Date: August 03, 2021

The Manager (CRD) **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400001	The Manager – Listing Department **National Stock Exchange of India Limited** Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (East) Mumbai - 400 051
Scrip Code : 530117	**Symbol: PRIVISCL**

Dear Sir / Madam,

Sub: 36TH Annual General Meeting (AGM) of the Company to be held through Video Conferencing (VC) /Other Audio-Visual Means (OAVM) on Friday, August 27, 2021, at 12.15 p.m. and Submission of Annual Report for the Financial Year 2020-21

We wish to inform you that the 36th Annual General Meeting of the Company will be held on Friday, August 27, 2021, at 12.15 p.m. through Video Conferencing (VC) /Other Audio-Visual Means (OAVM).

In terms of Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find attached the Annual Report 2020-21 and the Notice of 36th AGM of the Company. The same is being sent to the Shareholders simultaneously on their registered e-mail address. Notice of AGM and Annual Report is also placed on the website of the Company at www.privi.com

In order to enable ease of participation of the Members, we are providing below the key details regarding the AGM Remote e-voting will commence from Tuesday, August 24, 2021 @ 9.00 a.m. and shall end on Thursday, August 26, 2021 @ 5.00 p.m.

Sr. No.	Particulars	Details
1.	Link for live webcast of the Annual General Meeting and for participation through VC / OAVM	https://instameet.linkintime.co.in/
2.	Link for remote e-voting	https://instavote.linkintime.co.in
3.	Helpline Number for VC participation and e-voting	Email: instameet@linkintime.co.in Tel: 022 – 49186175
4.	Cut-off for e-voting	Wednesday, August 18, 2021
5.	Book Closure dates	Friday, August 20, 2021 to Friday, August 27, 2021 (bo days inclusive)
6.	Registrar and Share Transfer Agent Contact details	Link Intime India Private Limited Tel: 022 -49186000, enotices@linkintime.co.in
7.	Company's Contact details	Tel: 022 – 687132000 / 33043500 / 33043600

ISO 9001:2015
ISO 14001:2015
ISO 45001:2018
BUREAU VERITAS Certification
UKAS MANAGEMENT SYSTEMS 0008

PRIVI SPECIALITY CHEMICALS LIMITED
(Formerly known as Fairchem Speciality Limited)
Knowledge Centre & Regd. Office : Privi House, A-71, TTC, Thane Belapur Road, Near Kopar Khairane Railway Station, Navi Mumbai - 400 710. India | Tel. : +91 22 68713200 / 33043500 / 33043600 / 27783040 / 27783041 / 27783045
Fax: +91 22 27783049 / 68713232 | Email: enquiry@privi.co.in | Web: www.privi.com | CIN: L15140MH1985PLC286828

We request you to take the above on record and oblige.

Thanking you,

Yours sincerely,
For Privi Speciality Chemicals Limited
Formerly known as Fairchem Speciality Limited)

Ramesh Kathuria
Company Secretary

Encl: As above

PRIVI SPECIALITY CHEMICALS LIMITED

(Formerly known as Fairchem Speciality Limited)

CIN: L15140MH1985PLC286828

Registered Office: 'Privi House', A-71 TTC – Thane Belapur Road, Kopar Khairne, Navi Mumbai, Mumbai City – 400 710, Maharashtra

NOTICE OF 36TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty-sixth Annual General Meeting of the Members of PRIVI SPECIALITY CHEMICALS LIMITED (Formerly known as Fairchem Speciality Limited) will be held through video conferencing (VC) /other Audio-visual means (OAVM) on Friday, **August 27, 2021 at 12.15 p.m.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for Financial year ended March 31, 2021 along with the Directors' Report and Auditors' Report thereon.

2. To declare final Dividend of Rs. 2 (20%) per equity share of face value of Rs. 10 each for the financial year ended on March 31, 2021.

3. Re-appointment of Mr. Bhaktavatsala Rao Doppalapudi (DIN 00356218), Director who retires by rotation and being eligible, has offered himself for re-appointment.

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

   "**RESOLVED THAT** pursuant to the provisions of Sections 152 and other applicable provisions of the Companies Act, 2013 ('Act') and the applicable Rules and Regulations thereto (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Bhaktavatsala Rao Doppalapudi (DIN 00356218), Executive Director, who retires by rotation and being eligible, has offered himself for re-appointment."

   "**RESOLVED FURTHER THAT** any of the Directors, Mr. Narayan Iyer, Chief Financial Officer and Mr. Ramesh Kathuria, Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds and things as may be necessary or incidental thereto to give effect to the resolution."

SPECIAL BUSINESS:

4. Ratification of Cost Auditor's remuneration for the Financial year ending March 31, 2022

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

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs. 6,30,000/- (Rupees Six Lakhs Thirty Thousand Only) plus applicable taxes and out of pocket expenses payable to M/s Kishore Bhatia & Associates (Firm Registration Number 00294), Cost Accountants, who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as Cost Auditors of the Company, to conduct the audit of cost records maintained by the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014 for the financial year ending March 31, 2022."

5. Adoption of new set of Articles of Association of the Company.

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

   "RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 read with the rules and regulations made thereunder including any amendment, re-enactment or statutory modification thereof, the new set of Articles of Association be and are hereby approved and adopted in substitution for, and to the exclusion, of the existing Articles of Association of the Company."

"**RESOLVED FURTHER THAT** Mr. Mahesh P. Babani, Chairman & Managing Director, Mr. Bhaktavatsala Rao Doppalapudi, Executive Director, Mr. Narayan Iyer, Chief Financial Officer and Mr. Ramesh Kathuria, Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds and things as may be necessary or incidental thereto to give effect to the resolution including filing the necessary e-forms with the office of the Registrar of Companies, Maharashtra, Mumbai, in connection with the adoption of Articles of Association and matters related thereto."

6. Re-appointment and fixation of remuneration payable to Mr. Mahesh P. Babani as Chairman and Managing Director.

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015 as amended from time to time and such other approvals, permissions and sanctions as may be required and in accordance with the Articles of Association of the Company and as per the recommendation of the Nomination and Remuneration Committee, consent of the members be and is hereby accorded for the appointment of Mr. Mahesh P. Babani (DIN 00051162) as the Chairman and Managing Director of the Company for a period of 3 (three) years with effect from April 01, 2022 and payment of remuneration of Rs. 7,20,00,000/- (Rupees Seven Crores Twenty Lakhs only) per annum, to him upon the terms and conditions set out in the Explanatory Statement annexed to the Notice (including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the aforesaid period), with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary terms and conditions of the said appointment including remuneration in such manner as may be agreed to between the Board and Mr. Mahesh P. Babani within the overall maximum remuneration payable to him in accordance with the Act."

   "**RESOLVED FURTHER THAT** any of the Directors, Mr. Narayan Iyer, Chief Financial Officer and Mr. Ramesh Kathuria, Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds and things as may be necessary or incidental thereto to give effect to the resolution including filing of all the necessary e-forms with the office of the Registrar of Companies, Maharashtra, Mumbai."

Registered Office:
'Privi House', Plot No. A- 71 TTC, Thane Belapur Road,
Near Kopar Khairne, Navi Mumbai,
Mumbai City-400710, Maharashtra
CIN: L15140MH1985PLC286828

Navi Mumbai
May 14, 2021

By Order of the Board
For PRIVI SPECIALITY CHEMICALS LIMITED
(Formerly known as Fairchem Speciality Limited)

Ramesh Kathuria
Company Secretary
ACS No.: 11214

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 39 dated December 31, 2020 read with Circular No. 14 dated April 8, 2020, Circular No. 17 dated April 13, 2020, Circular No. 20 dated May 5, 2020, Circular No. 22 dated June 15, 2020, Circular No. 33 dated September 28, 2020 and January 13, 2021 respectively (hereinafter collectively referred to as "MCA Circulars") permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 20, 2021 to Friday, August 27, 2021 (both days inclusive) for the purpose of Annual General Meeting and Payment of Dividend.
3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/ Authorisation etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Company at investors@privi.co.in.
5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies, Act 2013 (the Act).

6. An Explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of item Nos. 3 to 6 of the Notice as set out above is annexed hereto.

7. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.

8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to investors@privi.co.in.

9. The draft Articles of Association, as approved by the Board at its meeting held on May 14, 2021 will be available on the website of the Company i.e. www.privi.com for the inspection by the Members.

10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company through email on investors@privi.co.in. The same will be replied by the Company suitably.

11. Brief Particulars of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting is provided at Annexure - A to this Notice as prescribed under Regulation of 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

12. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Friday, August 20, 2021, may obtain the login ID and password by sending a request at rnt.helpdesk@linkintime.co.in.

13. The Dividend on Equity shares, if declared at the Annual General Meeting shall be paid to those Members:

    a) whose names shall appear as Member in the Company's Register of Members on August 18, 2021 after giving effect to the valid share transfers on or before August 18, 2021.

    b) in respect of the shares held in dematerialized form, the dividend will be paid to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on close of business hours of August 17, 2021.

14. Pursuant to the provisions of Section 125 of the Companies Act, 2013 the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company, is required to be transferred to the Investor Education and Protection Fund, set up by the Government of India. Kindly note that once unclaimed and unpaid dividends are transferred to the Investor Education and Protection Fund, Members will have to approach to IEPF for such dividend.

15. Members holding shares in Electronic form are requested to intimate any changes in their registered address, name, PAN details, etc. to their Depository Participant (DP) with whom they are maintaining their demat account. Members holding shares in physical form are requested to intimate any such change to the Company or its RTA (Link Intime India Pvt. Ltd.)

16. Registration of email ID and Bank Account details:

    In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/ Depositories, the log in details for e-voting are being sent on the registered email address.

    In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and have not updated the Bank Account mandate for receipt of dividend, the following instructions are to be followed:

    a. **In case of Shares held in Physical Mode:**

       The Shareholder may send a request quoting its Folio No. to RTA by email at rnt.helpdesk@linkintime.co.in

    b. **In the case of Shares held in Demat mode:**

       The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

17. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act. For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows

    - Members having valid PAN- 10% or as notified by the Government of India
    - Members not having PAN / valid PAN- 20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2021-22 does not exceed Rs. 5,000 and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. Registered members may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following : Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member Copy of Tax Residency Certificate (TRC) for the FY 2020- 21 obtained from the revenue authorities of the country of tax residence, duly attested by member Self declaration in Form 10F Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty Self-declaration of beneficial ownership by the non-resident shareholder Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member.

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess). The aforementioned documents are required to be submitted at investors@privi.co.in by the shareholders on or before the record date i.e. Wednesday, August 18, 2021.

18. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the 36th AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.privi.com, websites of the Stock Exchange and on the website of Link Intime India Private Limited at https://instavote.linkintime.co.in. Members who have not registered their email address with the Company can register the same by following the procedure as mentioned in point 16 above. Post successful registration of email address, the Member will receive the soft copy of the Notice of AGM and the Annual Report.

19. The Board of Directors have appointed M/s Rathi & Associates, Practicing Company Secretaries, to act as Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.

20. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the meeting shall be announced by the Chairman or any other person authorized by him immediately after the results are declared. The results declared along with the Scrutinizer's Report, will be posted on the website of the Company www.privi.com and on the website of RTA and will be displayed on the Notice Board of the Company at its Registered Office immediately after the declaration of the results by the Chairman or any other person authorized by him and communicated to the Stock Exchanges.

21. Voting through electronic means

- The business as set out in the Notice may be transacted through electronic voting system. In compliance with the provisions of Section 108 of the Act readwith the Companies [Management and Administration] Rules, 2014, Secretarial Standards-2 issued by the Institute of Companies Secretaries of India on General Meetings and in compliance with Regulation 44 of the Listing Regulations, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically. The Company has made necessary arrangements with LinkIntime India Private Limited (RTA) to facilitate the members to cast their votes from a place other than the venue of the AGM [remote e-voting].
- A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or voting at the AGM. Persons who are not Members as on the cut-off date should treat this Notice for information purpose only.
- The Notice will be displayed on the website of the Company www.privi.com and on the website of RTA https://instavote.linkintime.co.in/
- The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM but shall not be entitled to cast their vote again.
- The Members whose names appear in the Register of Members / List of Beneficial Owners prior to commencement of book closure date are entitled to voteon Resolutions set forth in the Notice. Eligible members who have acquired shares after the dispatch of the Annual Report and holding shares as on thecut-off date may approach RTA for issuance of the USER ID and Password for exercising their right to vote by electronic means.
- The remote e-voting period will commence at 9:00 a.m.(IST) on Tuesday, August 24, 2021 and will end at 5:00 p.m. (IST) on Thursday, August 26, 2021. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, August 20, 2021 may cast their vote by remote e-voting. The e-voting module shall be disabled by RTA for voting thereafter.

REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS POST CHANGE IN THE LOGIN MECHANISM FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE, PURSUANT TO SEBI CIRCULAR DATED DECEMBER 09, 2020:

Pursuant to SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	• 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. • 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 • 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 with CDSL	• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration • Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. • Once 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.

Type of shareholders	Login Method
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in ▶ Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: - **A. User ID:** Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company. **B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. **C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) **D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company. • Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter). ▶ Click "confirm" (Your password is now generated). 2. Click on 'Login' under **'SHARE HOLDER'** tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'**. 4. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon. 5. E-voting page will appear. 6. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link). 7. After selecting the desired option i.e. Favour / Against, click on **'Submit'.** A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes',** else to change your vote, click on 'No' and accordingly modify your vote.

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- ➢ Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- ➢ Enter **User ID,** select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'.**

- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at https://instavote.linkintime.co.in, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

Registered Office:
'Privi House', Plot No. A- 71 TTC, Thane Belapur Road,
Near Kopar Khairne, Navi Mumbai,
Mumbai City-400710, Maharashtra
CIN: L15140MH1985PLC286828

Navi Mumbai
May 14, 2021

By Order of the Board
For PRIVI SPECIALITY CHEMICALS LIMITED
(Formerly known as Fairchem Speciality Limited)

Ramesh Kathuria
Company Secretary
ACS No.: 11214

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

Item No. 3:

Pursuant to the provisions of Sections 152 and other applicable provisions of the Companies Act, 2013 and the applicable Rules and Regulations thereto and in accordance with the Articles of Association of the Company, Mr. Bhaktavatsala Rao Doppalapudi (DIN 00356218), Executive Director, is liable to retire by rotation at the 36th Annual General Meeting of the Company and being eligible, has offered himself for re-appointment. Considering the fact that Mr. Rao has already attained the age of 76 years, it is deemed prudent to obtain consent of the Members of the Company for the re-appointment of Mr. Bhaktavatsala Rao Doppalapudi as Director of the Company by passing of a Special Resolution.

Accordingly, the Board commends the Resolution set out at Item No. 3 of the Notice in relation to the re-appointment of Mr. Bhaktavatsala Rao Doppalapudi as Director of the Company.

Except for Mr. Bhaktavatsala Rao Doppalapudi, none of the Directors or the Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.3 of the Notice. Mr. Bhaktavatsala Rao Doppalapudi is not related to any other Director or KMP of the Company.

Item No. 4:

The Board of Directors, on the recommendation of the Audit Committee, have approved the appointment of M/s Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294) as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2022 at a remuneration of Rs. 6,30,000/- (Rupees Six Lakhs Thirty Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses.

The Company is required under Section 148 of the Companies Act, 2013 ("the Act") read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, to have the audit of its cost records conducted by a Cost Accountant. Further, in accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2022.

Your Board recommends the Ordinary Resolution as set out in Item No. 4 for approval of Members.

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

Item No. 5:

The existing Articles of Association of the Company contains certain provisions of the Shareholders Agreement dated May 22, 2019 executed by and between Babani Family & Rao Family (Privi Group), FIH Mauritius Investments Limited & FIH Private Investments Limited (Fairfex India) and Fairchem Speciality Limited (name changed to Privi Speciality Chemicals Limited). Since the transactions as per Clause 2 of the above mentioned Shareholders Agreement have been completed, it is deemed necessary and expedient by the Board of Directors of the Company that the Articles of Association of the Company need not contain the provisions of the Shareholders Agreement any more as the applicability of the said agreement has come to an end. Therefore, it is proposed to adopt new set of Articles of Association **(AOA)** in substitution and total exclusion of the existing Articles of Association of the Company. The Board of Directors at its meeting held on May 14, 2021 have approved adoption of a new set of AOA in place of and to the exclusion of the existing AOA of the Company subject to the approval of the Members.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of special resolution is required for adoption of new set of AOA of the Company. Your Directors recommend passing of the resolution set out at Item No. 5 of the Notice by way of a special resolution.

A copy of the proposed AOA of the Company shall be hosted on the website of the Company for inspection by the Members.

None of the Directors, KMPs, or their relatives are interested or concerned, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Item No. 6:

Mr. Mahesh P. Babani (DIN 00051162) was appointed as the Managing Director of the Company in 2017. Subsequently, in accordance with the recommendation of the Nomination and Remuneration Committee on May 09, 2019 and approval of the Board of Directors on May 09, 2019, the Members of the Company at the Annual General Meeting held on August 08, 2019 approved the re-appointment of Mr. Mahesh P. Babani as the Managing Director for a period of 3 (three) years effective from April 01, 2019 to March 31, 2022. In accordance with the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on August 12, 2020 have re-designated Mr. Mahesh P. Babani as Chairman & Managing Director from the close of working hours of August 12, 2020 and also approved the remuneration payable to him which was approved by the shareholders at the Annual General Meeting held on November 02, 2020.

