43	-
Remuneration Payable to Maulik Patel	-	-	-	-	399.87	275.04	399.87	275.04
Remuneration Payable to Kaushal Soparkar	-	-	-	-	399.87	275.04	399.87	275.04
Remuneration Payable to Ankit Patel	-	-	-	-	399.87	275.15	399.87	275.15
Remuneration Payable to Karana Patel	-	-	-	-	241.89	166.98	241.89	166.98
Remuneration Payable to Darshan Patel	-	-	-	-	162.14	111.98	162.14	111.98
Remuneration Payable to Sanjay Jain	-	-	-	-	3.30	2.31	3.30	2.31
Remuneration Payable to Kamlesh Mehta	-	-	-	-	2.71	-	2.71	-
Dividend Payable on RPS to MOL	-	-	1,474.63	1,385.48	-	-	1,474.63	1,385.48

Receivables from related parties are net of payable.

(i) Transaction entered into with Related Parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

(ii) The Group's transactions with Related Parties are at arm's length. Management believes that the Company's domestic transactions with related parties post 31st March 2023 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the Financial Statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the period end.

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

37 Segment Reporting

The Group's Chief Operating Decision Maker (CODM) examines the Group performance from business and geographic perspective. In accordance with Ind AS-108 - Operating Segments, evaluation by the CODM and based on the nature of activities performed by the Group, which primarily relate to manufacturing of Chloro Alkali & its Derivatives, the Group does not operate in more than one business segment.

Analysis By Geographical Segment

Segment Revenue is analysed based on the location of Customers regardless of where the goods are produced. The following provides an analysis of the Sales by Geographical Markets.

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Revenue :		
Within India	2,08,275.40	1,54,861.21
Outside India	8,668.75	112.11
Total Revenue from Contracts with Customers	**2,16,944.16**	**1,54,973.32**

The following is analysis of the carrying amount of Non Current Assets, which do not include Deferred Tax Assets, Tax Assets, Investment in Subsidiary and Financial Assets analysed by the geographical area in which the assets are located:

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Carrying amount of Segment Assets		
Within India	1,97,838.68	1,66,592.59
Outside India	-	-

38 Contingent Liabilities & Commitments

A. Claim against the Group not acknowledged as Debts (excluding Interest and Penalty)

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Disputed Income Tax Liability*	1,662.83	892.09
Disputed Service Tax Liability**	53.69	53.69
Disputed Custom Duty Liability***	621.83	621.83
(In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various Forums / Authorities. The Group has assessed that it is only possible but not probable, the outflow of economic resources will be required)		
In respect of Letter of Credit	2,036.53	6,345.89

* Income tax demand comprise demand from the Indian Income Tax Authorities for payment of additional tax of ₹1,662.83 Lakhs (31 March 2022: ₹892.09 lakhs), upon completion of their tax review for the assessment year 2016-17, 2017-18 and 2018-19. The tax demands are mainly on account of adjustment pertaining to 80 IA benefits claimed for Captive Power Plant against sale of steam and power. The matter is pending before CIT (A) and Income Tax Appellate Tribunal (ITAT).

** Service tax demand comprise demand from Service tax Authorities for payment of additional tax of ₹53.69 lakhs (31 March 2022: ₹53.69 lakhs), upon completion of their tax review for the financial year 2012-13 and 2014-15. The tax demands are on account of service tax on sales commission and classification of coal. The matter is pending before Commissioner of Excise Service Tax Appellate Tribunal (CESTAT)

*** Customs tax demand comprise demand from Custom Authorities for payment of additional tax of ₹621.83 lakhs (31 March 2022: ₹621.83 lakhs), upon completion of their tax review for the financial year 2012-13. The tax demands are on account of classification of coal. The matter is pending before Commissioner of Excise Service Tax Appellate Tribunal (CESTAT).

The Holding company is contesting the demands and the management, including its tax advisors, believe that its position will likely be in favour of Company in the appellate process and no tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

B. Capital Commitment

The Estimated amount of Contract to be executed on Capital Account of ₹24,965.66 Lakhs (31st March 2022 ₹4,795.40 Lakhs) and not provided for (Net of Advances).

C. Other Commitment

The Group has imported capital good for the various expansion projects under the EPCG Scheme at NIL rate of Custom Duty by undertaking obligation to export. Future outstanding export obligation under the scheme is ₹ NIL (31st March 2022: ₹8,164.49 lakhs).

39 Leases

The Group has lease contracts for office premise. Leases of office premise is having lease terms of 3 to 9 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain premises in good state. The lease contract include extension and termination options. The Group also has certain premises and assets with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Terms of Cancellation and Escalation

The Leases are cancellable by giving one month notice by either parties and these does not carries any escalation.

(A) Leases as lessee

(i) The movement in Lease Liabilities during the Year

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Opening Balance	376.22	375.55
Additions during the Year	-	79.74
Finance costs incurred during the Year	26.79	31.48
Payments of Lease Liabilities	(141.17)	(110.55)
Balance at the end of the Year	**261.84**	**376.22**

(ii) The carrying value of the Rights-of-Use and Depreciation charged during the Year

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Opening Balance	3,489.77	1,446.83
Additions during the Year	15,190.75	2,167.32
Depreciation charged during the Year	(235.94)	(124.38)
Balance at the end of the Year	**18,444.59**	**3,489.77**

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year Ended March 31, 2022
Depreciation Expense of Right-of-Use Assets	235.94	124.38
Interest Expense on Lease Liabilities	26.79	31.48
Expense relating to Short-Term Leases (included in Other Expenses)	195.23	3.50
Total Expenses	**457.97**	**159.36**

(iv) Amounts recognised in Statement of Cash Flows

(₹ in Lakhs)

Particular	Year ended March 31, 2023	Year Ended March 31, 2022
Total Cash outflow for Leases	**(141.17)**	**(110.55)**

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

(v) Maturity analysis of Lease Liabilities

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Maturity Analysis of contractual undiscounted Cash Flows		
Less than one Year	143.85	141.17
One to five Years	141.22	285.07
More than five Years	-	-
Total undiscounted Lease Liability	**285.07**	**426.24**

Balances of Lease Liabilities

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Non Current Lease Liability	134.91	261.84
Current Lease Liability	126.93	114.38
Total Lease Liability	**261.84**	**376.22**

40. Capital Management

Capital includes only Equity attributable to the Equity Shareholders to ensure that it maintains an efficient Capital Structure and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its Capital Structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the Capital Structure, the Group may adjust the dividend payment to Shareholders, Return on Capital to Shareholders or issue new Shares. No changes were made in the objectives, policies or processes during the year ended 31 March 2023 and 31 March 2022.