As per the recommendation of the Nomination and Remuneration Committee on May 14, 2021 the Board of Directors at its meeting held on May 14, 2021, approved the re-appointment of Mr. Mahesh P. Babani, as the Chairman and Managing Director for a period of 3 (three) years effective from April 01, 2022 to March 31, 2025 and the remuneration payable to him, were determined as Rs. 7,20,00,000/- (Rupees Seven Crores Twenty Lakhs only) per annum plus perquisites, benefits etc. as follows:

i. Remuneration

Salary of Rs. 7,20,00,000/- (Rupees Seven Crores Twenty Lakhs only) per annum. The Annual increments which will be effective from April 1 each year will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee and will be merit based and after taking into account the Company's performance as well subject to the overall ceilings laid down in Section 197 read with Section 198, Schedule V and other applicable provisions of the Companies Act, 2013.

ii. Perquisites and benefits

a) Travelling and out of pocket expenses in accordance with the Rules of the Company.

b) Provision for telecommunication facilities.

c) Re-imbursement of medical expenses incurred for himself and his family as per rules of the Company.

d) Re-imbursement of entertainment and other expenses actually and properly incurred for the business of the Company as well as other expenses incurred in the performance of duties on behalf of the Company.

e) The Company shall provide car with driver at the entire cost to the Company for using Company's business and the same will not be considered as perquisites.

f) Personal accidental and life insurance coverage for Mr. Mahesh P. Babani according to Company policy.

g) Leave as per Company policy.

h) All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the Chairman and Managing Director, unless specifically provided otherwise.

i) The terms and conditions of appointment of the Chairman and Managing Director also includes adherence with the Company's Code of Conduct.

iii. Insurance

The Company will take an appropriate Directors' and Officers' Liability Insurance Policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire period of appointment, subject to the terms of such policy in force from time to time

iv. Duties and Other Terms:

a) Mr. Mahesh P. Babani will be overall in-charge of all operations of the Company and entrusted with substantial powers of management of the affairs of the Company.

b) The Chairman and Managing Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or joint ventures and/or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and/or joint ventures and/or subsidiaries or any other executive body or any committee of such a company.

c) Mr. Babani shall faithfully adhere to, execute and fulfill all policies and guidelines established by the Board of Directors of the Company.

d) Mr. Babani shall faithfully serve the Company and use his best endeavors to promote the interests thereof. He shall not, while an employee thereof or thereafter, directly or indirectly, divulge any information concerning the affairs, or any information of whatever nature which he shall have acquired during his employment, to anyone or to use it for any purpose except performance of his duties.

e) The terms and conditions may be altered and varied from time to time by the Board as it may in its discretion deem fit, irrespective of the limits stipulated under Schedule V of the Act or any amendments made hereafter in this regard, in such manner as may be agreed to between the Board and the Chairman and Managing Director, subject to such approvals as may be required.

f) Mr. Babani shall be liable to retire by rotation.

v. Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Chairman and Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to the Chairman and Managing Director remuneration by way of Salary, Benefits, Perquisites and Allowances as specified above.

The aggregate remuneration payable to Mr. Mahesh P. Babani, shall be subject to the overall ceilings laid down in Section 197 read with Section 198 and other applicable provisions of the Companies Act, 2013.

Mr. Babani satisfies all the conditions set out in Part-I of Schedule V of the Act as also conditions set out under Section 196(3) of the Act for being eligible for his appointment as Chairman and Managing Director.

Mr. Mahesh P. Babani, Chairman & Managing Director, is a Promoter of the Company and therefore, pursuant to Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015 as amended from time to time, the fees or compensation payable to him shall be subject to approval of shareholders by Special Resolution in the ensuing 36th Annual General Meeting of the Company.

Mr. Mahesh P. Babani has been on the Board of Privi Organics Limited since its inception. Mr. Mahesh Babani is a Commerce Graduate and has operational and managerial experience of over 30 years. Mr. Babani is involved in formulation of long-term strategy, business development and financial management of the Company. He has travelled extensively across the globe and has deep knowledge of the entire value chain of Aroma Chemical Business. His knowledge extends from sourcing of raw materials to their processing and to the final consumers of Aroma Chemicals. His vision, perseverance, motivation, and extensive knowledge of global aroma chemical markets have helped PRIVI to reach the current position. He has strong relationships across the management level of PRIVI's customers, suppliers, and other stake holders.

Having regard to his qualifications, experience and knowledge, the Directors are of the view that the appointment of Mr. Mahesh P. Babani as Chairman and Managing Director will be beneficial to the functioning and future growth opportunities of the Company and the remuneration payable to him is commensurate with his abilities and experience.

Accordingly, the Board commends the Resolution set out at Item No. 6 of the Notice in relation to the re-appointment and remuneration payable to Mr. Mahesh P. Babani as the Chairman and Managing Director for his tenure for the approval of the Members by way of a special resolution.

The above may be treated as written memorandum setting out the terms of conditions of the remuneration payable to Mr. Mahesh P. Babani under Section 190 of the Act.

Except for Mr. Mahesh P. Babani, none of the Directors or the Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice. Mr. Mahesh P. Babani is not related to any other Director or KMP of the Company.

DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE AGM PURSUANT TO REGULATIONS 26(4) AND 36(3) OF LISTING REGULATIONS AND SECRETARIAL STANDARD – 2 ON GENERAL MEETINGS

Name of Director	**Mr. Mahesh Purshottam Babani (DIN: 00051162)**	**Mr. Bhaktavatsala Doppalapudi Rao (DIN: 00356218)**
Date of Birth	**01.04.1958**	**10.05.1946**
Age	63 Years	76 Years
Date of Appointment on the Board	11.05.2017	11.05.2017
Expertise In specific functional areas, Qualification and Experience	Mr. Mahesh P. Babani took reins of Privi Organics Limited in 1989 and is currently the Chairman & Managing Director of Privi Speciality Chemicals Limited (Formerly known as Fairchem Speciality Limited). It has been his passion that has driven the Company from a start-up to its current scale. He is involved in formulation of long-term strategy, business development and financial management of the Company. Over the past 2 decades, he has travelled extensively across the globe and has deep knowledge of the entire value chain of Aroma Chemical Business. His knowledge extends from sourcing of raw materials to their processing and to the final consumers of Aroma Chemicals. His vision, perseverance, motivation and extensive knowledge of global aroma chemical markets have helped PRIVI to reach the current position. He has strong relationships across the management level of PRIVI's customers, suppliers and other stake holders. Mr. Mahesh P. Babani is a Commerce Graduate and has operational and managerial experience of over 33 years.	Mr. Bhaktavatsala Rao Doppalapudi has been a Director of Privi Organics Limited since its inception till January 03, 2020. Mr. Rao overseas Operations, Research & Development, Personnel and raw material sourcing. Mr. Rao has worked diligently in converting the vision of the Company to realty and has handled various projects right from their conception to completion. He has been instrumental in putting up the manufacturing facilities in a swift and cost-effective manner and chartering the growth of the Company. His vast experience, in depth knowledge of chemicals and engineering has helped PRIVI to attain the current position. He takes keen interest in R & D activities of the Company, especially in developing green technologies. He is involved in the operations of the company and institutionalizing various processes in the management of the Company. Mr. Rao is the Managing Director of Privi Biotechnologies Pvt Ltd, the wholly owned Subsidiary of the Company. Mr. Rao is a post-graduate in Engineering with over 34 years' experience.
Terms and conditions of Appointment/ Re-appointment	Mr. Mahesh P Babani, Chairman and Managing Director shall be re-appointed to the office, and is liable to retire by rotation.	Mr. Rao, Executive Director shall be re-appointed to the office, as s Director liable to retire by rotation.
Details of Remuneration last drawn	Rs. 5,00,00,000 (Rupees Five Crores Only)	Rs. 2,10,00,000 (Rupees Two Crores Ten Lakhs Only)
Relationship between Directors and KMP	No relationship as defined under The Companies Act, 2013 and/or Rules made thereunder	No relationship as defined under The Companies Act, 2013 and / or Rules made thereunder
Directorship held in other Public Listed Companies as on March 31, 2021.	NIL	NIL
Membership / Chairmanship of Committees in other Public Listed Companies as on March 31, 2021	NIL	NIL
No. of Board Meetings attended during Financial Year 2020-2021	6 (Six)	5 (Five)
Relationship with other Directors and KMPs	None	None
Details of shares held in the Company	25,86,348 Equity Shares (as on 31.03.2021)	7,23,060 Equity Shares (as on 31.03.2021)

NOTES

PRIVI SPECIALITY CHEMICALS LIMITED

(Formerly known as Fairchem Speciality Limited)

Annual Report | **2020-21**

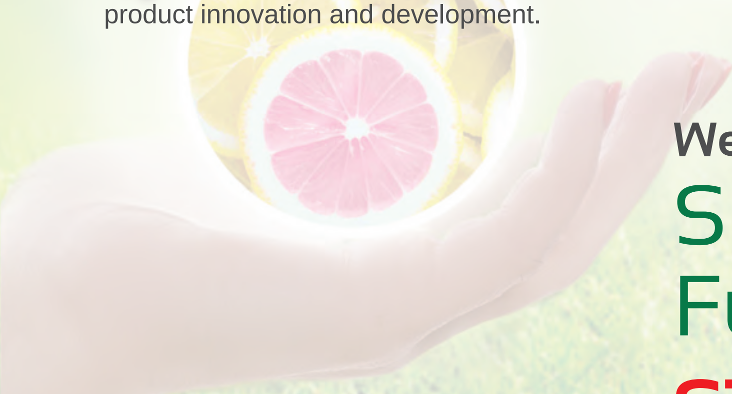
Strengthening
Fundamentals.
STEERING GROWTH.

In this report

To view this report online or to know more about us, please visit:
www.privi.com

Amidst the challenging circumstances caused by the COVID-19 pandemic, we have stayed focused on demonstrating resilience and agility to not only navigate the crisis but also turn it into an opportunity for driving consistent growth.

Our core capabilities including robust infrastructure, technology edge, and comprehensive product portfolio enable us to serve diverse industries and has propelled our growth from a humble manufacturer to a leading aroma chemicals manufacturer. We foresee tremendous opportunities for our business verticals due to heightened focus on hygiene and cleanliness in the post-COVID world. We are now focused on introducing newer, innovative products in aroma chemicals for the fragrance industry and increase capacities of our core products in the pine and phenol range to strengthen our market position and volume. We believe we are well-positioned to capture the emerging opportunities and deliver accelerated growth by way of capacity expansion, efficiency improvement, and product innovation and development.



We are

Strengthening Fundamentals.

STEERING GROWTH.

ABOUT US

Privi Speciality Chemicals Limited (formerly known as Fairchem Speciality Limited) is India's leading manufacturer, supplier, and exporter of aroma and fragrance chemicals and a globally trusted partner and supplier of bulk aroma chemicals.

From a humble manufacturer of aroma chemicals in 1992 with only two products, we have steadily expanded to a range over 50 products today with a production capacity of 32,500 tons per annum. Our in-house, fully equipped synthetic R&D center facilitates production of customized products as per customer requirements. Our manufacturing infrastructure includes two state-of-the-art manufacturing units at Mahad in Maharashtra and Jhagadia in Gujarat with knowledge and expertise to perform critical processes and applications.

We are recognized as one of the preferred suppliers in terms of product quality, competitive pricing, regulatory compliance, and timely delivery to customers around the globe and has been a partner of choice for customers like Givaudan, Firmenich, Symrise, IFF, Takasago, Mane, P & G, Henkel, Reckitt Benckiser, among others. We cater to the world's 10 largest and leading fragrance companies and have a significant presence in Europe and the United States (US).

Our Journey

1982
Incorporation of Privi Organics Ltd.

1992
Commenced production at Unit 1 at Mahad, Maharashtra

1997
Commenced exports

2000
Expanded production capacity at Unit 2 at Mahad

2002
Achieved Export House Status

2004
Established modern R&D plant at Mahad (ISO 9001:2000 certified)

2005
Achieved turnover of over USD 24 Million

2007
Set up headquarter at Navi Mumbai.
Infusion of Private Equity Capital.

2008
Expanded Dihydromyrcenol capacity from 1,800 MT to 3,300 MT.
Set up state-of-the-art Biotechnology Lab at Knowledge Centre, Navi Mumbai.
Pre-registration of products with REACH.

2010
Expanded Amber Fleur capacity from 2,000 MT to 2,700 MT.
Set up Grignard Plant GTO distillation plant for backward integration to produce terpene based Derivatives.

2011
Received ISO 18001:2007 certification from Bureau Veritas.
Achieved a turnover of USD 80 Million.

2013
Commissioned CST Plant at Mahad
Incorporated Privi Organics USA Corp. in New Jersey, USA.

2014
Entered into long-term contracts with major global customers.
Acquired Jhagadia Plant and initiated commercial production.

2017
Scheme of arrangement entered between Fairchem Speciality Ltd., Adi Aromatic Ltd., and Privi Organics Ltd. approved by NCLT.
Demerger of aroma chemicals business of Privi Organics Ltd. and transfer to Adi Aromatics Ltd.
Name of Adi Aromatics changed to Privi Organics India Ltd. (100% subsidiary of Fairchem Speciality Ltd.)

2020
Composite Scheme of Arrangement & Amalgamation ("Scheme) entered into amongst Fairchem Speciality Limited ("FSL"), Fairchem Organics Limited (FOL) and Privi Organics India Limited ("POIL") and their respective shareholders as approved by the National Company Law Tribunal on June 30, 2020, POIL has amalgamated into FSL and the business of FSL has been transferred to FOL. The name of FSL has subsequently been changed to Privi Speciality Chemicals Limited ("PSCL") vide fresh Certificate of Incorporation dated August 17, 2020 issued by the Ministry of Corporate Affairs, Government of India.

Quality Certifications

We constantly strive to achieve the highest levels of safety, quality, efficiency, and sustainability to progress towards greater excellence in manufacturing and research operations. Our operations and products are certified with the following accreditations:

EU / EEA - REGISTRATION, EVALUATION, AUTHORIZATION AND RESTRICTION OF CHEMICALS (REACH)

We have registered 23 products under EU REACH Regulation, through our Sweden-based representative. This will allow our EU/EEA Customers and Netherlands office to import the products into EU/EEA.

TURKEY REACH

So far, we have pre-registered 24 products under KKDIK, as a result of which we have got extension of registration deadline up to December 2023.

GHS COMPLIANCE

All our products are GHS compliant. We also provide country-specific GHS SDS and labelling support to our customers.

IFRA STANDARDS COMPLIANCE

The IFRA Standards form the basis for the globally accepted and recognized risk management system for the safe use of fragrance ingredients and are part of the IFRA Code of Practice. Our supporting membership with IFRA further backs up commitment to continuously comply with IFRA standards and also ensure the quality and credibility of our products.

OTHER PRODUCT AND MANAGEMENT SYSTEM CERTIFICATIONS

Most of our manufacturing facilities are ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 certified, Kosher and Halal certified. The ISO certifications have been issued by a globally renowned certification body Bureau Veritas which involves stringent audits.

Key Strengths

ROBUST MANUFACTURING

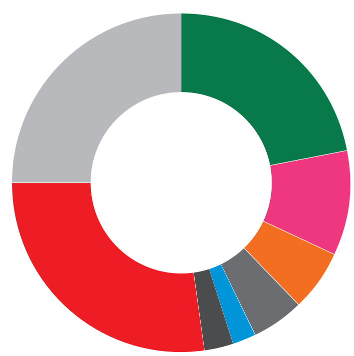
DEDICATED, STATE-OF-THE-ART R&D CENTER

DEDICATED AND COMPETENT TEAM

WIDE PRODUCT PORTFOLIO

QUALITY CONSCIOUSNESS

Geographical Distribution of Revenue 2021



- **22%** North America
- **10%** Asia (Excluding India)
- **6%** Middle East
- **5%** United Kingdom
- **2%** South Africa
- **3%** Africa
- **27%** India
- **25%** Europe (excluding UK)

CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE

Privi Speciality Chemicals Limited (formerly known as Fairchem Speciality Limited) is India's leading manufacturer, supplier, and exporter of aroma and fragrance chemicals and a globally trusted partner and supplier of bulk aroma chemicals.

Greetings!
Dear Shareholders,

I trust you and your family are keeping well amidst the unprecedented COVID-19 pandemic. The government and the industries are fighting to revive and rebuild the economy from these challenging circumstances. The economic activity is expected to rebound on the back of favorable policy reforms and successful roll-out of the vaccination drive; however, the intensity and depth of the second wave of infections may derail this rebound.

Your Company is closely monitoring the global outbreak of the pandemic and has implemented numerous measures to protect our employees, communities, and operations to ensure uninterrupted supply and movement of materials as well as services.

OUR PERFORMANCE

Despite a challenging year, your Company recorded satisfactory performance by achieving Revenue of Rs. 1,275.11 Crores and EBITDA of Rs. 250.63 Crores as against Rs. 1,320.92 Crores and Rs. 283.51 Crores in the previous year, respectively. Our performance was largely driven by higher sales volume, lower sales price realization, and budgeted input cost in the second half of the fiscal year. The production of all aroma chemicals stood at 29,337 tons as against 25,380 tons in the previous year. During the year, we implemented several initiatives encompassing cost management, supply

Globally Competitive

Global Scale of Operations

Create Long-term sustainability of Business

Sustain Market and Customer share

chain optimization, smart procurement, long term coal linkage which helped in absorbing escalation in input costs and new product development.

Your Company continues to maintain its leadership position in the synthetic aroma chemical segment and continues to consolidate its preferred supplier status amongst leading F&F houses and FMCG companies. Further, your Company remains confident of fortifying its market standing in the aroma chemical segment by way of continuous investments in technology and building a future ready product portfolio. We are sharply focused on improving operating efficiencies and reducing manufacturing costs for achieving improved financial performance.

What motivates and energizes us to deliver amidst the challenges are our core business values, positive mindset, and the commitment to drive profitable growth. I am, therefore, sharing the core values and beliefs that we have pursued resolutely over the years to build Privi Speciality Chemicals Limited .

Being Globally Competitive

In the current globalized business scenario, it is essential that our operations remain globally competitive. While there are certain advantages of operating in India due to its low manpower cost, high talent pool, among others, the disadvantages include higher electricity tariffs, state of-the-art infrastructure, etc. For us, it is even more imperative to be globally competitive as around 70% of our revenues are generated from exports. Your Company, therefore, emphasizes on building a technically equipped team of professionals who work tirelessly towards improving the input and manpower costs while completing projects within the scheduled time frame.

Creating Global Scale of Operations

As the market for aroma chemicals is primarily based in the developed countries, we are steadily ramping up our manufacturing capacities to penetrate and increase our competitiveness in developing countries like India. I am happy to state we qualify amongst the top two global manufacturers by size for our leading products like Dihydromyrcenol, Amber Fleur, and Pine Oil.

Maintaining market and customer share

Customer satisfaction and timely delivery of products is our topmost priority. Our operating teams work round-the-clock to ensure meeting of delivery timelines. Our interaction with the customers is ongoing, and we diligently work on meeting newer requirements of aroma chemical molecules. Our aim is to maintain the market share for our products and increase customer base by widening the product basket.

Creating long-term sustainability

Being a leading producer of bulk aroma chemicals, it is our prime responsibility to maintain sustainable operations and minimize environmental footprint. For this reason, we emphasize on creating holistic sustainable practices. We are a well-structured organization that secures continuity by maintaining a robust infrastructure.

ENSURING SUSTAINABLE OPERATIONS

At Privi Speciality Chemicals Limited, Corporate Social Responsibility is not just about the discharge of legal obligations, but about working towards improving the lives of the communities in which we operate. We have implemented wide-ranging CSR programs during the year for improving the livelihoods of the underprivileged communities in the realms of Education, Healthcare, Skill Development, Rural Development, and Environmental Sustainability. Our culture enables us to pursue our mission with a growth mindset. Further, your Company is committed to environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources, maintaining quality of air, water, and soil. We also aim to become a Zero Liquid Discharge company.

CONCLUSION

With the gradual resumption in economic activities, we expect to report improved performance in the coming year, supported by our diversified product portfolio, superior brand image, long-standing relationships, and robust execution capabilities.

Your Company's philosophy is to drive long-term value creation to serve the best interests of all our stakeholders. I wish to thank my colleagues on the Board and our teams for responding positively to the testing times and, most of all, I thank our shareholders for their unstinted confidence and faith, which has, in my view, geared us to take on more challenges. I look forward to the continued support and dedication of our teams in our journey forward.

Warm Regards,

Mahesh P. Babani

Chairman and Managing Director

FINANCIAL HIGHLIGHTS

NET SALES

(₹ in Lakhs)

FY 2018-19	107,702
FY 2019-20	130,381
FY 2020-21	**126,810**

EBITDA

(₹ in Lakhs)

FY 2018-19	19,078
FY 2019-20	28,351
FY 2020-21	**25,063**

EBITDA MARGIN

(%)

FY 2018-19	17.71
FY 2019-20	21.74
FY 2020-21	**19.76**

PBT

(₹ in Lakhs)

FY 2018-19	12,609
FY 2019-20	19,263
FY 2020-21	**15,822**

PAT

(₹ in Lakhs)

FY 2018-19	7,648
FY 2019-20	14,603
FY 2020-21	**11,690**

NET WORTH

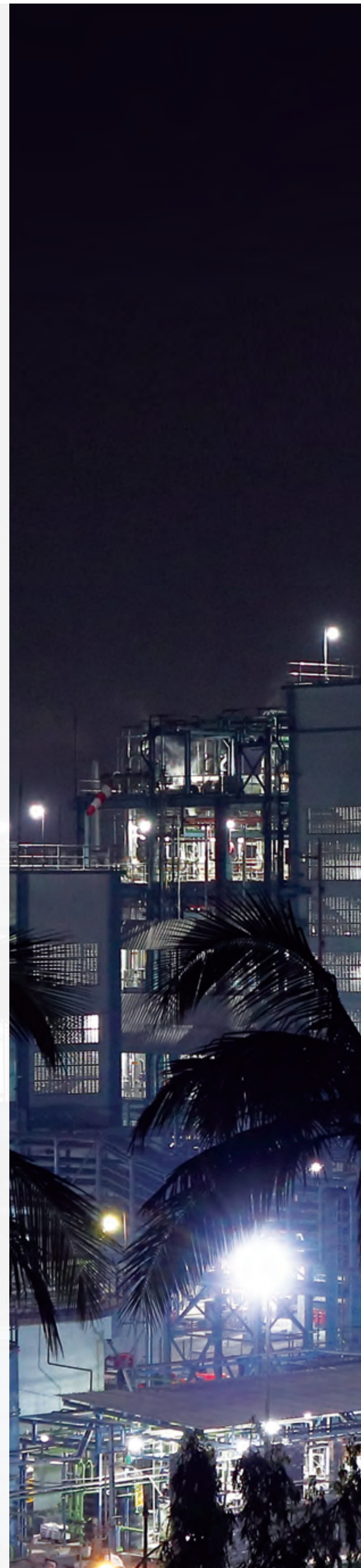
(₹ in Lakhs)

FY 2018-19	47,305
FY 2019-20	61,205
FY 2020-21	**72,252**

ROE MARGIN

(%)

FY 2018-19	16.18
FY 2019-20	23.96
FY 2020-21	**16.10**



ENSURING SUSTAINABLE OPERATIONS

Sustainable development is at the core of our Company's operations, which is further reinforced by sound environmental management systems practised across offices and manufacturing units. We are working towards becoming a Zero Liquid Discharge company to minimize our environmental footprint.

Our sustainable development practices encompasses sustainable manufacturing, product safety, economy analysis, sustainability-oriented supply chain management, and social and community based sustainable requirement.

We have deployed Global Product Compliance (Europe) AB, which is based out of Sweden to act as a Privi Speciality Chemicals Limited representative under REACH. Our products are REACH Complaint. Further, being a member of the International Fragrance Association (IFRA) also mandates that our product range complies with the IFRA standards and adhere to the religious responsibility of being Kosher & Halal compliant.

We contribute to seven of the 17 UN Sustainability Development Goals (UN SDGs) in the following manner:

1 NO POVERTY

We contribute towards the skill development of the people in the surrounding villages so that they can obtain employment to secure their source of income.

3 GOOD HEALTH AND WELL-BEING

We focus on improving the health care facilities in the nearby areas by arranging health check-up camps, distributing free medicines, building gymnasiums, spreading health awareness, as well as providing safe drinking water, etc.

4 QUALITY EDUCATION

Augmenting the education system with focus on digital education – we focus on digital education at Zila Parishad Schools by providing them the requisite software.

6 CLEAN WATER AND SANITATION

We provide assistance in the construction and repair of toilets in the surrounding areas & works to create awareness about hygiene.

11 SUSTAINABLE CITIES AND COMMUNITIES

We believe in remaining one step ahead in the efforts of conserving natural resources, recycle & reuse of materials, and creating waste to wealth.

13 CLIMATE ACTION

We ensure that all our operations, effluents, discharges are properly treated, controlled, and meeting legal norms. We also work on implementing advanced technologies to reduce the emissions.

15 LIFE ON LAND

We have been planting a large number of trees in our vicinity as well as on land taken on lease specifically for creating natural habitat for the growth of flora and fauna and maintenance of ecological balance.

Carbon Disclosure Project (CDP) –

We disclose our carbon emission data to CDP annually and are working on specific projects to reduce the carbon emissions from our operational activities. We have now started encouraging our suppliers to opt for sustainable development practices and also initiated buying forest-based raw materials from FSC (Forest Stewardship Council) certified pulp and paper mills.

EMPOWERING COMMUNITIES

Through our Corporate Social Responsibility (CSR) initiatives, we are committed to bring positive and sustainable change in the lives of people living in the vicinity of our manufacturing facilities and administrative offices. We strive to attain sustainable development of society by active engagement with the communities and capability development of people.

We attain this by providing direct benefit to the concerned, making people self-reliant, focus on grassroots issues of the communities, empowerment, training and guidance, and facilitative support. Our key focus areas are Education, Health & Hygiene, and Environment Sustainability.

Education

Our CSR initiatives in the area of education focus on access to quality education, aid & incentives, quality learning aids and instruments, value building, encouraging continuous education for children from underprivileged families, vocational and livelihood guidance, and empowerment through education.

Key activities include

- Facilitating education of school children from underprivileged families.
- Distribution of stationery, syllabus books, and learning materials.
- Enhancing scholastic performance.
- Setting up toy libraries in Balwadi.
- Enriched education through multimedia and mobile exhibitions.

Healthcare

Our healthcare initiatives are interventions for building productive and stronger communities. We aim to provide basic health care facilities through active intervention, maternal and infant care, childcare, cataract operation and eye-check-ups, health check-up, hygiene and wellness camps, sanitization facilities, quality of life interventions, etc.

Key activities include

- Health check-up camps, blood donation camps and cataract operation camps.
- Aid and assistance in the area of medical research.
- Diet and nutritional counseling for expectant and new mothers.
- Safe drinking water for children and communities.
- Distribution of clothes, blankets and other necessities to shelter from weather extremities.

Environment Sustainability

Environment sustainability initiatives are focused on conserving the environment and providing environmentally sustainable facilities to communities. We partner with the communities for creating a clean and hygienic habitat for people, provide clean and safe drinking water, provide alternate resources for energy and maintaining the ecosystem.

Key activities include

- Plantation of trees.
- Cleaning drives and sanitization practices.
- Solar lights for school and communities.
- Conserving the ecosystem.

CORPORATE INFORMATION

Board of Directors

Mr. Mahesh P Babani
Chairman & Managing Director
(Designated as Chairman
w.e.f. August 13, 2020)

Mr. Bhaktavatsala Rao Doppalapudi
Executive Director
(Designated as Executive
Director w.e.f. August 13, 2020)

Mr. Padmanabh R Barpande
Non-Executive Independent
Director

Mr. Rajesh Budhrani
Non-Executive Independent
Director

Mr. Anurag Surana
Non-Executive Independent
Director (Appointed w.e.f.
August 13, 2020)

Mr. Dwarko Topandas Khilnani
Non-Executive Independent
Director (Appointed w.e.f.
August 13, 2020)

Mrs. Anuradha Thakur
Non-Executive Independent
Director (Appointed w.e.f.
August 13, 2020)

Mr. Sumit Maheshwari
Nominee Director
(Ceased to be Nominee Director
w.e.f. April 29, 2021)

Mr. Utkarsh Shah
Non-Executive Director
(up to August 12, 2020)

Mr. Nahoosh Jariwala
Managing Director
(up to August 12, 2020)

Mr. Hemang Gandhi
Non-Executive Independent
Director (up to August 12, 2020)

Mr. Darius Pandole
Non-Executive Independent
Director (up to August 12, 2020)

Mr. Viren Joshi
Non-Executive Independent
Director (up to August 12, 2020)

Ms. Radhika Pereira
Non-Executive Independent
Director (up to August 12, 2020)

Committees of the Board

Audit Committee
Mr. P R Barpande
Mrs. Anuradha Thakur
Mr. D T Khilnani

Nomination and Remuneration Committee
Mr. D T Khilnani
Mr. Rajesh Budhrani
Mr. Anurag Surana

Corporate Social Responsibility Committee
Mrs. Anuradha Thakur
Mr. Anurag Surana
Mr. Rajesh Budhrani
Mr. D B Rao

Stakeholders and Relationship Committee
Mr. D T Khilnani
Mr. P R Barpande
Mr. D B Rao

Risk Management Committee
Mr. D T Khilnani
Mr. P R Barpande
Mr. Anurag Surana
Mr. D B Rao
Mr. Mahesh Babani

President
Mr. R.S. Rajan

Chief Financial Officer
Mr. Narayan S Iyer

Company Secretary & Compliance Officer
Mr. Ramesh Kathuria

Statutory Auditors
M/s. B S R & CO., LLP
Chartered Accountants

Secretarial Auditors
M/s. Rathi & Associates,
Company Secretaries

Cost Auditors
M/s. Kishore Bhatia & Associates
Cost Accountants

Internal Auditors
M/s. Aneja & Associates
Chartered Accountants

Registered Office & Knowledge Centre
Privi House, A-71, TTC,
Thane Belapur Road,
Kopar Khairane,
Navi Mumbai - 400710
Website - www.privi.com
CIN:
L15140MH1985PLC286828

Registrar & Share Transfer Agent
Link Intime India Private Limited
C-101, 247 Park, L.B.S.
Marg, Vikhroli (West),
Mumbai - 400083.
Phone Nos.:
(022) 4918 6000/ 4918 6270

Bankers
Kotak Mahindra Bank

HDFC Bank Limited

Citi Bank N.A.

ICICI Bank Ltd.

IDFC First Bank Limited

RBL Bank Limited

Standard Chartered Bank

Manufacturing Units

UNIT-I
A-7, MIDC Mahad,
Dist. Raigad - 402301

UNIT-II & IV (EOU)
C- 3,4,5,6,6/1,7,8,9,33/1,
X- 9,10,11 and B-8
MIDC Mahad,
Dist. Raigad - 402301

UNIT-III
A-3 MIDC Mahad,
Dist. Raigad - 402301

UNIT-VI
Plot No. 765,
Road No. 2, Near UPL,
GIDC, Jhagadia - 393110,
Dist. Bharuch, Gujarat

Research and Development Centres
D-122 TTC Industrial Area,
MIDC Shirvane, Nerul, Navi
Mumbai, Maharashtra

C-8, MIDC Mahad,
District Raigad, Maharashtra

DIRECTORS' REPORT

Your Directors' are pleased to present the Thirty Sixth Annual Report along with audited financial statements – both Standalone and Consolidated of the Company for the financial year ended March 31, 2021. These financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as required under the Companies Act, 2013 ("the Act"). This report states compliance as per the requirements of the Act, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other rules and regulations as applicable to the Company.

FINANCIAL RESULTS:

(₹ in Lakhs)

Particular	Standalone for the Year ended on		Consolidated for the year ended on	
	31-03-2021	31-03-2020	**31-03-2021**	31-03-2020
Total Income	**1,27,511.08**	1,32,092.44	**1,29,652.22**	1,35,047.20
Profit before Exceptional Item Interest & Depreciation & Taxation	**22,488.03**	23,781.04	**22,753.96**	24,351.36
Less: Interest	**2,123.57**	3,346.87	**2,141.02**	3,410.91
Profit before Exceptional Item, Depreciation and Taxation	**20,364.46**	20,434.17	**20,612.94**	20,940.45
Less: Depreciation	**6,920.27**	5,507.52	**7,099.96**	5,677.16
Profit before Exceptional Item and Taxation	**13,444.19**	14,926.65	**13,512.98**	15,263.29
Add: Exceptional Item	**2,309.26**	4,000.00	**2,309.26**	4,000.00
Profit before Tax for the year	**15,753.45**	**18,926.65**	**15,822.24**	**19,263.29**
Less: Provision for Taxation:				
(a) Current Tax	**4,011.18**	4,906.69	**4,146.97**	4,952.27
(b) Deferred Tax	**40.12**	(367.58)	**(14.79)**	(277.77)
(c) Tax adjustment of earlier years (Net)	**–**	(14.15)	**–**	(14.15)
Sub-total	**4,051.30**	**4,524.96**	**4,132.18**	**4,660.35**
Profit after Tax for the year	**11,702.15**	**14,401.69**	**11,690.06**	**14,602.94**
Add: Other Compressive Income	**(6.98)**	(68.99)	**(57.56)**	63.07
Total comprehensive income for the year	**11,695.17**	**14,332.70**	**11,632.50**	**14,666.01**
Earnings per share (EPS) of ₹ 10/- each	**29.96**	36.87	**29.93**	37.38

OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS (CONSOLIDATED):

During the year under review, the consolidated revenue from operations and other income was ₹ 1,29,652.22 Lakhs (Previous year ₹ 1,35,047.20 Lakhs). The Company achieved consolidated profit before tax of ₹ 15,822.24 Lakhs (Prevіsous year ₹ 19,263.29 Lakhs) and profit after tax & Other Compressive Income of ₹ 11,632.50 Lakhs (Previsous year ₹ 14,666.01 Lakhs). The EPS on Consolidated financial statements for the year ended March 31, 2021 was ₹ 29.93 (Previsous year ₹ 37.38) on diluted basis.

Pursuant to the order of NCLT dated 30.06.2020 approving the Composite Scheme of Arrangement and Amalgamation amongst Fairchem Speciality Limited (Demerged/Transferee Company), Fairchem Organics Limited (Resulting Company) and Privi Organics India Limited (Transferor Company) and their respective Shareholders, the business of Privi Organics India Limited got merged into Fairchem Speciality Limited, therefore, there is a change in the activities of the Business wherein now the Company is involved in the manufacturing, supplying and exporting of aroma and fragnance chemicals. The business of Fairchem Speciality Limited i.e. the manufacturing of Oleo Chemicals and nutraceuticals was demerged into Fairchem Organics Limited.

DIVIDEND:

Your Directors are pleased to recommend a dividend of ₹ 2 (20%) per equity share [Previous Year ₹ 1.50 (15%) per equity share] for the financial year ended March 31, 2021, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. Dividend will be paid to those shareholders whose names appear in the Register of Members on the Record date i.e. August 18, 2021.

SUBSIDIARY COMPANIES:

Your Company has two wholly owned subsidiaries namely Privi Biotechnologies Private Limited and Privi Organics USA Corporation.

Further, as provided in Section 136 of the Act, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Financial Statements of the Company. The Company will make available free of cost the Audited Financial Statements of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Financial Statements of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company includes financial results of its subsidiary companies.

As provided in Section 129[3] of the Act and Rules made thereunder a statement containing the salient features of the financial statements of its subsidiaries in the format AOC 1 is attached to the financial statements as **Annexure - 1**.