The Group monitors capital using a ratio of 'Adjusted Net Debt' to 'Adjusted Equity'. For this purpose, adjusted net Debt is defined as Total Liabilities, comprising Interest-Bearing Loans and Borrowings, less Cash and Cash Equivalents. Adjusted Equity comprises all components of Equity.

(₹ in Lakhs)

Particular	March 31, 2023	March 31, 2022
Total Interest bearing Liabilities	87,876.22	99,312.42
Less : Cash and Cash Equivalent	1,424.00	2,508.54
Adjusted Net Debt	**86,452.22**	**96,803.88**
Total Equity	1,06,910.02	72,596.95
Adjusted Equity	**1,06,910.02**	**72,596.95**
Adjusted Net Debt to Adjusted Equity Ratio	0.81	1.33

41 Financial Instruments – Fair Values and Risk Management

The Significant Accounting Policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note 2 to the Financial Statements.

A. Category-wise classification of Financial Instrument

The carrying value of Financial Instruments by categories as of 31st March, 2023 and 31st March, 2022 is as follows:

(₹ in Lakhs)

March 31, 2023	Carrying Amount			Total
	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income	Amortised Cost	
Financial Assets				
Other Non-Current Financial Asset (refer note 5)	-	-	740.46	740.46
Non Current Investment (refer note 4)	-	-	2,054.84	2,054.84
Trade Receivables (refer note 9)	-	-	16,632.23	16,632.23
Cash and Cash Equivalents (refer note 10)	-	-	1,424.00	1,424.00
Bank Balances other than above (refer note 11)	-	-	86.80	86.80

(₹ in Lakhs)

March 31, 2023	Carrying Amount			Total
	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income	Amortised Cost	
Loans (refer note 12)	-	-	14.47	14.47
Other Current Financial Assets (refer note 13)	436.17	-	1,388.46	1,824.63
Total Financial Assets	**436.17**	**-**	**22,341.27**	**22,777.44**
Financial Liabilities				
Non-Current Borrowings (refer note 17)	-	-	54,464.04	54,464.04
Non-Current Lease Liabilities (refer note 39)	-	-	134.91	134.91
Current Borrowings (refer note 19)	-	-	33,150.34	33,150.34
Current Lease Liabilities (refer note 39)	-	-	126.93	126.93
Trade Payable (refer note 20)	-	-	11,017.30	11,017.30
Other Current-Financials Liabilities (refer note 21)	-	-	19,273.92	19,273.92
Total Financial Liabilities	**-**	**-**	**1,18,167.44**	**1,18,167.44**

(₹ in Lakhs)

March 31, 2022	Carrying Amount			Total
	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income	Amortised Cost	
Financial Assets				
Other Non-Current Financial Asset (refer note 5)	152.55	-	671.82	824.37
Trade Receivables (refer note 9)	-	-	25,632.40	25,632.40
Cash and Cash Equivalents (refer note 10)	-	-	2,508.54	2,508.54
Loans (refer note 12)	-	-	22.69	22.69
Other Current Financial Assets (refer note 13)	152.55	-	35.14	187.69
Total Financial Assets	**305.10**	**-**	**28,870.60**	**29,175.69**
Financial Liabilities				
Non-Current Borrowings (refer note 17)	-	-	76,814.40	76,814.40
Non-Current Lease Liabilities (refer note 39)	-	-	261.84	261.84
Current Borrowings (refer note 19)	-	-	22,121.80	22,121.80
Current Lease Liabilities (refer note 39)	-	-	114.38	114.38
Trade Payable (refer note 20)	-	-	8,810.50	8,810.50
Other Current-Financials Liabilities (refer note 21)	-	-	18,615.89	18,615.89
Total Financial Liabilities	**-**	**-**	**1,26,738.81**	**1,26,738.81**

B. Measurement of Fair values and Sensitivity analysis

Fair Value Hierarchy:

The fair value of the Financial Assets and Liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

(i) Level 1: quoted prices (unadjusted) in active markets for identical Assets or Liabilities.

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the Asset or Liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

(iii) Level 3: inputs for the Asset or Liability that are not based on observable market data (unobservable inputs).

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

Financial Instrument measured at Fair Value

(₹ in Lakhs)

Financial Assets / Financial Liabilities	Fair value as at		Fair value hierarchy	Significant observable inputs
	March 31, 2023	March 31, 2022		
Mark to market Derivative Assets on Interest Rate Swap and Cross Currency Swap valued at FVTPL. (refer note 13)	436.17	305.10	Level 2	Fair value as ascertained and provided by Bank

Financial Instrument measured at Amortised Cost

The carrying amount of Financial Assets and Financial Liabilities measured at amortised cost in the Financial Statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Reconciliation of level 1 Fair Values

There have been no transfers between level 1, level 2 and level 3 during the year ended March 31, 2023.

Financial Risk Management Framework

The Group's Board of Directors have overall responsibility for the establishment and oversight of the Group risk management framework. The Group manages market risk through treasury operations, which evaluates and exercises independent control over the entire process of market risk management.The finance team recommends risk management objectives and policies.The activities of this operations include management of cash resources, hedging of foreign currency exposure, credit control and ensuring compliance with market risk limits and policies.

The Group's principal Financial Liabilities, other than Derivatives, comprises of Long Term and Short Term Borrowings, Trade and Other Payables, and Financial Liabilities. The main purpose of these Financial Liabilities is to finance the Group's Operations. The Group's principal Financial Assets include Loans, Trade and Other Receivables, Cash and Cash Equivalents, Other Bank Balances and Other Financial Assets that derive directly from its Operations.

The Group has an effective risk management framework to monitor the risks controls in key business processes. In order to minimise any adverse effects on the bottom line, the Group takes various mitigation measures such as credit control, foreign exchange forward contracts to hedge foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Group has exposure to the following risks arising from Financial Instruments

- Credit Risk ;
- Liquidity Risk ; and
- Market Risk

i. ***Credit Risk***

Credit Risk is the risk that counter party will not meet its obligation leading to a financial loss. The Group is exposed to credit risk arising from its operating activities primarily from Trade Receivables and from financing activities primarily relating to parking of surplus funds as Deposits with Banks. The Group considers probability of default upon initial recognition of Assets and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period.

The carrying amount of following Financial Assets represents the maximum credit exposure:

Financial Instruments and Cash Deposit:

Credit Risk from Balances with Banks and Financial Institutions is managed by the Group's Treasury Department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Trade Receivables

The Sales Department has established a Credit Policy under which each new Customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each Customer and reviewed periodically. Any sales exceeding those limits requires further approval.

Trade Receivables of the Group are typically unsecured ,except to the extent of the security deposits received from the Customers or Financial Guarantees provided by the market organizers in the business.Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of Customers to which Group grants credit terms in the normal course of business. The Group performs ongoing credit evaluations of its Customers' financial condition and monitors the creditworthiness of its Customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade Receivables is created to the extent and as and when required, based upon the expected collectability of Accounts Receivables. The Group evaluates the concentration of risk with respect to Trade Receivables as low, as its Customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group measures the expected credit loss of Trade Receivables and Loan from individual Customers based on historical trend, industry practices and the business environment in which the Entity operates. Loss rates are based on actual credit loss experience and past trends.

The maximum exposure to Credit Risk for Trade Receivables by geographic region was as follows:

(₹ in Lakhs)

Particular	March 31, 2023	March 31, 2022
Domestic	16,590.74	25,632.40
Other Regions	41.48	-
Total	**16,632.23**	**25,632.40**

Age of Receivables

(₹ in Lakhs)

Particular	March 31, 2023	March 31, 2022
Neither due nor Impaired	11,859.23	19,104.87
Past due 1–90 days	4,741.89	6,485.73
Past due 91–180 days	24.11	5.43
More than 180 days	7.00	36.37
Total	**16,632.23**	**25,632.40**

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of Customer Credit Risk, including underlying Customers' Credit Ratings if they are available.

Management estimates that the amount of provision of ₹ Nil (31st March 2022 : NIL) is appropriate

ii. ***Liquidity Risk***

Liquidity Risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to Liquidity Risk

The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and Actual Cash flows and matching the maturity profiles of the Financial Assets and Liabilities. The table below summarises the remaining contractual maturities of Financial Liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Non-Derivative Financial Liabilities

(₹ in Lakhs)

March 31, 2023	Carrying amount	Contractual Cash Flows				
		Total	1 Year or Less	1-2 Years	2-5 Years	More than 5 Years
India Rupee Loan	59,150.23	59,150.23	15,686.19	15,459.91	26,580.38	1,423.75
Foreign Currency Loan	4,293.24	4,293.24	4,293.24	-	-	-
Redeemable Preference Share	15,000.00	15,000.00	4,000.00	4,000.00	7,000.00	-
Working Capital Loans from Banks	9,170.91	9,170.91	9,170.91	-	-	-
Trade Payables	11,017.30	11,017.30	11,017.30	-	-	-
Other Payables	19,535.76	19,535.76	19,400.85	125.51	9.40	-
Total	**1,18,167.45**	**1,18,167.45**	**63,568.49**	**19,585.42**	**33,589.78**	**1,423.75**

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

Non-Derivative Financial Liabilities

(₹ in Lakhs)

March 31, 2022	Carrying amount	Contractual Cash Flows				
		Total	1 Year or Less	1-2 Years	2-5 Years	More than 5 Years
Indian Rupee Loan	61,744.77	61,744.77	10,064.91	11,414.90	40,264.96	
Foreign Currency Loan	8,085.12	8,085.12	4,042.56	4,042.56	-	-
Redeemable Preference Share	21,091.99	21,091.99	-	-	-	21,091.99
Working Capital Loans from Banks	8,014.33	8,014.33	8,014.33	-		-
Trade Payables	8,810.50	8,810.50	8,810.50	-	-	-
Other Payables	18,992.11	18,992.11	18,730.27	126.88	134.96	-
Total	**1,26,738.83**	**1,26,738.83**	**49,662.57**	**15,584.34**	**40,399.92**	**21,091.99**

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular Industry

In order to avoid excessive concentrations of risk, the policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels

iii. Market Risk

Market Risk is the risk that the fair value of future Cash Flows of a Financial Instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Currency Risk, Interest Rate Risk, and Other Price Risk such as Equity Price Risk. Financial Instruments affected by market risk include Loans and Borrowings, Deposits, FVTOCI and Amortised Cost Investments and Derivative Financial Instruments.