TRANSFER TO RESERVES:

The Board of Directors has decided to retain the entire amount of Profits for Financial year 2020-21 in the Retained Earning

MATERIAL CHANGES AND COMMITMENTS:

Your Directors wish to inform the Members about the material event being inter-se transfer of shares between the Promoter/ Promoter Group, which took place on April 29, 2021, April 30, 2021 and May 04, 2021 as follows:

Name of the Promoter/Promoter Group	Shareholding Pre-Transaction		Shareholding Post-Transaction	
	No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
Mr. Mahesh P Babani	25,86,348	6.62	25,86,348	6.62
Mahesh Purshottam Babani - HUF	17,91,720	4.59	17,91,720	4.59
Mr. Doppalapudi Bhaktavatsala Rao	7,23,060	1.85	11,20,346	2.87
Mr. Vinaykumar Doppalapudi Rao	4,78,278	1.22	7,41,068	1.90
Mr. Vijaykumar Doppalapudi	4,55,004	1.16	7,05,006	1.80
Mr. Rajkumar Doppalapudi	4,45,824	1.14	6,90,782	1.77
Ms. Jyoti Mahesh Babani	3,90,000	1.00	3,90,000	1.00
Mrs. Seema Mahesh Babani	3,90,000	1.00	3,90,000	1.00
Ms. Snehal Mahesh Babani	3,90,000	1.00	3,90,000	1.00
Mrs. Prasanna Raj	1,85,274	0.47	2,87,074	0.73
Mrs. Premaleela Doppalapudi	1,77,174	0.45	2,74,522	0.70
Mrs. Sharon Doppalapudi	1,58,544	0.41	2,45,656	0.63
Mrs. Grace Vinaykumar Doppalapudi	1,49,850	0.38	2,32,185	0.59
Mr. Rameshbabu Gokarneswararao Guduru	60,309	0.15	93,446	0.24
Mr. Utkarsh Bhikhoobhai Shah	25,000	0.06	–	–
Nahoosh Tradelink Llp	6,63,019	1.70	–	–
Jariwala Tradelink Llp	3,36,981	0.86	–	–

Name of the Promoter/Promoter Group	Shareholding Pre-Transaction		Shareholding Post-Transaction	
	No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
Moneymart Securities Pvt Ltd	2,06,712	0.53	34,12,502	8.74
Vivira Investment And Trading Pvt Ltd	1,89,918	0.49	1,54,95,188	39.67
Vivira Chemicals Private Limited	79,758	0.20	79,758	0.20
FIH Mauritius Investments Ltd	1,90,42,828	48.75	–	–
FIH Private Investments Ltd	3,250	0.01	3,250	0.01
Total Promoter/Promoter Group Holding	2,89,28,851	74.06	2,89,28,851	74.06

The aggregate holding of Promoter / Promoter Group before and after the above inter-se transactions remains the same.

CAPITAL STRUCTURE:

During the year, there was no change in the Capital structure i.e. Authorised, Issued and Paid-up Equity Share Capital of the Company. The Company is having only one class of shares.

IMPACT OF COVID-19 PANDEMIC:

The Company continues to strictly follow the COVID Safety protocol across locations. The Company, however, remains cautious considering the fact that Covid-19 cases continue to rise, and partial lockdown is continuing in Maharashtra State which is commercially quite important. The business of the Company was not affected for the year ended March 31, 2021 and the impact is insignificant. The Company will continue to closely monitor any material changes to future economic conditions that may impact the Business Operations.

MEETINGS OF THE BOARD:

During the Financial Year 2020-21, 6 (Six) meetings of the Board of Directors took place. For further details, please refer to the Corporate Governance Report annexed hereto.

PARTICULARS OF LOANS GUARANTEES AND INVESTMENTS:

Particulars of loans, guarantees and investments made by the Company as required under Section 186 (4) of the Act are contained in Note No. 5 and 6 to the Standalone Financial Statements.

CORPORATE GOVERNANCE/MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A Report on the Corporate Governance along with a certificate from a Practicing Company Secretary regarding the compliance of conditions of Corporate Governance as stipulated in Regulation 34 of Listing Regulations, 2015 as also the Management Discussion and Analysis Report are annexed to this Report.

BUSINESS RESPONSIBILITY REPORT:

Pursuant to Regulation 34(2)(f) of Listing Regulations, 2015, the Business Responsibility Report initiatives taken from an Environmental, Social and Governance Perspective in the prescribed format is available as a Separate Section of this Report.

DEPOSITS FROM PUBLIC:

The Company has not accepted any Deposits from public and as such no amount on account of Principle or interest on Deposit from public was outstanding as on the date of the Balance Sheet.

CREDIT RATING:

CRISIL Ratings Limited carried out annual review of credit facilities availed by the Company vide its letter dated May 06, 2021, and have reaffirmed the rating as provided vide letter dated September 28, 2020 which is as under:

1. For Long-term Bank facilities: CRISIL A+ / Stable (Reaffirmed)
2. For Short term Bank facilities: CARE A1 / (Reaffirmed)

INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

In accordance with the applicable provisions of the Act, read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority. The details relating to amount of dividend transferred to the IEPF and corresponding shares on which dividends were unclaimed for seven (7) consecutive years, are provided in the General Shareholders Information Section of this Annual Report. During the year, an amount of ₹ 1,77,202/-, being unclaimed dividend for F.Y. 2012-13 was transferred to IEPF.

TECHNICAL ACHIEVEMENT:

The Company keeps on exploring the possibility of technical improvement and process optimization for better yields / product mix / energy efficiency.

DIRECTORS:

During the year under review and pursuant to the order dated 30.06.2020 passed by National Company Law Tribunal (NCLT) approving the Composite Scheme of Arrangement and Amalgamation amongst Fairchem Speciality Limited (FSL), Fairchem Organics Limited (FOL) and Privi Organics India Limited (POIL) and their respective Shareholders, POIL has been merged/amalgamated into FSL and the business of FSL has been demerged/transferred to FOL. Subsequently, the name of FSL has been changed to Privi Speciality Chemicals Limited ("PSCL") and the following changes in the Board was affected:

a) Resignations of 4 (Four) Independent Directors, effective from close of business hours of August 12, 2020:
   i. Mr. Darius Pandole (DIN: 00727320)
   ii. Mr. Hemang Gandhi (DIN: 00008770)
   iii. Mr. Viren Joshi (DIN: 01331107)
   iv. Ms. Radhika Pareira (DIN: 00016712)

b) Resignation of Mr. Nahoosh Jariwala (DIN: 00012412), as the Managing Director of the Company effective from close of business hours of August 12, 2020.

c) Resignation of Mr. Utkarsh Shah (DIN: 00101663), as the Chairman & Director of the Company effective from close of business hours of August 12, 2020.

d) Appointment of Mr. Anurag Surana (DIN: 00006665), as an Independent Director to fill casual vacancy arising from the resignation of Mr. Darius Pandole (DIN: 00727320).

e) Appointment of Mr. Dwarko Topan Khilnani (DIN: 01824655), as an Independent Director to fill casual vacancy arising from the resignation of Mr. Viren Joshi (DIN: 01331107).

f) Appointment of Ms. Anuradha Thakur (DIN: 06702919), as an Independent Woman Director to fill casual vacancy arising from the resignation of Ms. Radhika Pareira (DIN: 00016712).

g) Appointment of Mr. Mahesh Babani (DIN: 00051162), Managing Director as Chairman of the Board effective from close of business hours of August 12, 2020, thereby making him Chairman & Managing Director of the Company.

h) Appointment of Mr. Bhaktvatsala Rao Doppalapudi (DIN: 00356218), Non-Executive Director as Executive Director.

The Appointment of Directors to fill the Casual Vacancies as well as the appointment of the Executive Director was ratified at the 35th Annual General Meeting of the Company held on November 02, 2020.

KEY MANAGEMENT PERSONNEL (KMP):

In terms of Provisions of Section 251 and Section 203 of the Act, the followings are the KMP's of the Company:

1. Mr. Narayan S. Iyer – Chief Financial Officer
2. Mr. Ramesh Kathuria – Company Secretary

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors of the Company, inter alia, confirming that they meet the criteria of Independence as prescribed under Section 149 of the Act and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015 as amended from Independent Directors confirming that they are not disqualified for continuing as an Independent Director.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR ETC.:

Pursuant to the provisions of Section 178 and other applicable provisions, if any, of the Act, read with the Rules made thereunder and Regulation 19 read with Part D of Schedule II of the Listing Regulations the Board of Directors at their Meeting held on November 05, 2020 approved the Nomination and Remuneration Policy as recommended by the Nomination and Remuneration Committee. The salient features of the said policy covering the policy on appointment and remuneration and other matters have been provided in the Corporate Governance Report.

BOARD EVALUATION:

The Evaluation of Board, its Committees, Individual Directors (Independent and Non-Independent Directors), Executive Director and Chairman & Managing Director was carried out as per the process and criteria laid down by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee. The evaluation report criteria for Independent Directors includes participation and contribution by a director in Board / Committee Meetings, commitment, expertise, integrity, maintenance of confidentiality and independent behavior. The feedback on evaluation of the Board and its Committees was discussed at the meeting of the Independent Directors and co-ordinated by the Chairperson of the Nomination & Remuneration Committee. The Independent Directors met on March 31, 2021 with respect to the above process.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013 and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors hereby make the following statements:

(i) that in the preparation of the financial statements for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;

(ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year viz. March 31, 2021 and of the profit of the Company for that period;

(iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the Directors have prepared the annual accounts on a 'Going Concern' basis;

(v) that the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and

(vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

PARTICULARS OF EMPLOYEES:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report.

The Statement containing particulars of employees as required under Section 197 (12) of the Act read with Rule 5(20 and 5(3) of the Rules forms part of this Report. Further, the Report and the Accounts are being sent to the Members excluding the aforesaid Statement. The said statement is open for an inspection upon request by the Members. Any Member interested in obtaining such particulars may write to the Company Secretary at investors@privi.co.in.

LISTING:

The Company's securities are listed with BSE Limited and National Stock Exchange of India Limited. The Company has paid the listing fees for F.Y. 2021-22 on the Paid-up equity share capital.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered into during FY 2020-21 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the SEBI Listing Regulations. There were no material significant related party transactions entered into by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at http://www.privi.com/investor-relations/corporate-governance/company-policies.

INTERNAL CONTROL AND ITS ADEQUACY:

Adequate internal control systems commensurate with the nature of the Company's business, size and complexity of its operations are in place and have been operating effectively. The Directors have laid down policies and procedures which are adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;

Apart from this your Company has also engaged a full-fledged professional Internal Audit firm to test and check the Internal Controls of all systems and suggest corrective and remedial measures.

The Statutory Auditors have also issued a report on review of Internal Financial Controls (ICFR) and have expressed that the Internal Controls over Financial Reporting are adequate and operating effectively.

GOVERNANCE AND COMPLIANCE:

The Secretarial and Legal functions of the Company ensure maintenance of good governance at all levels. They assist the Company by being compliant in all areas including legislative expertise, corporate structuring, regulatory changes and governance. The Compliances across various locations are monitored through a Legal Risk Management System.

RISK MANAGEMENT POLICY:

The Company has put in place the Risk Management Plan as detailed in the Risk Management Policy adopted by the Company. The Risk Management Policy is uploaded on the Company's website at http://www.privi.com/Downloads/Policies-PSCL/PSCL-Risk-Mgmt-Policy.pdf

REPORTING OF FRAUD:

During the year, the statutory auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers and employees under Section 143(12) of the Act details of which needs to be mentioned in this Report.

CORPORATE SOCIAL RESPONSIBILITY:

The Corporate Social Responsibility Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy which has been approved by the Board. The other details of the CSR activities as required under Section 135 of the Act are given in the CSR Report as Annexure to this Report.

STATUTORY AUDITORS AND THEIR REPORT:

The auditors M/s. BSR & Co. LLP, Chartered Accountants were appointed as Statutory Auditors at the 35th Annual General Meeting (AGM) held on November 02, 2020 for a term of five years, from the conclusion of 35th AGM till the conclusion of 40th AGM to be held in the year 2024-25. They have furnished a declaration confirming their independence as well as their arm's length relationship with the Company and that they have not taken up any prohibited non-audit assignments for the Company. The Board has duly reviewed the Statutory Auditor's Report for the Financial Year ended on March 31, 2021 and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation / clarification by the Board in their Report as provided under Section 134 of the Act.

SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT:

As required by Section 204 of the Act, read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Rathi & Associates, Company Secretaries, a firm of Company Secretaries in Practice to conduct Secretarial Audit for the Financial Year 2020-21. The Report of the Secretarial Audit for the financial year ended on March 31, 2021 is annexed to this Report.

The Board has reviewed the Secretarial Auditor’s Report and is of the opinion that the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation / clarification by the Board in its Report as provided under Section 134 of the Act.

COST AUDITORS:

As per the Companies (Cost Records and Audit) Rules, 2014 as amended by Companies (Cost Records and Audit) Amendment Rules, 2014, issued by the Central Government, the Company is required to get its cost records maintained by it for the products covered under Chapters 2902, 2903, 2905, 2906, 2907, 2909, 2912, 2914, 2915, 2918, 2926 and 2932 of Sr. No. 18 of table mentioned under Rule 3 (B) – Non-regulated Sectors audited by a Cost Auditor.

The Board of Directors has on the recommendation of the Audit Committee appointed M/s Kishore Bhatia & Associates, Cost Accountants as the Cost Auditors of the Company for the financial year 2021-22. Pursuant to the provisions of Section 148 of the Act read with The Companies (Audit and Auditors) Rules 2014, Members are requested to consider the ratification of the remuneration payable to M/s. Kishore Bhatia & Associates.

CONFIRMATION OF COMPLIANCE OF SECRETARIAL STANDARDS:

During the year under review, the Company has complied with the applicable Secretarial Standards i.e. SS-1 and SS-2, relating to “Meetings of the Board of Directors” and “General Meetings”, respectively, issued by The Institute of Company Secretaries of India (ICSI).

VIGIL MECHANISM AND WHISTLEBLOWER POLICY:

As required under the Act and SEBI (LODR) Regulations, the Company has put in place a Vigil Mechanism and Whistle Blower Policy to provide a formal mechanism to the Employees so that they can report concerns about unethical behavior, actual or suspected fraud or violation of the Company’s Code of Conduct Policy and SEBI Insider Trading Regulations. Vigil Mechanism and Whistle Blower Policy is uploaded on the Company’s Website at http://www.privi.com/investor-relations/corporate-governance/company-policies

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder and has complied with the provision relating to the constitution of Internal Complaints Committee. During the year, no complaint of sexual harassment was received by the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUT GO:

A. CONSERVATION OF ENERGY

Steps taken or impact on conservation of energy.	• Specific consumption: Fresh Water: 20.95% Steam: 5.47% Electricity: 5.92% • Commissioned Vapour Absorption Machines (VAMs) which works on available waste flash steam and hot water for Chilled Water generation. Thus, reducing power consumption to 2.76 kWh on chilling plants against compressor motors of 83.49 kWh. • Steam recovery in CST saves 330.89 kg/day of fuel • Energy audit done through Forbes Marshall and all the recommendations on energy conservation has been implemented.

Steps taken by the Company for utilizing alternate source of energy.	• By recycling water, specific consumption of water has been brought down significantly to almost in some of the plants. • RO plant efficiency has been improved up to 60% and hence more water is recycled. • Rainwater harvesting done and same is used for process applications & gardening. • Refined & reused the drained lubrication oil & engine oil. • Recycled & reused the water in process washings & other processes and saved the water. • Natural Exhaust blowers at roof sheds are installed. • 4 dry vacuum pumps have been installed in place of ejectors to save steam & reduce effluent. • Started using biofuel in boilers which reduces the coal consumption. • Use of solar energy is under evaluation for the entire factory electrical consumption.
Capital Investment on energy conservation equipment's.	• Two more VAMs installed in FY-21 for conservation of energy from flash steam & hot water • 4 dry vacuum pumps installed in FY-21 which has reduced the consumption of water & electricity. • 1MW Captive power plant installed and commissioned in Unit -3.

B. TECHNOLOGY ABSORPTION

The efforts made towards technology absorption	• General process intensification and improved recoveries has been carried out on multiple products. • Plant automation done in 3 plants thereby optimizing the manpower and improving safety and product consistency. • Developed process for continuous reaction instead of existing batch reaction. This will reduce the hazards, improve yield and reduce energy consumption.
The benefits derived like product improvement, cost reduction, product development or import substitution	• Developed a new product which is an import substitute and with non-conventional route. Solvent recovery distillation process has been replaced by new technology which gives higher yields. • Acetic acid recovery and recycle process has been established for phenol-based products.
In case of imported technology (imported during the last three years reckoned from the beginning of the year under reference)	
Details of the technology imported	The Company has not imported any technology during the last three years.
The year of import	Not applicable.
Whether the technology has been fully absorbed	Not applicable.

The expenditure incurred on Research and Development	Yes

Sr. No.	Particulars	Amount (₹ in Lakhs)
a.	Capital	73.63
b.	Revenue	615.38
	Total (a+b)	689.01
	Total Research & Development Expenses as % age of Turnover	0.55%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	Amount (in Lakh)
Foreign Exchange Earnings	₹ 99,467.73
Foreign Exchange Outgo	₹ 54,647.46

Extract of Annual Return:

Pursuant to Section 92(3) of the Act read with applicable Rules, the extract of Annual Return in Form MGT-9 is annexed herewith as Annexure to this Report.

ACKNOWLEDGEMENTS:

Your Directors' thank all the customers, suppliers, bankers, business associates and government agencies for their consistent support and encouragement to the Company. The Board of Directors also join us in applauding the employees at all levels for their dedication, hard work and support at all times.