Foreign Currency Risk

Foreign Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of actual sales and purchases and 12-month period for foreign currency loans. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Exposure to Currency Risk

The Currency profile of Financial Assets and Financial Liabilities as at 31st March, 2023 and 31st March , 2022 are as below:

The Group's exposure to Foreign Currency Risk at the end of the reporting period expressed in ₹, are as follows

(₹ in Lakhs)

March 31, 2023	Total	INR Equivalent to USD	INR Equivalent to Euro	INR Equivalent to CNY	INR
Financial Assets					
Trade and Other Receivables	16,632.23	167.85	0.05	-	16,464.33
Other Current Financial Assets	1,824.63	157.94	436.17	-	1,230.51
	18,456.86	**325.79**	**436.23**	**-**	**17,694.84**
Financial Liabilities					
Current Borrowings	33,150.34	-	4,293.24		28,857.10
Trade Payables	11,017.30	3,062.67	1.79	-	7,952.84
Other Current Financial Liabilities	19,273.92	54.96	890.15	227.44	18,101.38
Less : Foreign Currency Hedged	4,293.24	-	4,293.24	-	-
Total	**59,148.33**	**3,117.62**	**891.93**	**227.44**	**54,911.32**

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

(₹ in Lakhs)

March 31, 2022	Total	INR Equivalent to USD	INR Equivalent to Euro	INR Equivalent to CNY	INR
Financial Assets					
Trade and Other Receivables	25,632.40	475.93		-	25,156.47
Other Non-Current Financial Assets	824.37	-	152.55	-	671.82
Other Current Financial Assets	187.69	-	152.55	-	35.14
Total	**26,644.46**	**475.93**	**305.10**	**-**	**25,863.43**
Financial Liabilities					
Non Current Borrowings	76,814.40	-	4,042.56	-	72,771.84
Current Borrowings	22,121.80	-	4,042.56	-	18,079.24
Trade Payables	8,810.50	811.02	-	-	7,999.48
Other Current Financial Liabilities	18,615.89	128.52	84.76	328.66	18,073.95
Less : Foreign Currency Hedged	8,085.12	-	8,085.12	-	-
Total	**1,18,277.49**	**939.54**	**84.76**	**328.66**	**1,16,924.51**

Sensitivity Analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against Foreign Currency at March 31 would have affected the measurement of financial instruments denominated in foreign currency and affected Equity and Profit or Loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in Lakhs)

March 31, 2023	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	(139.59)	139.59	(90.81)	90.81
EUR	(22.79)	22.79	(14.82)	14.82
CNY	(11.37)	11.37	(7.40)	7.40

(₹ in Lakhs)

March 31, 2022	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	(23.18)	23.18	(15.08)	15.08
EUR	11.02	(11.02)	7.17	(7.17)
CNY	(16.43)	16.43	(10.69)	10.69

Interest Rate Risk

Interest Rate Risk is the risk that the fair value or future Cash Flows of a Financial Instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's Long-Term Debt obligations with floating interest rates. The Group manages its Interest Rate Risk by having balanced portfolio of fixed and variable rate Loans and Borrowings.

Exposure to Interest Rate Risk

The Group's Interest Rate Risk arises from Borrowings obligations. Borrowings is exposed to fair value interest rate risk. The interest rate profile of the Group's interest-bearing Financial Instruments as reported to the management of the Group is as follows.

(₹ in Lakhs)

Variable-Rate Instruments	March 31, 2023	March 31, 2022
Non Current - Borrowings	54,464.04	76,814.40
Current - Borrowings	33,150.34	22,121.80
Total	**87,614.38**	**98,936.20**

Cash Flow Sensitivity Analysis for Variable-Rate Instruments

A reasonably possible change of 100 basis points in Interest Rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amounts shown below. This analysis assumes that all other variables, in particular Foreign Currency Exchange Rates, remain constant.

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

(₹ in Lakhs)

Particulars	Profit or Loss		Equity, Net of Tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
As at March 31, 2023				
Non Current - Borrowings	(544.64)	544.64	(354.32)	354.32
Current - Borrowings	(331.50)	331.50	(215.66)	215.66
Total	**(876.14)**	**876.14**	**(569.98)**	**569.98**
As at March 31, 2022				
Non Current - Borrowings	(768.14)	768.14	(499.72)	499.72
Current - Borrowings	(221.22)	221.22	(143.92)	143.92
Total	**(989.36)**	**989.36**	**(643.64)**	**643.64**

42. Ratios

Disclosure of Ratios	Numerator	Denominator	Year ended March 31, 2023	Year ended March 31, 2022	% Change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	0.65	0.84	-23%	No major variance
Debt-Equity Ratio	Current Borrowings + Non Current Borrowings + Lease Payemnts	Shareholder's Equity	0.82	1.37	-40%	There is an improvement in Debt Equity Ratio on account of decrease in borrowings due to repayment of long term debts during the year and higher profitability
Debt Service Coverage Ratio	Earnings for Debt Service = Net Profit after Taxes + Non-Cash Operating Expenses + Interest & Lease payment + Other adjustment like loss on sale of Assets"	Debt service = Interest & Lease Payments + Principal Repayments	1.32	1.40	-5%	No major variance
Return on Equity Ratio	Net Profits after Taxes – Preference Dividend	Average Shareholder's Equity	39.36%	35.85%	10%	No major variance
Inventory Turnover Ratio	Revenue from Operation	Average Inventory	11.96	14.91	-20%	No major variance
Trade Receivables Turnover Ratio	Revenue from Operation	Average Trade Receivable	10.36	8.27	25%	There is improvement in the Ratio on account of reduction in Receivables due to better collection over sales
Trade Payables Turnover Ratio	Total Purchase	Average Trade Payables	12.36	11.19	10%	No major variance
Net Capital Turnover Ratio	Revenue from Operation	Working Capital = Current Assets – Current Liabilities	-9.59	-18.17	47%	There is improvement in the Ratio on account of increase in Revenue from Operations, however the same is negative on account of Current Ratio below 1.
Net Profit Ratio	Net Profit	Revenue from Operation	16.14%	16.30%	-1%	No major variance
Return on Capital Employed	Earnings before Interest and Taxes	Capital Employed = Tangible Net Worth + Total Debt + Lease Liability + Deferred Tax Liability"	30.03%	28.11%	7%	No major variance
Return on Investment	Interest (Finance Income)	Average of Investment in Subsidiary, Associate & Bank Deposit	7.71%	7.26%	6%	No major variance

43. Investment in Equity Shares of Associate

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Associates (Note 4)		
Equity investment in Associate at cost	2,054.08	-
Share in Profit/Reserves of Associate (after Acquisition)	-1.69	-
Net	**2,052.39**	**-**

The above numbers are not audited and has been derived based on management accounts.

44 Composite Scheme of Arrangement

The NCLT Ahmedabad Bench vide its Order dated 03 May 2021 (the "Order"), approved the Composite Scheme of Arrangement ("the Scheme") to merge Meghmani Organics Limited (MOL) with the Holding Company along with its Trading Division and Equity Investment in the Holding Company. Pursuant to the Scheme, the Holding Company filed Information Memorandum with National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) and further filed the same with SEBI for the approval. The Holding Company has received final approval on August 16, 2021, pursuant to which the Holding Company was listed with NSE and BSE on August 18,2021.

Further, as per the Order, Optionally Convertible Redeemable Preference Shares (OCRPS) issued by the Holding Company to Meghmani Organics Limited is converted into equal number of Redeemable Preference Shares (RPS) with same terms and conditions and tenure. Accordingly, the RPS has been reclassified from Instruments entirely Equity in nature to Non Current Borrowings.

45 Events occurred after the Balance Sheet date

The Group evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to approval of Financial Statement to determine the necessity for recognition and/or reporting of any of these events and transactions in the Financial Statements. As of 25th April 2023 there were no material subsequent events to be recognized or reported that are not already disclosed.

46 (a) Information about Subsidiary

The Consolidated Financial Statements consists of the Holding Company Meghmani Finechem Limited, one Subsidiary Company Meghmani Advanced Sciences Limited and share in Associate coompany ReNew Green (GJS Three) Pvt. Ltd.. The Subsidiary Company has share capital consisting solely of equity shares which are fully held directly by the Holding company. The Subsidiary Company was incorporated on January 27, 2021 in India and is yet to commence its business operations.

46 (b) Additional Information Required by Schedule III

(₹ in Lakhs)

Name of the Entity in the Group	Net Assets (Total Assets minus Total Liabilities)		Share in Profit/ (Loss)		Share in other Comprehensive Income/ (Loss)		Share in Total Comprehensive Income/ (Loss)	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/(Loss)	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
A Parent								
Meghmani Finechem Limited 31 March 2023	100.00%	1,06,910.02	100.02%	35,335.75	100.00%	22.76	100.02%	35,358.51
Meghmani Finechem Limited 31 March 2022	100.00%	72,596.95	100.00%	25,278.68	100.00%	(3.16)	100.00%	25,275.52
B Subsidiary								
(I) Indian								
Meghmani Advanced Sciences Limited 31 March 2023	-	-	-0.01%	(5.00)	-	-	-0.01%	(5.00)
Meghmani Advanced Sciences Limited 31 March 2022	-	-	-	-	-	-	-	-
C Associate								
(I) Indian								
ReNew Green (GJS Three) Pvt Ltd 31 March 2023	-	-	-0.01%	(1.69)	-	-	-0.01%	(1.69)
ReNew Green (GJS Three) Pvt Ltd 31 March 2022	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statement for the Year ended March 31, 2023

47 Other Statutory Information :

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Group do not have any transactions or balance with Companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Group have not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

48 Previous years figures have been regrouped, restated and reclassified wherever necessary to make them comparable with those of the current year.

As per our Report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. - 324982E / E300003

For and on behalf of the Board of Directors of
Meghmani Finechem Limited
(CIN: L24100GJ2007PLC051717)

per Sukrut Mehta
Partner
Membership No. 101974

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman & Managing Director
DIN: 02006947

K.D. Mehta
Company Secretary

Kaushal Soparkar
Managing Director
DIN: 01998162

Place: Ahmedabad
Date: 25th April, 2023

Place: Ahmedabad
Date: 25th April, 2023

Form AOC - I

Statement of Salient Features of Financial Statement of Subsidiaries/Associates as per Section 129 (3) of the Companies Act, 2013

Part – A: "Subsidiaries"

(₹ in Lakh)

Name of Subsidiary	Meghmani Advanced Sciences Limited (MASL)
Financial year ended	31st March, 2023
Reporting currency	INR
Share Capital	5.00
Reserve & Surplus	-5.00
Total Assets	0
Total Liabilities	0
Investments	0
Turnover/Total Income	0
PBT	-5.00
Provision for Tax	0
PAT	-5.00
Proposed Dividend	0
% of holding	**100**

1. Names of subsidiaries which are yet to commence operations- N.A.
2. Names of subsidiaries which have been liquidated or sold during the year- **N.A.***

* MASL has filed Form STK-2 with Registrar of Companies, Gujarat for voluntarily striking off the name of the Company from Register of Companies.

Part - B: "Associates and Joint Ventures"

(₹ in Lakh)

	Name of Associates / Joint Ventures	ReNew Green (GJS Three) Pvt. Ltd.
1.	**Latest audited Balance Sheet Date**	31.03.2023
2.	**Shares of Associate/Joint Ventures held by the Company on 31st March, 2023**	
	No. of Shares	1,30,71,419
	Amount of Investment in Associates/Joint Venture	2054.08
	Extend of Holding %	26.00
3.	**Description of how there is significant Influence**	26% voting rights held by the Company
4.	**Reason why the associate/joint venture is not consolidated**	N.A.
5.	**Networth attributable to Shareholding as per latest unaudited Balance Sheet**	7812.38
6.	**Profit / Loss for the year**	
	i. Considered in Consolidation	1.69
	ii. Not Considered in Consolidation	-

1. Names of associates or joint ventures which are yet to commence operations – **ReNew Green (GJS Three) Pvt Ltd.**
2. Names of associates or joint ventures which have been liquidated or sold during the year- **N.A.**

MEGHMANI FINECHEM LIMITED

CIN No. L24100GJ2007PLC051717

Registered & Corporate Office: - Meghmani House", B/h Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad – 380 015, Gujarat, India.