For and on behalf of the Board of Directors

Mahesh P Babani
Chairman & Managing Director
DIN – 0051162

Place : Navi Mumbai
Date : May 14, 2021

Annexure - 1

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2021

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

i	CIN	L15140MH1985PLC286828
ii	Registration Date	25.05.1985
iii	Name of the Company	PRIVI SPECIALITY CHEMICALS LIMITED (Formerly known as Fairchem Speciality Limited)
iv	Category/Sub-category of the Company	Public Company/Limited by Shares
v	Address of the Registered office	Plot No. A-71, TTC Thane Belapur Road, Kopar Khairane, Navi Mumbai, Thane - 400710. Maharashtra.
	Contact details	**Works and Office :** **UNIT-I:** A-7, MIDC Mahad, Dist. Raigad - 402 301. **UNIT-II & IV (EOU):** C- 3,4,5,6,6/1,7,8,9,33/1; X- 9,10,11 and B-8 MIDC Mahad, Dist. Raigad - 402 301. **UNIT-III:** A-3 MIDC Mahad, Dist. Raigad - 402 301. **UNIT-VI:** Plot No. 765, Road No. 2, Near UPL, GIDC, Jhagadia - 393110, Dist. Bharuch, Gujarat.
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. Phone Nos: (022) 4918 6000/ 4918 6270

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name & Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Dihydromyrcenol	29052290	23.95%
2	Amber Fleur	29142990	17.77%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	Privi Biotechnologies Private Limited	”Privi House”, A-71 TTC, Thane Belapur Road, Near Kopar Khairane Railway Station, Navi Mumbai - 400709	U74220MH1985PTC037534	Subsidiary	100%	2(87)(ii)
2	Privi Organics USA Corp.	645, Howard Avenue, Somerset, NJ 08873, USA	–	Subsidiary	100%	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as % to total Equity):

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters & Promoter Group									
(1) Indian									
a) Individual/HUF	84,06,385	–	84,06,385	21.52	84,06,385	–	84,06,385	21.52	–
b) Central Govt. or State Govt.	–	–	–	–	–	–	–	–	–
c) Banks /FI	–	–	–	–	–	–	–	–	–
d) Bodies Corporates	–	–	–	–	–	–	–	–	–
e) Any other	14,76,388	–	14,76,388	3.78	14,76,388	–	14,76,388	3.78	–
Sub-total (A)(1):	98,82,773	–	98,82,773	25.30	98,82,773	–	98,82,773	25.30	–
(2) Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	1,90,46,078	–	1,90,46,078	48.76	1,90,46,078	–	1,90,46,078	48.76	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
Sub-total (A)(2):	1,90,46,078	–	1,90,46,078	48.76	1,90,46,078	–	1,90,46,078	48.76	–
Total Shareholding of Promoter & Promoter Group(s) (A)= A(1)+A(2)	2,89,28,851	–	2,89,28,851	74.06	2,89,28,851	–	2,89,28,851	74.06	–
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	5,21,632	–	5,21,632	1.34	7,08,947	–	7,08,947	1.81	(0.48)
b) Venture Capital Funds	–	–	–	–	–	–	–		–
c) Alternate Investment Funds	–	–	–	–	1,77,466	–	1,77,466	0.45	(0.45)
d) Foreign Venture Capital Investors	–	–	–	–	–	–	–	–	–
e) Foreign Portfolio Investor	1,85,725	–	1,85,725	0.48	1,15,761	–	1,15,761	0.30	0.18
f) Financial Institution/ Banks	3,663	–	3,663	0.01	–	–	–	–	0.01
g) Insurance Companies	–	–	–	–	–	–	–	–	–
h) Provident Funds/ Pension Funds	–	–	–	–	–	–	–	–	–
i) Any Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):	7,11,020	–	7,11,020	1.82	10,02,174	–	10,02,174	2.57	(0.75)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Central Government/ State Government(s)/ President of India	–	–	–	–	–	–	–	–	–
Sub Total (B)(2):	–	–	–	–	–	–	–	–	–
(3) Non Institutions									
a) Individuals	45,86,838	1,65,570	47,52,408	12.17	48,53,715	1,61,616	50,15,331	12.84	(0.67)
i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs.	24,51,821	1,65,570	26,17,391	6.70	26,22,504	1,61,616	27,84,120	7.13	(0.43)
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.	21,35,017	–	21,35,017	5.47	22,31,211	–	22,31,211	5.71	(0.25)
b) NBFCs registered with RBI	1,000		1,000	0.00			–	–	0.00
c) Overseas Depositories	–	–	–	–			–	–	–
d) Any Other (Specify)	46,69,427	–	46,69,427	11.95	41,16,350	–	41,16,350	10.54	1.42
IEPF	41,750	–	41,750	0.11	41,750	–	41,750	0.11	–
Trusts	300	–	300	0.00	300	–	300	0.00	–
Foreign Nationals	1,275	–	1,275	0.00	877	–	877	0.00	0.00
Hindu Undivided Family	3,19,470	–	3,19,470	0.82	2,24,289	–	2,24,289	0.57	0.24
Non Resident Indians	5,44,437	–	5,44,437	1.40	2,84,673	–	2,84,673	0.73	0.67
Other Directors / Relatives	7,12,480	–	7,12,480	1.82	7,34,980	–	7,34,980	1.88	(0.06)
Overseas Bodies Corporates	24,61,914	–	24,61,914	6.30	24,61,914	–	24,61,914	6.30	–
Clearing Member	24,486	–	24,486	0.06	47,038	–	47,038	0.12	(0.06)
Bodies Corporate	5,63,315	–	5,63,315	1.44	3,20,529	–	3,20,529	0.82	0.62
Sub Total (B)(3):	92,57,265	1,65,570	94,22,835	24.12	89,70,065	1,61,616	91,31,681	23.38	0.75
Total Public Shareholding (B) = (B)(1)+(B)(2)	99,68,285	1,65,570	1,01,33,855	25.94	99,72,239	1,61,616	1,01,33,855	25.94	0.00
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	3,88,97,136	1,65,570	3,90,62,706	100.00	3,89,01,090	1,61,616	3,90,62,706	100.00	0.00

(ii) Shareholding of Promoters/Promoters Group:

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	
1	FIH Mauritius Investments Limited	1,90,42,828	48.75%	–	1,90,42,828	48.75%	–	0.00%
2	Utkarsh Bhikhoobhai Shah	25,000	0.06%	–	25,000	0.06%	–	0.00%
3	Mahesh P Babani	32,24,718	8.26%	–	25,86,348	6.62%	–	–1.63%
4	Mahesh Purshottam Babani HUF	17,91,720	4.59%	–	17,91,720	4.59%	–	0.00%
5	Seema Babani	92,880	0.24%	–	3,90,000	1.00%	–	0.76%
6	Snehal M Babani	3,03,750	0.78%	–	3,90,000	1.00%	–	0.22%
7	Jyoti Mahesh Babani	1,35,000	0.35%	–	3,90,000	1.00%	–	0.65%
8	Doppalapudi Bhaktavatsala Rao	7,23,060	1.85%	–	7,23,060	1.85%	–	0.00%
9	Vinaykumar Doppalapudi Rao	4,78,278	1.22%	–	4,78,278	1.22%	–	0.00%
10	Vijaykumar Doppalapudi	4,55,004	1.16%	–	4,55,004	1.16%	–	0.00%
11	Grace Vinaykumar	1,49,850	0.38%	–	1,49,850	0.38%	–	0.00%
12	Sharon Doppalapudi	1,58,544	0.41%	–	1,58,544	0.41%	–	0.00%
13	Premaleela Doppalapudi	1,77,174	0.45%	–	1,77,174	0.45%	–	0.00%
14	Rajkumar Doppalapudi	4,45,824	1.14%	–	4,45,824	1.14%	–	0.00%
15	Prasanna Raj	1,85,274	0.47%	–	1,85,274	0.47%	–	0.00%
16	Rameshbabu Gokarneswararao Guduru	60,309	0.15%	–	60,309	0.15%	–	0.00%
17	Nahoosh Tradelink LLP	6,63,019	1.70%	–	6,63,019	1.70%	–	0.00%
18	Jariwala Tradelink LLP	3,36,981	0.86%	–	3,36,981	0.86%	–	0.00%
19	Moneymart Securities Private Limited	2,06,712	0.53%	–	2,06,712	0.53%	–	0.00%
20	Vivira Investment and Trading Private Limited	1,89,918	0.49%	–	1,89,918	0.49%	–	0.00%
21	Vivira Chemicals Private Limited	79,758	0.20%	–	79,758	0.20%	–	0.00%
22	FIH Private Investments Limited	3,250	0.01%	–	3,250	0.01%	–	0.00%
	Total	2,89,28,851	74.06%	–	2,89,28,851	74.06%	–	0.00%

(iii) Change in Promoters' Shareholding (Specify if there is No Change)

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	2,89,28,851	74.06%	2,89,28,851	74.06%
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Nil	Nil	Nil	Nil
At the end of the year	2,89,28,851	74.06%	2,89,28,851	74.06%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	Name of Shareholder(s)	Shareholding at the beginning of the year		Change in Shareholding (No. of shares)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	Increase	Decrease	No. of Shares	% of total shares of the Company
1	Banbridge Limited	24,61,914	6.30	–	–	24,61,914	6.30
2	SBI Large & Midcap Fund	–	–	3,40,000	–	3,40,000	0.87
3	Bimalbhai D. Parikh	3,39,621	0.87	–	–	3,39,621	0.87
4	Hemant Navinchandra Shah	4,05,000	1.04	–	(1,00,000)	3,05,000	0.78
5	Anjali Aniruddha Malpani	90,554	0.23	1,05,469	–	1,96,023	0.50
6	Dhirendra B. Shah	1,19,270	0.31	–	(1,800)	1,17,470	0.30
7	Abhijit Yashawant Gore	1,05,310	0.27	–	–	1,05,310	0.27
8	Trustline Deep Alpha Aif	–	–	1,04,100	–	1,04,100	0.27
9	Bhartula Vjk Sharma	12,881	0.03	71,619	–	84,500	0.22
10	SBI Select Equities Fund	–	–	73,366	–	73,366	0.19

Note: Top ten shareholders of the Company as on March 31, 2021 has been considered for the above disclosure.

V. SHAREHOLDING OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

Sl. No.	Name of Shareholder(s)	Shareholding at the beginning of the year		Date	Incease / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% Shareholding				No. of Shares	% Shareholding
1	Mr. Mahesh Babani	25,86,348	6.62	–	–	–	25,86,348	6.62
2	Mr. Mahesh Babani - HUF	17,91,720	4.59	–	–	–	17,91,720	4.59
3	Mr. Doppalapudi Bhaktavatsala Rao	7,23,060	1.85	–	–	–	7,23,060	1.85
4	Mr. Rajesh Budhrani	7,12,480	1.82	–	–	–	7,12,480	1.82
5	Mr. Anurag Surana**	–	0	–	–	–	22,500	0.06
6	Mr. Utkarsh B. Shah	25,000	0.06	–	–	–	25,000	0.06
7	Mr. Hemang Gandhi*	3,500	0.01	–	–	–		
	Key Managerial Personnel (KMP)							
1	Mr. Narayan S. Iyer**	–	0.01				–	0.01
2	Mr. Ramesh Kathuria**	–	–				–	–
3	Mr. Rajen Jhaveri*	5,808	0.01				–	0.01

* Mr. Hemang Gandhi, Independent Director and Mr. Rajen Jhaveri, Chief Financial Officer & Company Secretary of the Company has been resigned w.e.f. closing hours of August 12, 2020

** Mr. Anurag Surana, Independent Director, Mr. Narayan S. Iyer, Chief Financial Officer and Mr. Ramesh Kathuria, Company Secretary of the Company has been appointed w.e.f. opening hours of August 13, 2020

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	24,701.41	–	–	24,701.41
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	127.66	–	–	127.66
Total (i+ii+iii)	**24,829.07**	**–**	**–**	**24,829.07**
Change in Indebtedness during the financial year				
Additions	14,000.00	–	–	14,000.00
Reduction	2,207.40	–	–	2,207.40
Net Change	**11,792.60**	**–**	**–**	**11,792.60**
Indebtedness at the end of the financial year				
i) Principal Amount	36,621.67	–	–	36,621.67
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	131.34	–	–	131.34
Total (i+ii+iii)	**36,753.01**	**–**	**–**	**36,753.01**

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole time director and/or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Mahesh P. Babani Chairman & Managing Director	Bhaktvatsala Doppalapudi Rao Executive Director	Total
1	Gross salary	5,00,00,004	2,10,00,000	7,10,00,004
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–	–
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission			
	- as % of profit	–	–	–
	- others (specify)	–	–	–
5	Others, please specify	–	–	–
	Total (A)	**5,00,00,004**	**2,10,00,000**	**7,10,00,004**

B. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of the Directors					Total Amount (in ₹)
		Mr. Padmnabh Ramchandra Barpande	**Mr. Rajesh Budhrani**	**Mr. Dwarko Topandas Khilnani**	**Mrs. Anuradha Thakur**	**Mr. Anurag Surana**	
1	Independent Directors						
	(a) Sitting Fee for attending Board / Committee meetings	5,00,000	5,00,000	5,00,000	5,00,000	5,00,000	25,00,000
	(b) Commission	–	–	–	–	–	–
	(c) Others	–	–	–	–	–	–
	Total (1)	**5,00,000**	**5,00,000**	**5,00,000**	**5,00,000**	**5,00,000**	**25,00,000**
2	Other Non-Executive Directors						
	(a) Sitting Fee for attending Board / Committee meetings	–	–	–	–	–	–
	(b) Commission	–	–	–	–	–	–
	(c) Others	–	–	–	–	–	–
	Total (2)	**–**	**–**	**–**	**–**	**–**	**–**
	Total (B)=(1+2)	**5,00,000**	**5,00,000**	**5,00,000**	**5,00,000**	**5,00,000**	**25,00,000**

Sl. No.	Particulars of Remuneration	Name of the Directors				Total Amount (in ₹)
		Ms. Radhika Pereira	**Mr. Hemang Gandhi**	**Mr. Darius Pandole**	**Mr. Viren Joshi**	
1	Independent Directors					
	(a) Sitting Fee for attending Board / Committee meetings	1,50,000	1,50,000	1,50,000	1,50,000	6,00,000
	(b) Commission	–	–	–	–	–
	(c) Others	–	–	–	–	–
	Total (1)	**1,50,000**	**1,50,000**	**1,50,000**	**1,50,000**	**6,00,000**
2	Other Non-Executive Directors					
	(a) Sitting Fee for attending Board / Committee meetings	–	–	–	–	–
	(b) Commission	–	–	–	–	–
	(c) Others	–	–	–	–	–
	Total (2)	**–**	**–**	**–**	**–**	**–**
	Total (B)=(1+2)	**1,50,000**	**1,50,000**	**1,50,000**	**1,50,000**	**6,00,000**
	Total Managerial Remuneration					**7,41,00,004#**

Total remuneration to Managing Director, and other Directors (being the total of A & B)

C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
1	Gross salary	82,16,272	27,33,324	1,09,49,596
	(a) Salary as per provisions contained in section 17(1) of the Income Tax,1961.	–	–	–
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission			
	- as % of profit	–	–	–
	- others (specify)	–	–	–
5	Others, please specify	–		–
	Total	**82,16,272**	**27,33,324**	**1,09,49,596**

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A.	**COMPANY**					
	Penalty	–	–	–	–	–
	Punishment	–	–	–	–	–
	Compounding	–	–	–	–	–
B.	**DIRECTORS**					
	Penalty	–	–	–	–	–
	Punishment	–	–	–	–	–
	Compounding	–	–	–	–	–
C.	**OTHER OFFICERS IN DEFAULT**					
	Penalty	–	–	–	–	–
	Punishment	–	–	–	–	–
	Compounding	–	–	–	–	–

Annexure - 2

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To

The Members,
PRIVI SPECIALITY CHEMICALS LIMITED
(Formerly known as Fairchem Speciality Limited)
Privi House, Plot No A-71, TTC,
Thane Belapur Road, Kopar Khairane, Navi Mumbai,
Thane - 400710

We have conducted online verification and examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **Privi Speciality Chemicals Limited** (hereinafter called **"the Company"**) and for issuing this Report. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2021, 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Privi Speciality Chemicals Limited ("the Company"), for the financial year ended on 31st March, 2021, according to the provisions of:

    (i) The Companies Act, 2013 (the Act) and the rules made there under to the extent applicable;

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

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

    (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings, Overseas Direct Investments and Foreign Exchange Derivative Contracts.

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

        i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

2. Provisions of the following Regulations and Guidelines, including those prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:-

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

    (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

    (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

    (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

    (v) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

    (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

3. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company as per the list given in **Annexure I**.

We have also examined compliance with the applicable clauses of (i) the Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013, and (ii) the Listing Agreements entered into by the Company with BSE Limited and The National Stock Exchange of India Limited.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the financial year under report 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.

None of the members have communicated dissenting views, in the matters / agenda proposed from time to time for consideration of the Board and its Committees, during the year under report, hence were not required to be captured and recorded 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 year under report, pursuant to the Composite Scheme of Arrangement and Amalgamation ('Scheme') under Section 230 to 232, Section 66 and other applicable provisions of the Companies Act, 2013 for:

a. Demerger of Demerged Undertaking of Fairchem Speciality Limited (FSL or Demerged Company or Transferee Company) into Fairchem Organics Limited (FOL or Resulting Company); and

b. Amalgamation of Privi Organics India Limited (Privi Organics or Transferor Company) with Fairchem Speciality Limited, the name of Fairchem Speciality Limited (the Company) has been changed to Privi Speciality Chemicals Limited.

Except above, there were no event/actions which had a major bearing on the Company's affairs in pursuance of the rules, regulations, guidelines, standards, etc.