NOTICE

NOTICE is hereby given that **Sixteenth Annual General Meeting** of **Meghmani Finechem Limited** will be held on **Tuesday, 27th June, 2023 at 10:30 a.m.** through Video Conferencing / Other Audio Visual Means to transact the following businesses: -

ORDINARY BUSINESS: -

Adoption of Financial Statements

1) To receive, consider, and adopt:

(i) the Audited Standalone Financial Statement of the Company for the Financial Year ended 31st March, 2023 together with report of the Board of Directors & Auditors thereon; and

(ii) the Audited Consolidated Financial Statement of the Company for the Financial Year ended on 31st March, 2023 together with report of the Auditors thereon.

2) To confirm interim dividend paid @ 25% i.e. ₹2.50/- per share on 4,15,50,158 Equity Shares of ₹10/- each fully paid-up, to the shareholders for Financial Year 2022- 2023, and to declare Final Equity Dividend for the Financial Year 2022-2023.

3) To appoint a Director in place of Mr. Maulik Patel (DIN . 02006947), who retires by rotation, and being eligible, offers himself for re-appointment.

4) To appoint a Director in place of Mr. Kaushal Soparkar (DIN. 01998162), who retires by rotation, and being eligible, offers himself for re-appointment.

5) To consider and if thought fit to pass the following resolution with or without modification as **Special Resolution: -**

RE-APPOINTMENT OF M/S S R B C & CO LLP, CHARTERED ACCOUNTANTS (ICAI FIRM REGISTRATION NO. 324982E / E300003) AS THE STATUTORY AUDITORS OF THE COMPANY

"**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors Rules), 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration No.324982E / E300003) Accountants were appointed as the Statutory Auditors of the Company for a Second term of five years from the conclusion of 15th Annual General Meeting held in 2022 to the conclusion of 20th Annual General Meeting of the Company to be held in 2027, subject to ratification of their appointment by the Members at every intervening Annual General Meeting, And That the re-appointment of M/s S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration No. 324982E / E300003) for the FY 2023-2024 be and is hereby ratified on such remuneration plus service tax, out-of-pocket expenses etc. as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution."

6) To consider and if thought fit to pass the following resolution with or without modification as **Ordinary Resolution: -**

TO RATIFY REMUNERATION TO COST AUDITORS

"**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, as amended from time to time, remuneration of **₹2,00,000/- (Rupees Two Lakhs** Only) excluding service tax, travelling and other out-of-pocket expenses payable to **M/s K V Melwani & Associates, Cost Accountants (Registration No. 100497)** who have been appointed as the Cost Auditors of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the Financial Year 2023-2024, be and is hereby ratified."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (including Audit Committee), be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

By Order of the Board
for **MEGHMANI FINECHEM LIMITED**

K. D. Mehta
Company Secretary
Membership No. FCS 2051

Registered Office:
Meghmani House,
B/H Safal Profitaire,
Prahladnagar,
Ahmedabad 380 015
Date: 25/04/2023

Notes:

Convening of AGM through Video Conferencing ("VC") or any Other Audio-Visual Means ("OAVM")

1. In terms of General Circular No. 10/2022 dated 28th December, 2022 and other earlier circulars issued in this regard by the Ministry of Corporate Affairs ("MCA Circulars") and in compliance with the provisions of the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 ("Listing Regulations"), the 16th Annual General Meeting (AGM) of the Members of the Company will be held through VC/OAVM, so that members can attend and participate in the AGM from their respective locations. The deemed venue for the 16th AGM shall be the Registered Office of the Company.

   The Members are therefore requested not to visit Corporate / Registered Office to attend the AGM.

Dispatch of Notice and Annual Report through electronic means

2. In compliance with the MCA Circulars read with Circular No. SEBI/ HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 and other earlier circulars issued in this regard by the Securities and Exchange Board of India ("SEBI Circulars"), Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose name is recorded in the Register of Members / Register of Beneficial Owners as on 26th May, 2023 and whose email addresses are registered with the Company / Registrar and Share Transfer Agent ("Link Intime India Private Limited" / "RTA") or with the respective Depository Participant(s) for communication purposes to the Members, unless any member has requested for a hard copy of the same.

3. The Notice can also be accessed at the Company's website at www.meghmanifinechem.com and at the website of the Stock Exchanges i.e. National Stock Exchange of India Limited at **www.nseindia.com** and BSE at Limited **www.bseindia.com** and at the website of CDSL (agency for providing the Remote e-Voting facility) at **www.evotingindia.com**.

4. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

Proxy form

5. In terms of the MCA Circulars, physical attendance of members has been dispensed with and as such, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Hence, **the Proxy Form and Attendance Slip are not annexed to the Notice**. However, Pursuant to Section 112 and 113 of the Companies Act, 2013, representatives of the President of India or the Governor of State or the Body Corporates are entitled to attend the AGM through VC/OAVM and cast their votes through e-voting.

Explanatory Statement and details of Directors seeking appointment / re-appointment

6. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, forms part of this Notice.

7. Details in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the Notice as 'Annexure to the Notice'. The Directors have furnished the requisite declarations for their appointment / re-appointment.

E-Voting facility and joining of AGM through VC / OAVM

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 the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 16th AGM. Shareholders are requested to refer **Page No. 226 to 231** for detailed procedure for e-Voting and participation in the AGM through VC/OAVM. The detailed procedure for participation in the meeting through VC/OAVM is also available at the Company's website **www.meghmanifinechem.com**.

9. 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.

10. **In view of MCA & SEBI Circulars, printed copy of the Annual Report (including Notice) is not being sent to the Members.**

11. AGM convened through VC/OAVM is in compliance with applicable provisions of the Companies Act, 2013 read with MCA & SEBI Circulars as stated above.

12. The voting period **begins on Saturday, 24th June, 2023 at 9.00 a.m.** and **ends on Monday, 26th June, 2023 at 5.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 20th June, 2023** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

13. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

14. 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.

15. The helpline number regarding any query / assistance for participation in the AGM through VC/ OAVM is **022-23058542/43.**

Book Closure and Cut-off Date for Dividend & Voting

16. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, 21st June, 2023 to Tuesday, 27th June, 2023** (both days inclusive) for the purpose of Annual General Meeting.

17. The Company has designated **Tuesday, 20th June, 2023** as "Record Date" to determine the entitlement of the shareholders to receive dividend for the Financial Year 2022-23.

18. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. **Tuesday, 20th June, 2023**.

Quorum

19. The attendance of Members attending the AGM through VC/ OAVM will be counted for the purpose of reckoning quorum under Section 103 of the Companies Act, 2013.

Scrutinizer for conducting E-Voting

20. The Company has appointed **Mr. Mukesh Khandwala, Partner of M/s. C N K Khandwala and Associates, Practicing Chartered Accountant** to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

Voting Result

21. The voting results shall be declared within two working days from the conclusion time of the Meeting. The results declared along with the Scrutinizer's Report will be placed on the website of the Company at **http://www.meghmani.com** immediately after the result is declared by the Chairman or any other person authorised by the him in this regard and will simultaneously be sent to National Stock Exchange of India Limited and BSE Limited and where equity shares of the Company are listed.

PREVENT FRAUDULENT TRANSACTIONS

22. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

23. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.

Inspection of Documents

24. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode by sending an e-mail to **helpdesk@meghmanifinechem.com**

Dividend

25. The Board of Directors at its meeting held on 25th April, 2023, has recommended a Final Dividend of Rs. 2.50 per equity share of the face value of Rs. 10/- each. The Final Dividend, if declared at the Annual General Meeting, will be paid to those members of the Company, whose names appear in the Register of Members or Register of Beneficial Ownership as on 20th June, 2023 ("Record Date"). The dividend will be paid within statutory time limit.

26. SEBI has made it mandatory for all companies to use the bank account details furnished by Depositories and maintained by the Registrar and Share Transfer Agent for payment of Dividend to the Members electronically. In the absence of details for electronic payment or in cases where electronic payments have failed/ rejected by the Bank, the Company would issue demand drafts/dividend warrants/cheques and print the bank account details, as available, on instrument of payment of dividend.

27. Members are requested to update the bank details including 11-digit IFSC code and 9 digit MICR code with the Depository Participants (DPs) to receive the amount of dividend quickly.

Taxation of Dividend

28. *We would like to draw the attention of members that the dividend after approval in the ensuing AGM will be paid to those shareholders who held shares in their demat account as on* **20th June, 2023** *(cut-off date for the purpose of dividend entitlement). Many times, Brokers are not transferring the shares purchased by their client (shareholders) and parking their shares in pool account and these shares are falling under category "clearing member". Shareholders are therefore advised to ask their brokers to transfer their shares purchased into their demat account in order to receive amount of dividend and credit of Tax Deducted at Source (TDS), if any, into the account of members. If the shares are parked in their pool accounts as clearing member by the brokers of shareholders, the dividend will be paid to them.*

29. Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a Company after 1st April 2020 shall be taxable in the hands of the Shareholders. No tax will be deducted on payment of dividend to the resident individual shareholders if the amount of dividend payable does

not exceed Rs. 5,000/-. Your Company shall therefore be required to deduct tax at source at the time of making the payment of the said Dividend payable. The shareholders are requested to update their PAN with the Company / RTA Agent and depositories (in case of shares held in demat mode). However, no tax or reduced tax shall be deducted on the dividend payable by the company in cases the shareholder provides Form 15G (applicable to any Resident Individual other than a Company or a Firm) / Form 15H (applicable to a Resident Individuals above the age of 60 years) / Form 10F (applicable to Non- Residents), provided that the eligibility conditions are being met. Needless to say, Permanent Account Number (PAN) is mandatory for category of Forms. To avail this benefit, shareholders need to provide respective declaration / document (form 15G /15H/ 10F) at the website of our RTA Agent or at below given link, on or before 20th June 2023.

https://web.linkintime.co.in/formsreg/submission-ofform-15g-15h.html

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading respective declaration/ documents as mentioned hereinabove.

Unclaimed dividends

30. Members are requested to refer the details of unclaimed interim dividend of the Company as set out in the Report on Corporate Governance which is a part of this Annual Report and to approach our RTA Agent to claim their interim dividend.

31. Members are requested to note that dividends not encashed or claimed within Seven Years from the date of transfer to the Company's Unpaid Dividend Account, will be, transferred to the Investor Education and Protection Fund (IEPF) as per Section 125 of the Companies Act, 2013. Further, the shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, members/claimants are requested to claim their dividends from the Company within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on **www.iepf.gov.in.**

Financial Information required

32. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at **least 10 (Ten) days before** the date of the Meeting from their registered e-mail address, mentioning their name, DPID and Client ID number/folio number and mobile number at the Company's investor desk at **helpdesk@meghmanifinechem.com** or **ir@meghmanifinechm.com** so that the information required may be made available at the Meeting.

33. The Company is pleased to provide members, facility to exercise their right to vote at the **16th Annual General Meeting (AGM)** by electronic means through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

34. The Recording/transcript of the AGM will be made available on the website of the Company **www.meghmanifinechem.com** in the Investors Section, as soon as possible after the Meeting is over.

INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 Access through Depositories CDSL/NSDL 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 shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	1) Users who have opted for CDSL Easi / Easiest 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 users to login to Easi / Easiest are requested to visit CDSL website **www.cdslindia.com** and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting 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, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website **www.cdslindia.com** and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on **www.cdslindia.com** home page 5) 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 e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL Depository	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: **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. 2) 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** 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: **https://www.evoting.nsdl.com/** either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name 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
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on 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 abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or **contact at 022-23058738 and 022-23058542-43**
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at **evoting@nsdl.co.in** or call at toll free no.: **1800 1020 990 and 1800 22 44 30**

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

1) The shareholders should log on to the e-voting website **www.evotingindia.com.**
2) Click on "Shareholders" module.
3) Now enter your User ID
    a. For CDSL: 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) ➢ 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.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. ➢ If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

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.