For RATHI & ASSOCIATES
COMPANY SECRETARIES

HIMANSHU S. KAMDAR
PARTNER
MEM No. FCS No. 5171
COP. No. 3030
UDIN: F005171C000310146

Date:14/05/2021
Place: Mumbai

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

ANNEXURE - I

List of applicable laws to the Company

1. Sale of Goods Act, 1930.
2. Maharashtra Industrial Development Act, 1961.
3. National Building Code, 2005.
4. Industrial Development Control Regulation (MIDC), 2009.
5. The Factories Act, 1948 (As amended).
6. Maharashtra Fire Prevention and Life Safety Measures Act, 2006.
7. The Explosives Act, 1884.
8. The Narcotic Drugs and Psychotropic Substances Act, 1985 (As amended) & NDPS (Regulation of controlled substance) Order 1993.
9. Maharashtra Poisons (Amendment Rule, 2011 under Poison Act, 1919).
10. The Maharashtra Factories (Safety Audit) Rules, 2014.
11. The Motor Vehicles Act, 1988 (As amended) and The Central Motor Vehicle Rules,1989 (As amended).
12. The Batteries (Management & Handling) Rules, 2001 (As amended).
13. The Maharashtra Factories (Control of Industrial Major Accident Hazards) Rules, 2003 and the Manufacture, Storage and Import of Hazardous Chemical Rules, 1989.
14. The Bio Medical Waste (Management and Handling) Rules, 1998 (As amended).
15. The Chemical Weapons Convention (CWC) Act, 2000.
16. The Air (Prevention and Control of Pollution) Act, 1981.
17. The Environment (Protection) Act, 1986.
18. Noise Pollution (Regulation and Control) Rules, 2000.
19. E-Waste (Management & Handling) Rules, 2011.
20. The Water (Prevention and Control of Pollution) Act, 1974/The Water Prevention and Control of Pollution Cess.
21. The Hazardous Waste (Management & Handling) Rule, 1989 (As amended).
22. Maharashtra Non Bio Degradable (Garbage Control) Act, 2006.
23. The Contract Labour (Regulation And Abolition) Act, 1970.
24. Payment of Wages Act, 1936.
25. The Apprentices Act, 1961.
26. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and Rules, 1960.
27. The Industrial Disputes Act, 1947 (As amended).
28. The Industrial Employment (Standing orders) Act, 1946.
29. The Workmen's Compensation Act, 1923.
30. The Industries (Development And Regulation) Act, 1951.
31. The Bombay Labour Welfare Fund Act, 1953.
32. The Payment of Bonus Act, 1965.
33. The Payment of Gratuity Act, 1972.
34. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
35. The Standards of Weights and Measures Act, 1976.
36. Petroleum Act, 1934, Amendment Act, 1977, Read with Petroleum Rules, 2002, Amendment Rules, 2011 conditions of Petroleum License.
37. The Legal Metrology Act, 2009.
38. The Indian Electricity Rules, 1956 (As amended).
39. Gas Cylinder Rules, 2004 (As amended).
40. The Maternity Benefit Act, 1961.
41. The Indian Boilers Act 1923 (As amended).
42. Maharashtra acquisition, storage, sale & use of solvent, raffinate & slop (The Solvent (Acquisition, Sale Storage and Prevention of Use in Automobiles).
43. Department of Communication.
44. Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and Vishakha Guidelines.

Tax & Other Allied Laws, Rules & Regulations:

Goods and Services Tax

Maharashtra Professional Tax Act, 1975

Gujrat State Professional Tax Act, 1976

Customs Act, 1962 and Customs Tariff Act, 1975

Income Tax Act, 1961

Director General of Foreign Trade

ANNEXURE - II

To,

The Members
PRIVI SPECIALITY CHEMICALS LIMITED
Privi House, Plot No A-71, TTC, Thane Belapur Road,
Kopar Khairane, Navi Mumbai,
Thane 400710

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For RATHI & ASSOCIATES
COMPANY SECRETARIES

HIMANSHU S. KAMDAR
PARTNER
FCS: 5171
COP: 3030

Place: Mumbai
Date:14/05/2021

Annexure - 3

ANNEXURE - II ANNUAL REPORT ON CSR ACTIVITIES

1. **Brief outline on CSR Policy of the Company:** Privi Speciality Chemicals Limited (formerly known as Fairchem Speciality Limited) is dedicated to the cause of social development. Through our Corporate Social Responsibility (CSR) initiatives, Privi is committed to bring positive and sustainable change in the lives of people living in the vicinity of our manufacturing facilities and administrative offices. We strive to attain sustainable development of society by active engagement with community and capability development of people. We attain this by providing direct benefit to the concerned, making people self-reliant, focus on grass-root issues of community, empowerment, training and guidance, and facilitative support.

   All projects are identified as per the prevalent needs of the society. Primarily we focus on areas such as Education, Health & Hygiene and Environment Sustainability.

2. **Composition of CSR Committee**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Anuradha Thakur	Independent Director	2	2
2.	Anurag Surana	Independent Director	2	2
3.	Rajesh Budhrani	Independent Director	2	2
4.	Sumit Maheshwari*	Nominee Director	2	2
5.	Doppalapudi Bhaktavatsala Rao	Executive Director	2	2

* Ceased to be Member of CSR Committee and Nominee Director w.e.f. April 29, 2021

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:

   http://www.privi.com/investor-relations/corporate-governance/company-policies

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 (attach the report).

   The team implementing the CSR initiatives carries out impact assessment also.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹ Lakhs)
1	2020-2021	NIL	77.21
	TOTAL		**77.21**

6. Average net profit of the Company as per section 135(5): ₹ 8,143.55 Lakhs

7. (a) Two percent of average net profit of the company as per section 135 (5): ₹ 162.87 Lakhs

   (b) Surplus arising out of the CSR projects or programmers or activities of the previous financial years: Nil

   (c) Amount required to be set off for the financial year, if any: Nil

   (d) Total CSR obligation for the Financial year (7a+7b-7c): ₹ 162.87 Lakhs

8. (a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 240.08 Lakhs	NA	NA	NA	NA	NA

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in₹ Lakhs)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
1.	School Digitalization project (for 2 school and 2 class) with monthly training to teachers and students at Kamble Tarf Birwadi and Asanpoi	Education	Yes	Maharashtra	Raigad	2.50	No	Guruji World Technologies Pvt Ltd	
2.	Support to under privileged students for educational aid and livelihood at Mahad Tahsil	Education	Yes	Maharashtra	Raigad	2.11	No	Samdhan Samajik Seva Sanstha	
3.	School upliftment and refurnishment at ZP school Kol	Education	Yes	Maharashtra	Raigad	3.96	No	Rishab Furniture & Swapnali Enterprises	
4.	Green Zone - Development, Plantation and Maintenance at Kamble Tarf Birwadi and, Karanjkhol MIDC Road Side	Environmental Sustainability	Yes	Maharashtra	Raigad	3.25	No	Swapnali Enterprises & Jyotirling Trading	
5.	Provide Trees and Maintenance at Kamble Tarf Birwadi village	Environmental Sustainability	Yes	Maharashtra	Raigad	26.75	No	Swapnali Enterprises & Jyotirling Trading	
6.	Provide Trees and Maintenance at Karanjkhol village	Environmental Sustainability	Yes	Maharashtra	Raigad	1.03	No	Swapnali Enterprises & Jyotirling Trading	
7.	Green Zone - Development, Plantation and Maintenance from MIDC Fire Station to Max stores	Environmental Sustainability	Yes	Maharashtra	Raigad	39.28	No	Swapnali Enterprises & Jyotirling Trading	

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act**	**Local area (Yes/ No)**	**Location of the project**		**Amount spent for the project (in₹ Lakhs)**	**Mode of implementation Direct (Yes/No)**	**Mode of implementation – Through implementing agency**	
				State	**District**			**Name**	**CSR registration number**
8.	Green Zone - Development, Plantation and Maintenance at Selod Village	Enviornmental Sustainability	Yes	Gujarat	Jhagadia	0	0		
9.	Dasgaon Water Project (Electrical connection and plumbing work)	Availability of safe drinking water	Yes	Maharashtra	Raigad	1.53	No	MSEB, Kokan Railways, Shree Dutta Sawtal Enterprises,	
10.	Karanjkhol Water Project (Extension water project)	Availability of safe drinking water	Yes	Maharashtra	Raigad	0.12	No	Shree Dutta Sawtal Enterprises,	
11.	Nisarg Cyclone Rebuilt Programme	Disaster Management	Yes	Maharashtra	Raigad	9.99	Yes	Not Applicable	
12.	Combating Covid-19 at Mahad	Disaster Management	Yes	Maharashtra	Raigad	57.89	Yes	Not Applicable	
13.	Combating Covid-19 at Navi Mumbai	Disaster Management	Yes	Maharashtra	Navi Mumbai	67.06	Yes	Not Applicable	
14.	Combating Covid-19 at Jhagadia	Disaster Management	Yes	Gujarat	Jhagadia	5.65	Yes	Not Applicable	
15.	Kusgaon Adarsh Gaon		Yes	Maharashtra	Raigad	18.07	No	Swapnali enterprises, Perfect fitness, Surya Steelcon, Suvarna Kalyan Sutar, Shree Dutta Sawtal	

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment: NIL

(f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 240.08 Lakhs

(e) Excess amount for set off, if any

Sl. No.	**Particular**	**Amount (in ₹ Lakhs)**
(i)	Two percent of Average Net Profit of the Company as per Section 135(5) of the Act	162.87
(ii)	Total amount spent for the Financial Year	240.08
(iii)	Excess amount spent for the financial year [(ii)-(i)]	77.21
(iv)	Surplus arising out of the CSR projects or program or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	77.21

9. (a) Details of unspent CSR amount for the preceding three financial year: NIL

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details): Not Applicable (“N.A”)

    (a) Date of creation or acquisition of the capital asset(s): N.A.

    (b) Amount of CSR spent for creation or acquisition of capital asset: N.A.

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: N.A.

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset: N.A.

11. Specify the reasons, if any, the company has failed to spent two percent of the average net profits as per section 135(5): Not Applicable

Mahesh P Babani
Chairman & Managing Director
DIN: 0051162

Anuradha Thakur
Chairperson, CSR Committee
DIN: 06702919

Place: Navi Mumbai
Date: May 14, 2021

Annexure - 4

Details of the ratio of remuneration of each Director to the median employee's remuneration

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:-			
Sr. No.	**Name of the Director**	**Designation**	**Ratio of remuneration to the median remuneration of the employees**
1	Mr. Mahesh P Babani	Chairman and Managing Director	92.50:1
2	Mr. Bhaktavatasala Doppalapudi Rao	Executive Director	38.85:1
3	Mr. P R Barpande	Non-Executive – Independent Director	0.93:1
4	Mr. D T Khilnani	Non-Executive – Independent Director	0.93:1
5	Mrs. Anuradha Thakur	Non-Executive – Independent Director	0.93:1
6	Mr. Anurag Surana	Non-Executive – Independent Director	0.93:1
7	Mr. Rajesh Budhrani	Non-Executive – Independent Director	0.93:1
8	Mr. Sumit Maheshwari	Nominee Director	Nil

(ii) The percentage increase in remuneration of each Director, CFO, CEO, Company Secretary or Manager, if any, in the financial year		
Sr. No.	**Name of the Directors / KMP**	**% Increase over last F.Y.**
1	Mr. Mahesh P Babani	38.89%
2	Mr. Bhaktavatasala Doppalapudi Rao	Nil
3	Mr. Narayan S. Iyer	Nil
4	Mr. Ramesh Kathuria	Nil

(iii)	The percentage increase in the median remuneration of employees in the financial year	21.61%
(iv)	The number of permanent employees on the rolls of the Company	718 as on March 31, 2021.
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentiles increase of 17% which comprises of one time Ex-gratia paid to all the employees and the Annual increase in wages of workmen and officers at Factory.

We hereby confirm that the remuneration is as per the remuneration policy recommended by Nomination and Remuneration Committee of the Company and adopted by the Company.

Mahesh P Babani
Chairman & Managing Director
DIN: 0051162

Dwarko Topandas Khilnani
Chairman of Nomination and Remuneration Committee
DIN: 01824655

Place: Navi Mumbai
Date: May 14, 2021

B. Particulars of Top 10 Employees whose remuneration exceeded ₹ 1.02 Crore per annum or ₹ 8.50 Lakhs per month during the FY 2020-21.

1. Employed throughout the year and in receipt of remuneration aggregating ₹ 1.02 Crore or more per annum.

Name of Employee	Designation	Remuneration Received	Date of Commencement of Employment
Mr. Mahesh P Babani	Chairman & Managing Director	5,00,00,004	May 11, 2017
Mr. Bhaktavatsala Doppalapudi Rao	Executive Director	2,10,00,000	May 11, 2017
Mr. R. S. Rajan	President	1,84,80,008	August 12, 2020*

* the date of employment is post amalgamation as per NCLT order dated June 30, 2020.

2. Employed part of the year and in receipt of remuneration aggregating ₹ 8.5 Lakhs or more per month.

NIL

Mahesh P Babani
Chairman & Managing Director
DIN: 0051162

Dwarko Topandas Khilnani
Chairman of Nomination and Remuneration Committee
DIN: 01824655

Place: Navi Mumbai
Date: May 14, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economic Outlook

As the global economy struggles to recover from the effects of the COVID-19 pandemic, multiple vaccine approvals and the launch of vaccination in some countries in December 2020 have raised hopes of a recovery from the pandemic.

Despite the rising human toll of the pandemic, economic activity appears to be adapting to subdued contact-intensive activity with the passage of time. Additional policy measures announced at the end of 2020, notably in the United States and Japan, are expected to provide fiscal support in 2021–22 to the global economy. These developments indicate a stronger impetus for the 2021–22 global outlook than previously envisaged.

However, surging infections in late 2020 (including from new variants of the virus), renewed lockdowns, logistical problems with vaccine distribution, and uncertainty about vaccine adoption are important counterpoints to the favorable news. More measures need to be taken on the health and economic policy fronts to limit persistent damage from the severe contraction of 2020 and ensure a sustained recovery.

Third quarter GDP results mostly surprised on the upside (Australia, Euro area, India, Japan, Korea, New Zealand, Turkey, United States) or were in line with expectations elsewhere (China, Mexico). Consumer demand rebounded the most.

(Source: IMF reports)

The sizable fiscal support announced for 2021 in some countries, including most recently in the United States and Japan, together with the unlocking of EU funds, will help spur economic activity among advanced economies with favorable spillovers to trading partners. However, as noted in the January 2021 Fiscal Monitor Update, fiscal deficits in most countries are projected to decline in 2021 as revenues rise and expenditures decline automatically with the recovery.

Major central banks are assumed to maintain their current policy rate settings throughout the end of 2022. As a result, financial conditions are expected to remain broadly at current levels for advanced economies while gradually improving for emerging markets and developing economies.

Growth expected to strengthen during second half of 2021

After an estimated 3.5% contraction in 2020, the global economy is projected to grow 5.5% in 2021 and 4.2% in 2022 *(Source: IMF reports).* This reflects the stronger than expected recovery on average across regions in the second half of the year. The 2021 growth forecast is revised up by 0.3%, reflecting additional policy support in a few large economies and expectations of a vaccine-powered strengthening of economic activity later in the year, which outweigh the drag on near-term momentum due to rising infections. The uptick is particularly large for the advanced economy group, reflecting additional fiscal support mostly in the United States and Japan along with expectations of earlier widespread vaccine availability compared to emerging markets and developing economies.

Consistent with recovery in global activity, global trade volumes are forecast to grow about 8% in 2021. Services trade is expected to recover more slowly as compared to merchandise volumes.

Global activity is expected to remain below pre-COVID levels. The strength of the projected recovery varies across countries. It is dependent on the severity of the health crisis; the extent of domestic disruptions related to the structure of the economy and its reliance on contact-intensive sectors; the exposure to cross-border spillovers; and the effectiveness of policy support to limit persistent damage.

Additional vaccine production including those under development in emerging market economies, distribution, and effectiveness of therapies could increase expectations of a faster end to the pandemic than assumed in the baseline, boosting confidence among businesses and households. This is expected to generate stronger consumption, investment and employment recoveries, with businesses expanding capacity in anticipation of rising demand.

Indian Economy

As India continues to struggle with the pandemic, recent economic data suggests India may have turned toward the road to recovery.

Widespread vaccine deployment is expected to improve consumer and business confidence. Pent-up demand for more elastic discretionary goods, especially among the top 10 income percentile (HNI and upper-middle class) of the population that could not spend because of mobility restrictions, may spur private investment that has been contracting for five consecutive quarters. The impact of government spending, reforms and liquidity measures by the Reserve Bank of India (RBI) lag buoyancy, however, it is likely to boost economic recovery.

The path to recovery will have a few challenges. High inflation, job losses, poor wage growth, and low asset values may impact the consumer's purchasing power, especially among the low- and middle-income class. The RBI may not be able to reduce policy rates in the near term amid inflation concerns. As a result, MSMEs and the informal sector will likely continue to face high borrowing interest rates on working capital. Low demand and credit availability will likely impact investment spending. Despite a quicker rebound, the output levels are likely to remain below the pre-pandemic GDP levels.

The short-term growth is not looking encouraging but the outlook in the medium term may improve significantly as the number of COVID-positive cases reduce.

Overall, the outlook remains uncertain, and the recovery/ growth will be governed by the containment of the pandemic.

Availability of vaccines reduced infections, and increased mobility will be key to economic and industrial revival, industries will see varied trajectories until the pandemic is contained.

(Source: IMF reports)

INDUSTRY OVERVIEW

Aroma Chemicals

The global aroma chemicals market size was valued at USD 5.5 billion in 2019 and is expected to grow at a compounded annual growth rate (CAGR) of 5.8% from 2020 to 2027. Growing demand from the fragrance industries is expected to be a major factor driving the market. Rapid urbanization, coupled with increased consumer spending, has led to augmented demand with fragrance being a prominent factor.

The aroma chemicals market is growing as the demand for perfumes and body deodorants have increased substantially in recent years. The practice of using aroma chemicals in cosmetics and new product line-ups with toiletries have fueled the market growth. Medical products and treatments using aromatic ingredients will spur the growth of the industry.

End-users are actively interested in synthetic perfume ingredients, labels that specify ingredients, perfume ingredients by brand and perfume chemical ingredients among others which have been influencing market growth. Leading and growing players in the market have been investing an extensive amount in the research & development of these chemicals

Synthetic aroma chemicals are still preferred over natural chemicals by cosmetics and personal care formulators as the use of synthetic ingredients can produce a strong scent without hampering the characteristics of other chemicals used in cosmetic formulations.

Natural aroma chemicals are considered to be therapeutic, sustainable, and greener by consumers. As natural aroma products are perceived as sustainable and environmental-friendly among consumers, their demand in the global market is expected to grow at a large scale. However, lack of availability of raw materials, along with the high cost to produce fragrance by natural aroma chemicals, will hamper the growth of natural aroma chemicals.