9 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.

10 For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

11 Click on the EVSN of Meghmani Finechem Limited.

12 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 you assent to the Resolution and option NO implies that you dissent to the Resolution.

13 Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

14 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.

15 Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

16 You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

17 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.

18 There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

19 **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

➢ 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.

➢ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com.**

➢ 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.

➢ The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

➢ 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.

➢ Alternatively, Non Individual shareholders are required mandatorily 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 **helpdesk@meghmanifinechem.com** (designated email address by company), 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 / IPads 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 **7 (Seven) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at helpdesk@meghmanifinechem.com.

   The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance at least **7 (Seven) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at **helpdesk@meghmanifinechem.com** 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 the **Company/RTA email id.**

2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participants (DPs)**

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.

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, (CDSL)
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.

NAME	CONTACT DETAILS
COMPANY	Meghmani Finechem Limited "Meghmani House", B/H Safal Profitaire, Corporate Road, Prahaladnagar, Ahmedabad - 380 015 **E-MAIL:- helpdesk@meghmanifinechem.com**
REGISTRAR AND TRANSFER AGENT	Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli (WEST), Mumbai - 400083. Tel: +91 022 - 4918 6270, Fax: +91 22 4918 6060 **E-MAIL:- rnt.helpdesk@linkintime.co.in**
E-VOTING AGENCY	Central Depository Services [India] Limited E-MAIL:**:- helpdesk.evoting@cdslindia.com**
SCRUTINIZER	Mr. Mukesh Khandwala – Chartered Accountants M/S C N K Khandwala & Associates **E-MAIL:- mukesh@cnkkhandwala.in**

By Order of the Board
for MEGHMANI FINECHEM LIMITED

Registered Office:
Meghmani House,
B/H Safal Profitaire,
Prahladnagar,
Ahmedabad 380 015
Date: 25/04/2023

K. D. Mehta
Company Secretary
Membership No. FCS 2051

ANNEXURE TO THE NOTICE

Item No. 3 & 4

Details of Directors seeking appointment / reappointment at the 16th Annual General Meeting in pursuance of provisions of the Companies Act, 2013 & Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Full Name	Maulik Patel	Kaushal Soparkar
DIN No.	02006947	01998162
Age	41 Years	39 Years
Designation	Chairman & Managing Director	Managing Director & CEO
Re-Appointment	FY 2022	FY 2022
Qualification	➢ BE (Chemical) from Sardar Patel University, Vallabh Vidyanagar, Anand ➢ Masters of Science (Chemical Engineering) from University of Southern California, USA ➢ MBA–Long Island University, USA.	➢ B.S. (Chemical) from University of New Haven (U.S.) ➢ M.S. (Engineering Management), Northeastern University (U.S.)
Experience	14 years	13 years
Expertise	Leadership, Strategic Planning, Technical expertise, Production, Corporate Affairs and Policy decision making	Leadership, Information Technology, Technical, Marketing.
Last Remuneration	As mentioned in the Report on Corporate Governance	As mentioned in the Report on Corporate Governance
Shareholding	21,54,367 Equity Shares	17,22,929 Equity Shares
Relationship with other directors and KMP	Maulik Patel, Ankit Patel, Karana Patel and Darshan Patel are related as cousin brothers.	Mr. Kaushal Soparkar is not related to other Directors.
Member/ Chairperson of committees of the Company	Shareholders' / Investors' Grievances Committee - Member	-
Directorships held in other public companies	1. Meghmani Advanced Sciences Limited 2. Kilburn Chemicals Limited	1. Meghmani Advanced Sciences Limited 2. Kilburn Chemicals Limited
Membership of committees held in other Indian companies	None	None
Chairpersonship of committees held in other Indian companies	None	None

This Explanatory Statement is provided, though strictly not required, as per Section 102 of the Companies Act, 2013

Item No. 5

M/s. S R B C & CO LLP, a firm of Chartered Accountants (having Firm Registration Number 324982E / E300003) were appointed as the Statutory Auditors of the Company for a second term of five years from the conclusion of the 15th Annual General Meeting of the Company till the conclusion of the 20th Annual General Meeting subject to ratification of their appointment by the Members at every intervening Annual General Meeting. M/s. S R B C & CO LLP have submitted the certificate of eligibility as per the provisions of the applicable laws.

Members are requested to ratify the re-appointment of M/s. S R B C & CO LLP as the Statutory Auditors of your Company for F.Y. 2023-2024 by passing a Special Resolution.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 6

TO RATIFY AND APPROVE REMUNERATION PAYABLE TO COST AUDITORS FOR F.Y. 2023-24

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of M/s. K V Melwani & Associates, Cost Accountants (Registration No. 100497), as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2024 at a remuneration amounting to Rs. 2,00,000/- (Rupees Two Lakh only) per annum plus applicable tax and out of pocket expenses payable to the Cost Auditors.

Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out at Item No. 6 of the Notice. The Board accordingly recommends the resolution at Item No. 6 of this Notice for the approval of the Members.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors need to be ratified and approved by the members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in the resolution at Item No. 6 of this Notice

By Order of the Board
for **MEGHMANI FINECHEM LIMITED**

K. D. Mehta
Company Secretary
Membership No. FCS 2051

Registered Office:
Meghmani House,
B/H Safal Profitaire,
Prahladnagar,
Ahmedabad 380 015
Date: 25/04/2023

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A TRISYS PRODUCT
info@trisyscom.com

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Prahladnagar, Ahmedabad-380015,
Gujarat (India)
Phone: +91 79 29709600 / 71716000
Fax: +91 79 29709605
Email: info@meghmanifinechem.com

MANUFACTURING SITE:
CH/1 and CH/2, GIDC Industrial Estate,
Dahej, Tal. Vagra, Dist. Bharuch - 392130
Gujarat (India)
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Chlorine Helpline 1800-11-1735
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