(Source: Grand view research)

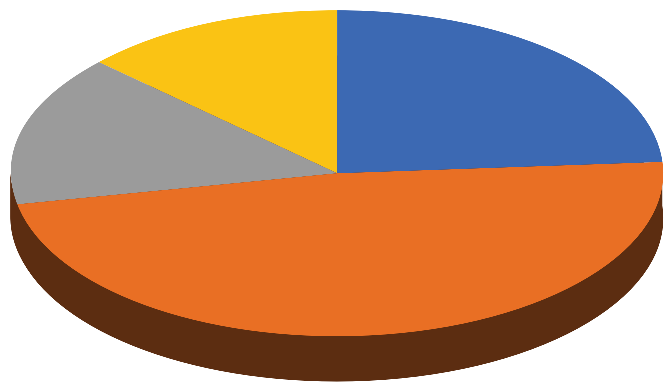
Aroma Chemical Insights by Categories

Terpenes & Terpenoids emerged as the largest chemical segment with a volume share of over 30%. Terpenes & Terpenoids possess effective medicinal properties, such as antiseptic, anti-carcinogen, and anti-microbial properties. Continuous usage of terpene for pharmaceutical and nutraceutical applications is estimated to propel the growth of the segment.

Musk chemicals are a special type of aroma chemical that are extracted naturally as well as synthetically. Natural musk is obtained from animals and plants, which include roots as well as seeds as well as the rump gland of the musk deer, muskrat, and civet cat. Musk chemicals find scope in different applications, such as soap, detergents, cosmetics and personal care, food, and household products.

Growth drivers for the musk chemicals market are the increasing number of working professionals, the growing middle-class population, and increasing awareness. The rising popularity of different types of personal care items and fine fragrances is expected to trigger the demand for musk chemicals. New product innovation and the increasing popularity of various types of perfumes and cosmetic items are anticipated to fuel the demand for musk chemicals.

% share estimated



(Source: Grand view research)

Aroma Chemicals Regional Insights

The Asian-Pacific region is the regional market for aroma chemicals with a revenue share of nearly 30% in 2019-2020 and is expected to dominate the global market over next few years. Developing countries like China, India, and advanced economies such as Japan are also estimated to witness positive growth in the near future. Moreover, increasing demand for flavors and fragrances from developing countries, such as China, India, and advanced economies such as Japan, are triggering the demand for aroma chemicals in the region. The market for flavors differs in countries as consumers have varied taste preferences.

Flavors and fragrances manufactured in Asia have also gained increased popularity in the major regions, such as North America and Europe. China, India, Indonesia, and Vietnam are among the prominent food flavors markets in the Asia-Pacific region. Many manufacturing companies are focusing on investments in R&D facilities and the expansion of their business in the Asia-Pacific region.

India is one of the largest emerging economies in the Asia-Pacific region. Demand for aroma chemicals is estimated to increase in India owing to rising demand from manufacturing companies for the production of soap, detergents and home care products. The high spending power of the consumers in the country is another factor contributing to the growth of the market in India.

The market in North America is expected to be stable in countries such as the United States, Canada, and Mexico, owing to growth in the consumer goods and food processing industries. The growth in developed countries has been spurred by marked trends which support mergers in the end-use industries. The market growth in developed countries is estimated to be slow as compared to the developing countries.

The United States held the largest share in the North American market in terms of revenue in 2019 owing to growth in the cosmetics and personal care market. Moreover, an increase in the disposable income in the country is anticipated to fuel the demand for cosmetics, personal care products, and food and beverages that will further trigger the demand for the aroma chemicals.

Market size value in 2020	USD 5.9 billion
Revenue forecast in 2027	USD 8.2 billion
Growth Rate	Expected CAGR of 5.8% from 2020 to 2027 (Value based)
Market demand in 2020	Approximately 400 kilotons
Volume forecast in 2027	Approximately 525 kilotons
Growth Rate	Expected CAGR of 4.5% from 2020 to 2027 (Volume based)

(Source: Grand view research)

Key Global Companies

Leading manufacturers have been present in the industry for a very long time and have huge production capacities. However, owing to the augmented product demand, these players are focusing on acquisition, expansion, and investment strategies to enhance their product portfolio and meet the growing demand from the end-use markets. New market entrants are seeking greater opportunities in the global market. Companies attempting to establish themselves in the market have to compete with the existing multinationals. Consumers are increasingly becoming more aware of the product benefits, which has compelled the producers to develop high-quality, sustainable, and affordable products. In addition, these players observe high integration across the value chain and are involved from the raw material sourcing to the distribution of finished products.

The uncertainty caused by the COVID-19 pandemic continues. There is also a change in lifestyle necessitating increased hand washing frequencies, better hygiene in general – including more cleaning of floors, more frequent washing of clothes etc. This change in lifestyle will lead to increased demand for hygiene chemicals.

The increased demand for sanitizers, soaps, detergents, floor cleaners and other categories involving washing in the Fast Moving Consumer Goods (FMCG) segment will lead to increased demand for the raw materials for making these products, including the fragrances, and in turn aroma chemicals.

In the short-term, the disruptions caused by pandemic is expected to result in slow demand logistical disruptions such as movement of goods to and from the port for exports and for domestic use.

(Source: Grand view research)

Global Perfume markets

The global perfume market size was valued at USD 32 billion in 2018 and is expected to expand at a CAGR of 3.9% from 2019 to 2025.

The rising importance of personal hygiene and grooming among both men and women is expected to remain one of the key driving factors. There is also increasing awareness regarding physical fitness among adults.

Deodorants and perfumes have become essential daily personal care products, and play a significant role in personal grooming. This will promote the demand for body odor controlling products such as deodorants. Urbanization coupled with the improving living standards among middle-class income groups of developing countries including India, Thailand, China, Vietnam, Brazil and Argentina is anticipated to expand the market..

Moreover, rising demand for exotic and floral scents majorly from young adults teenage consumers will augur well for the industry.

Rising disposable income of customers in developing countries such as India, Indonesia, Thailand, and China lead to a increased spending on personal care products for better health and hygiene. Furthermore, the rise in the percentage of working women with greater purchasing power coupled with awareness regarding cosmetic products encourages the demand for personal grooming products.

Additionally, increased spending on attractive packaging, advertisement, and promotional activity by FMCG companies including P&G and Unilever have increased the market visibility of fragrance products. Application growth of fragrance products including sprays, candles, incense sticks, and gels in the household industry is anticipated to act as a key market driver. Furthermore, shifting consumer preference towards aromatherapy is expected to increase the size of the industry.

(Source: Grand view research)

Fine Fragrances

Perfume is expected to remain the fastest-growing product segment, expanding at a CAGR of 3.9% from 2019 to 2025. These products are gaining popularity owing to the increasing demand for exotic products primarily from the youth Rising awareness regarding personal hygiene, along with the availability of a wide product portfolio in retail shops are some of the prominent factors driving the demand for perfumes.

Deodorants are also gaining popularity owing to properties such as its ease of use and the long-lasting effects of the products. Manufacturers are launching new products to gain a competitive edge.

(Source: Grand view research)

Personal Care

Personal care is expected to witness the fastest CAGR of 3.9% from 2019 to 2025. Increasing the working-class population in developing economies including China and India is expected to increase the scope of personal care products including perfumes and deodorants.

Furthermore, shifting preferences towards natural personal care products with better quality has augmented sales. Manufacturers are launching new products to gain a larger market share.

(Source: Grand view research)

New Distribution Channels

The offline segment was the largest distribution channel in 2018, holding 92.1% of market share. This distribution channel includes supermarkets and hypermarkets, brand outlets, drug stores, direct selling and unorganized retail. In developing countries, such as India, Thailand, Bangladesh, and Taiwan, unorganized retail is one of the key distribution channels.

The online channels' segment is expected to witness a CAGR of nearly 4% from 2019 to 2025. The increasing penetration of high-speed internet and smartphone users is expected to fuel the expansion of the segment. Besides, the hassle-free purchase, availability of a wide range of products and convenient delivery are also driving growth.

The North American market is projected to grow at a CAGR of 5 to 6% from 2020 to 2027 on account of high consumer emphasis on the premium & luxury personal care products, especially in the U.S. and Canada.

Asia-Pacific is the fastest-growing region witnessing a CAGR of 4.9% from 2019 to 2025. Many players are launching new products in developing countries such as India and China to cater to the increasing base of consumers. The Asia-Pacific region possesses one of the largest consumer bases and occupies a significant market share. This region is also expected to register the highest growth owing to rise in the demand for the personal care & cosmetics products, especially in the countries such as China, India, Indonesia, among others.

Europe is the leading consumer in the cosmetics market and is expected to retain a significant market share by 2027. France, Spain, Switzerland Italy, among others are increasingly adding newer customers year-on-year due to higher penetration for cosmetics & toiletries products.

(Source: Grand view research)

Industry Growth Strategies

Manufacturers are adopting several strategic measures including mergers and acquisitions, capacity expansion, technological innovation, and product innovation.

Major producers are increasing their geographical reach especially in developing countries to gain maximum product penetration. The establishment of strategic partnerships with major importers and buyers of the region to launch new products as per the customer's demand is expected to be a critical success factor over the next few years. Taking into account all these factors, producers are likely to focus on product innovation catering particularly to developing countries and untapped application areas.

(Source: Grand view research)

Cosmetics, Perfumes, Fragrance Product Insights

Manufacturers are also focusing on widening their offerings to include high-end products. For instance, Coty has slimmed down its product portfolio of low-priced labels after the acquisition of some Procter & Gamble Co.'s beauty brands. Since then, it has been focusing on luxury lines which include Gucci Bloom and Tiffany & Co. that are targeted at millennials.

Decline in the mass perfume products is majorly attributed to increasing preference for premium fragrances among consumers. This has been driving manufacturers to shift their focus towards premium products, thereby contributing to the growth of the global market.

(Source: Grand view research)

End User Insights

Women accounted for the largest share of consumers with 60.1% in 2018. According to research studies, women in U.S. purchase a new perfume as often as once a month, in comparison to men who buy it on an average of 1-2 times per year mainly for the purpose of replenishment. As per a survey, around 41% of women in U.S. use perfumes everyday as compared to men.

In the U.K., women pay more for fragrances than men. and perfumes for women cost more per ml as compared to fragrances for men of the same brands. Perfume sales are expected to rise among women irrespective of its high price points as they consider it to be an essential part of personal care.

(Source: Grand view research)

Market scenario in India

The fragrance market in India is anticipated to grow at a compounded annual growth rate (CAGR) of about 15% from 2019 to 2025.

Lately, pocket perfumes have gained popularity because they are convenient to carry around, therefore acting as one of the major growth drivers for the market.\

(Source: Research and markets)

Market Segment

The fragrance products market is segmented into perfumes, deodorants and other fragrance products. In 2019, deodorants held the largest share (~60%) followed by perfumes (32%) in terms of revenue. Deodorant is the most widely used fragrance product in the country owing to its affordability.

The Indian deodorant market is expected to grow with a CAGR of more than 15% over next five years out of which the aerosol/spray deodorant is expected to continue its dominance.

With a rise in the disposable income and improved awareness regarding personal hygiene, consumers are not hesitating to splurge on fragrance products, thereby propelling the growth of the market.

Increased adoption of smartphones and the Internet, especially in tier II and tier III cities, has made e-commerce websites accessible to customers, thus facilitating online shopping. Further, in recent years, Indians have been exposed to global trends, resulting in higher demand for international fragrance brands.

Regulations

Stricter regulations are forcing companies to follow compliance, which could affect the market's growth trajectory.

For instance, wastewater discharge during the production of various synthetic aroma chemicals consists of many effluents, which need to meet applicable regulations for such discharge. As regulations are getting more stringent and imposing various restrictions on emissions such as wastewater, air emissions etc., producers are required to comply with the norms.

Currently, to keep air pollution in check, only ESP (Electrostatic precipitators) were recommended by the regulators at the boiler discharge vents, however now regulators are asking for the installation of water scrubbers at the discharge of ESP as an additional measure. This indicates that the regulations are going to be more stringent in coming years for the protection of the environment.

Growth drivers

Market expansion and penetration of new generation lifestyle products like body deodorants has provided new opportunities for the growth of this sector. The use of aroma chemicals is not just limited to the personal and household care sector.

Demand for aroma chemicals is expected to rise especially in emerging economies such as India, China, Brazil and the African continent.

Owing to rise in the disposable income and improved awareness regarding personal hygiene, consumers are not hesitating to splurge on fragrance products. Shifting consumer preferences can create lucrative prospects for the aroma chemicals market.

Increasing market penetration and investment towards product development will help the aroma chemicals market to register a good growth in forthcoming years.

With companies focusing on product diversification, consumers will have wider options to choose from. Spurred by these factors, the global aroma chemicals market will continue treading along a positive trajectory.

Company Overview

Privi has state-of- the-art integrated manufacturing facilities both at Mahad in Maharashtra and at Jhagadia in Gujarat with knowledge, expertise and capacity to perform critical reactions like; Hydrogenation, Condensation, Grignard reactions, as well as unit operations like Pyrolysis, Reactive Distillation, High Vacuum Distillation, Continuous Distillation to deliver consistency in odor and prescribed key parameters in an industry driven by stringent olfaction standards.Privi enjoys a dominant position and economies of scale in its product categories.

Privi started manufacturing aroma chemicals in the year 1992 with only two products, which it gradually expanded to a range of over 50 products today, having a capacity of over 32,500 tons per annum. Privi also develops and produces custom-made aroma chemicals as per specific requirement of the customer. The research specialists at in-house R&D center continuously thrive to develop new products and processes.

A Total Production Capacity of - 32,500 TPA spread across Amber fleur, Acetates, Dihydromyrcenol, Ionones, Nitriles, Sandal wood derivatives and Specialty chemicals and a CST/GTO capacity of - 30,000 TPA (Backward integration for captive α & β Pinenes).

Privi Speciality Chemicals Limited (Formerly known as Fairchem Speciality Limited) is ISO 9001:2015 certified and also ISO 14001:2015 certified for its Environmental Management System (EMS) and has a ISO 45001:2018 standard Certification Accredited by Bureau Veritas (Occupational Health & Safety Management System (OHSMS) for all Manufacturing Units in Mahad from Bureau Veritas.

Building barriers to entry/ Competition risk

Your Company has been in the business of supplying Aroma chemicals to global companies for about two decades and therefore has considerable in-house expertise and knowledge of the olfactive requirements of various global and regional customers.

Further, your Company has applied backward integration to use waste generated from pulp mills – CST as it has significant visibility of pricing and availability of raw materials. These factors provide distinct competitive advantages to your Company, against a new entrant or existing aroma chemical manufacturers. Your company has done research on various components of the CST & is working on making value added products from these inputs which can be supplied to the Flavour & Fragrance industry.

Risk management

Foreign exchange rate risk

Owing to multiple global factors, exchange rates have been very volatile, including the exchange rate between the Indian Rupee and the U.S. Dollar.

While your Company depends on over 70% of the raw materials by imports, it also exports over 70% of the finished goods. Thus, your Company has a natural hedge against the depreciation of the Indian Rupee against the US dollar, after accounting for some of the borrowings which are denominated in dollars.

Pricing and availability of raw materials:

The pricing of key raw materials also varies considerably during the year, and the recent uncertainties add to further risks.

Your Company, as a strategy, continues to enter into a half yearly or annual contracts for raw materials and finished products to mitigate the risks.

Market Risk

Further, your Company has increased capacities of key products as well as installed new capacities for certain niche specialty aroma chemicals to stay ahead of its competition.

Your Company continues to be a leading producer globally in three flagship products: Dihydromyrcenol, Amber Fleur and Pine Oil. All these products are made in the fully integrated manufacturing facilities of the Company, starting from the CST to the finished products and are essential ingredients in the manufacture of fragrances.

Your Company continues to be the largest single CST processing site in Asia, which has enabled it to progress under the current volatile situation with respect to raw materials. CST also allows it to be self-sufficient in key raw materials.

In additional to the above-mentioned large volume flagship products, your Company also manufactures a number of specialty aroma chemicals – some of which are made from the side streams generated during manufacturing. Your Company believes in promoting a "Waste to Wealth" philosophy.

Thus, apart from consolidating the market share in the large volume products, your Company is also working on increasing customer share by supplying other Aroma chemicals. For example, Introduction of IFF as a key customer with increased volumes specifically in the product DHMOL.

Technology initiatives:

Your Company continues to invest in futuristic and sustainable/ green technologies such as implementing biotechnology in order to facilitate its expansion into other industry segments.

Through the implementation of biotechnology, products that are churned from this business vertical through biodegradable and renewable sources will pose a challenge to the industry which largely uses conventional technology.

Your Company continues to engage in research and development in respect of technology & process improvement. This will result in improved, cleaner processes for existing as well as new products. The following initiatives were implemented in the year under review:

- Green chemistry & effluent free process developed till plant scale for several products.
- Continuous reaction process for the intermediate related to the production of Amber fleur.
- Sustainable solutions implemented at plant scale for units 1, 2 and 3 for Zero Liquid Discharge (ZLD).
- Green technology for purification of product Prionyl using resins by adsorption/desorption technique along with membrane filtration for solute concentration.
- Continuous process established for the epoxidation of Terpinolene at Pilot scale for the product Terpinen-4-ol.
- Enzymatic Cracking of non-edible oils developed at RND scale.

Your Company is member of Carbon Disclosure Project (CDP). We not only disclose our carbon emission data but work on specific projects to lower the carbon emissions from our operational activities. Your Company has now started encouraging its suppliers to opt for sustainable development practices & also has initiated buying the forest based raw materials from FSC (Forest Stewardship Council) certified Pulp & Paper mills.

Quality

Your Company continues to maintain industry's best standards in quality of its products and has received appreciation from its customers for supplying quality products, timely response to queries on regulatory and other specific requirements. All units of your company are certified under the latest ISO-9001-2015 Standard.

Your company continues to be the leading supplier to top 10 Flavours & Fragrance houses in the world due to its consistent quality standards.

STATUS OF YOUR COMPANY TOWARDS INTERNATIONAL CHEMICAL REGULATIONS:

EU / EEA - Registration, Evaluation, Authorization and Restriction of Chemicals (REACH):

Requirements: To place any product in European Economic Area in qty ≥ 1 MTPA, the product is required to be registered within REACH Regulation (EC Regulation 1907/2006).

Your Company's status: So far, your Company has registered 23 products under EU REACH Regulation, through its Sweden-based representative. This will allow your Company's EU/EEA customers and its Netherland's office to import the products into EU/EEA.

Key Post-Registration Obligations: After the European Chemical Agency (ECHA) evaluates the Registration dossier, additional animal or product test data to be provided or corrections to made if ECHA finds any information missing or incorrect.

Turkey Reach:

Requirements: To place any product in Turkey in qty ≥ 1 MTPA after Calendar Year 2020, the product is required to be pre-registered under Turkey REACH Regulation (KKDIK regulation) by Dec 2020. The product is required to be registered by Dec 2023.

Your Company's Status: So far, your Company has pre-registered 24 products under KKDIK, as a result of which it has got extension of the registration deadline upto Dec 2023. This will allow your Company's Turkish customers to import the products into Turkey without any registration until Dec 2023.

GHS Compliance

Requirements: More than 70 countries have adopted GHS (Globally Harmonized System of Classification and Labelling of Chemicals). Importers and manufacturers in these countries are required to comply with GHS SDS and Labeling provisions.

Your Status: SDS of all your Company's products are GHS compliant. Additionally, your Company provides country-specific GHS SDS & labeling support to its customers.

IFRA Standards Compliance

The International Fragrance Association (IFRA) is the global representative body of the fragrance industry. The IFRA Standards form the basis for the globally accepted and recognized risk management system for the safe use of fragrance ingredients and are part of the IFRA Code of Practice. This is the self-regulating system of the industry, based on risk assessments carried out by an independent expert panel. Your Company ensures that the products it supplies to its customers adhere to IFRA standards. Your Company's supporting membership with IFRA further underpins its commitment to continuously comply with IFRA standards and adds a seal of quality and credibility to its products.

Other Product and Management System Certifications

Most of your Company's manufacturing facilities are ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 certified, Kosher and Halal certified. The ISO certifications have been issued by a globally renowned certification body 'Bureau Veritas' whose certification process involves stringent audits.

Outlook

Your Company is expecting a robust growth in the medium term as there is demand for the aroma chemicals - the main business of your Company.

Your Company plans to expand the product range in the coming years and is working on aggressive plans to offer a much larger basket of materials to its valued customers globally.

Your Company is making further inroads into developing markets (Nigeria, Egypt, UAE, South Africa) by seeking more customers as well as additional market share through existing customers.

Highlights

Your Company has achieved a volume growth of 20% over last year which has resulted in it capturing greater market share.

Owing to markets prices of raw material and finished goods which remained at a subdued level for most part of the year, the value growth over the previous year has been 4%.

With the existence of your Company's 100% subsidiary in the USA, its market share continues to keep growing year-on-year. The USA business is witnessing positive growth.

Your Company has a global presence with an office in Netherlands. This is important from a strategic point of view to drive market share.

Your Company continues to see its growth coming from key accounts in emerging and developing countries and its ability to provide a range of products.

Your Company continues to sell value added products from backward integrated feedstocks which is contributing to its revenue.

Your Company continues to establish strategic long-term business relations with global leading companies in the F&F industry such as Givaudan, Firmenich, IFF, Symrise, MANE, Robertet, Takasago etc. and with global leading FMCG producers such as P&G, Henkel, Reckitt Benckiser.

Cautionary Statement

Statements in the Management Discussion and Analysis may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply, price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors such as Force Majeure Contributors.

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 under Uniform Listing Agreement]

1. Company's Philosophy on the Code of Governance

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures transparency, responsibility and accountability. The Company believes in upholding highest standard of ethics, integrity, transparency and accountability in conducting the affairs of the Company so as to disseminate the information to the stakeholders in transparent manner. We have, therefore, designed our systems and action plans to enhance performance and stakeholders' value in the long run. To create a culture of good governance, your Company has adopted practices that comprise of performance accountability, effective management control, constitution of Board Committees as a part of the internal control system, fair representation of professionally qualified, non-executive and Independent Directors on the Board, adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company and payment of statutory dues.

The Company is proud of the values with which it conducts business. It has and will continue to uphold the highest levels of business ethics and personal integrity in all types of transactions and interactions. This code is specifically prepared in accordance with the requirements of Clause 49 of the Listing Agreement. It may be amended, subject to the approval of the Board of Directors of the Company, if and when required either to comply with any modification in statute / guideline or in the interest of business of the Company.

The Compliance Report on Corporate Governance herein signifies compliance of all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [referred to as SEBI (LODR) Regulations 2015]. We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation.

POLICIES

In compliance with the requirements of SEBI (LODR) Regulations, 2015, and The Companies Act, 2013 ('the Act'), the Board of Directors of the Company have approved various policies, as detailed herein:

Whistle Blower & Vigil Mechanism Policy

As per Section 177 of the Act, and Regulation 22 of SEBI (LODR) Regulations 2015, a comprehensive Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The Policy has been formulated with a view to provide a mechanism for directors, employees as well as other stakeholders of the Company to approach the Chairman of the Audit Committee of the Company to report instances of any unethical act or suspected incidents of fraud or violation of Companies Code of Conduct. This mechanism/Policy provides adequate safeguards to whistle blowers against reprisals or victimization. The copy of the Policy has been uploaded on the Company's Website viz. http://www.privi.com/investor-relations/corporate-governance/company-policies

Code of Conduct

The Company has in place Code of Conduct and Ethics for all the Directors and the Senior Management Personnel. It seeks to achieve, among others, highest standards of personal and professional integrity. A copy of the code has been placed on the Company's website http://www.privi.com/Downloads/Policies-PSCL/PSCL-Code-of-Conduct.pdf. The code has been circulated to all the Directors and Senior Management Personnel and they affirm its compliance every year.

The Company has also in place a Code of Conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all Designated Persons / insiders defined under the Code of Conduct for Prevention of Insider Trading adopted by the Company. The code ensures prevention of dealing in shares by persons having access to the unpublished price sensitive information.

The Company has availed the special/ additional service of the Registrar and Share Transfer Agent of the Company M/s. Link Intime (India) Private Limited (RTA) to monitor the trading in the equity shares of the Company mainly during the trading window closure and the reverse transactions, by the Designated Persons. The necessary information with regard to designated employees and their relatives have been forwarded to the RTA in order to enable them to provide the service. The Company has also installed in-house, a software "Trackin", which enables the Company in maintaining structural digital database, preserve the data, monitor and ensure compliance to SEBI PIT Regulations.

The said software is installed on the Company's server and access is given only to the Company Secretary and other designated officials of the Company, who monitor the transactions.

A declaration affirming compliance with the Code of Conduct by the Members of the Board and Senior Management personnel is given below:

Declaration:

I, Mahesh P Babani, Chairman and Managing Director of the Company, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the Listing Regulations for the year ended March 31, 2021.

Mahesh P Babani
Chairman & Managing Director
DIN: 00051162

Navi Mumbai, April 01, 2021

Related Party Transaction Policy

In compliance with the requirements of Regulation 23 of Listing Regulations, the Board of Directors of the Company has approved a Related Party Transaction Policy, to facilitate management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company. The said Related Party Transaction Policy can be viewed on http://www.privi.com/investor-relations/corporate-governance/company-policies

Familiarization Program for Independent Directors

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programs at the time of their appointment as Directors and on regular basis by providing detailed presentations on the businesses/operations of the Company. The review and approval of quarterly and annual financial statements of the Company as well as detailed presentation covering inter alia economy and industry overview, key regulatory developments, strategy, CAPEX Plans and performance of Company is made to the Board.

Apart from the above policies, the Board has in accordance with the requirements of The Act and Listing Regulations, 2015 approved and adopted Policy for determining Material Subsidiary, Nomination and Remuneration Policy, Policy on Determination of Materiality of Events/Information and Policy for Preservation of Documents And Archival of Records.

2. Board of Directors

- **Composition of Board of Directors**

  The composition of the Board of Directors of the Company is in conformity with the requirement of Regulation 17 of SEBI (LODR) Regulations, 2015 as amended from time to time.

  In compliance with the Corporate Governance norms in terms of constitution of the Board, the Board is headed by Chairman and Managing Director and consist of One Executive Director, Five Non-Executive Independent Directors including one woman Director, representing optimum combination of professionalism, knowledge and experience to ensure the independence of the Board and to separate the Board functions of governance and management. Non-Executive and Independent Directors have expert knowledge in the fields of finance, taxation, legal and industry. Thus, the Board represents a balanced mix of professionals, who bring the benefits of their knowledge and expertise.

- **Board Skills, Expertise and Competencies**

  The Board of Directors collectively have the skills, knowledge and experience to effectively govern and direct the organization., The present size of the Board is appropriate for effective decision making. The mapping of the skills, expertise and competence among the Directors is identified by the Company and evaluated every year.

  The eligibility of a person to be appointed as a Director of the Company is dependent on possession of the requisite skills, as identified by the Nomination and Remuneration Committee of the Board and based on the criteria specified in the Nomination and Remuneration Policy.

- **Director's Particulars**

Attendance of each Director at the Board Meetings, last Annual General Meeting (AGM) and the number of other Directorship(s) and Chairmanship(s) / Membership(s) of Committees in various Companies is as follows:

Name of Directors	Category and Position	Attendance at meetings during 2020-21		No. of Directorship(s) in other Public Ltd. Company(s) incorporated in India as on 31-03-2021.	No. of Membership(s) / Chairmanship(s) of committees in other Company(s) as on 31-03-2021*	
		Board Meeting	Last AGM		Member	Chairman
Mr. Utkarsh B. Shah**	Non-Executive, Non Independent Director, Chairperson	3	Yes	NA	NA	NA
Mr. Nahoosh J. Jariwala**	Managing Director	3	Yes	NA	NA	NA
Mr. Mahesh Purshottam Babani^	Chairman and Managing Director	6	Yes	2	Nil	Nil
Mr. Sumit Maheshwari	Non-Executive - Nominee Director	6	Yes	9	4	Nil
Mr. Bhaktavatsala Doppalapudi Rao^^	Executive Director	6	Yes	1	NIL	Nil
Mr. Padmanabh Ramchandra Barpande	Non-Executive - Independent Director	6	Yes	6	2	5
Mr. Rajesh Harichandra Budhrani	Non-Executive - Independent Director	6	Yes	4	Nil	Nil
Mr. Hemang Gandhi**	Non-Executive - Independent Director	3	No	NA	NA	NA
Ms. Radhika Pereira**	Non-Executive - Independent Director	3	No	NA	NA	NA
Mr. Darius Pandole**	Non-Executive - Independent Director	3	No	NA	NA	NA
Mr. Viren Joshi**	Non-Executive - Independent Director	3	No	NA	NA	NA
Mrs. Anuradha Eknath Thakur***	Non-Executive - Independent Director	3	Yes	5	1	Nil
Mr. Dwarko Topandas Khilnani***	Non-Executive - Independent Director	3	Yes	5	2	2
Mr. Anurag Surana***	Non-Executive - Independent Director	3	Yes	2	Nil	Nil

Video / tele-conferencing facility is offered to facilitate the Directors to participate in the meetings.

The number of Directorship(s) and Committee Membership(s) / Chairmanship(s) of all Directors is / are within the respective limits prescribed under the Act and SEBI (LODR) Regulations 2015.

* In accordance with Regulation 26 of the SEBI (LODR) Regulations, 2015, it includes only Audit Committee and Stakeholders' Relationship Committee in other Public Limited Companies–whether listed or not.

** Ceased to be the Director in the Company w.e.f. closing hours of August 12, 2020.

*** Appointed as the Non-Executive-Independent Director in the Company w.e.f. opening hours of August 13, 2020.

^ Redesignated as the Chairman and Managing Director of the Company w.e.f. opening hours of August 13, 2020.

^^ Redesignated as the Executive Director of the Company w.e.f. opening hours of August 13, 2020.

Given below is the list of Directors of the Company and their Directorsships/Memberships on the Committees of Other Listed Company(s)

Sr. No.	Name of the Directors of the Company	Name of the listed entities in which the Director of the Company is a Director	Category of Directorship in the listed Companies
1.	Mr. Utkarsh B. Shah*	NA	NA
2.	Mr. Nahoosh J. Jariwala*	NA	NA
3.	Mr. Mahesh Babani***	NIL	NIL
4.	Mr. Sumit Maheshwari^	a) Thomas Cook (India) Limited b) CSB Bank Limited c) Fairchem Organics Limited	a) Non-Executive Director b) Non-Executive Director c) Nominee, Non-Executive Director
5.	Mr. Bhaktavatsala Doppalapudi Rao****	NIL	NIL
6.	Mr. Padmanabh Ramchandra Barpande	a) Westlife Development Limited b) Finolex Cables Limited	a) Independent, Non-Executive b) Independent, Non-Executive
7.	Mr. Rajesh Harichandra Budhrani	NIL	NIL
8.	Mr. Hemang Gandhi*	NA	NA
9.	Ms. Radhika Pereira*	NA	NA
10.	Mr. Darius Pandole*	NA	NA
11.	Mr. Viren Joshi*	NA	NA
12.	Mrs. Anuradha Eknath Thakur**	NIL	NIL
13.	Mr. Dwarko Topandas Khilnani**	NIL	NIL
14.	Mr. Anurag Surana**	Neogen Chemicals Limited	Independent, Non executive

* Ceased to be the Director in the Company w.e.f. closing hours of August 12, 2020.

** Appointed as the Non-Executive Independent Director in the Company w.e.f. opening hours of August 13, 2020.

*** Redesignated as the Chairman and Managing Director of the Company w.e.f. opening hours of August 13, 2020.

**** Redesignated as the Executive Director of the Company w.e.f. opening hours of August 13, 2020.

^ Ceased to be a Director of the Company w.e.f. April 29, 2021.

During the year, there have been no materially significant related party transactions, pecuniary relationships or transactions between the Company and its Non-Executive Directors that may have potential conflict with the interests of the Company at large.

None of the Directors are related to each other.

Shareholding of Non- Executive Directors as on March 31, 2021 is as under:

Sr. No.	Name of Director	No. of Equity Shares held	% of total Equity Shares of the Company
1.	Mr. Rajesh Budhrani	7,12,480	1.82%
2.	Mr. Anurag Surana	22,500	0.05%

Apart from the above mentioned Non-Executive Directors, no other Non-Executive Director holds any shares in the Company.

- **Board Meetings and Attendance**

  The Board meets at least once in a quarter inter-alia to review the performance of the Company and for consideration and approval/adoption of quarterly/annual financial results. The Company Secretary, in consultation with the Chairman, prepares detailed agenda for the meetings. Six Board meetings were held in the year 2020-21 and the gap between two Board meetings have not exceeded 120 days. The dates on which meetings were held are as follows:

Sr. No.	Date of Meeting	No. of Directors Present
1.	June 23, 2020	11
2.	July 30, 2020	11
3.	August 12, 2020	14
4.	August 17, 2020	8
5.	November 05, 2020	8
6.	February 05, 2021	8

- **Appointment of Independent Directors**

  The Nomination and Remuneration Committee, based on Company's policy for such position identifies suitable person having expert knowledge and skill in his / her profession / area of business and who can effectively participate in Board proceedings and recommends the same to the Board. The Board after evaluating the said Committee's recommendation, takes the decision which according to the Board is in the best interest of the Company.

- **Confirmation regarding Independence**

  With respect to the declaration given by the Independent Directors of the Company during the year under review, the Board hereby confirms that all the Independent Directors fulfill the conditions specified in the SEBI (LODR) Regulations 2015 and are independent of the management.

- **Meeting of Independent Directors**

  The Independent Directors meet at least once in a financial year without the presence of Promoter Directors and management personnel. They discuss the matters pertaining to the business and other related affairs of the Company. The views expressed at such meeting are brought to the knowledge of the Chairman of the Board.

  During the year, one meeting of Independent Directors was held on March 31, 2021.

3. **Audit Committee Composition:**

The composition of Audit Committee is in line with provisions of Section 177 of the Act and is in compliance with Regulation 18 of SEBI (LODR) Regulations, 2015.

For the period upto August 12, 2020, the composition of the Audit Committee was, two Managing Directors, six Independent Directors and one Nominee Director with Mr. P. R. Barpande, Non-Executive Independent Director as Chairman of the Committee and Mr. Mahesh Babani, Mr. Nahoosh Jariwala, Mr. Sumit Maheshwari, Mr. Rajesh Budhrani, Mr. Hemang Gandhi, Ms. Radhika Pereira, Mr. Darius Pandole and Mr. Viren Joshi as members.

However, during the year, out of six Independent Directors, four independent directors of the Company resigned and three new independent directors were appointed. As a result, the Audit Committee was reconstituted at the Board meeting held on August 12, 2020.

The Audit Committee now comprises of three Independent Directors and one Nominee Director with Mr. P. R. Barpande, Non-Executive Independent Director as Chairman of the Committee and Mr. Sumit Maheshwari, Mrs. Anuradha Thakur and Mr. D. T. Khilnani as the members of the Committee. All the members of the existing Audit Committee possess required skills, knowledge and experience to be the members of the Committee.

The Audit Committee met six times during the financial year 2020-21 on June 23, 2020, July 30, 2020, August 12, 2020, August 17, 2020, November 05, 2020 and February 05, 2021.

The details of composition of the Committee and attendance at Meetings are as follows:

Name of the Member	Designation / Category	No. of Committee Meeting(s) attended
Mr. P. R. Barpande (Chairman)	Non-Executive Independent Director	6
Mr. Mahesh Babani	Chairman and Managing Director - Promoter	6
Mr. Nahoosh Jariwala*	Managing Director - Promoter	3
Mr. Sumit Maheshwari ^	Non-Executive Nominee Director	6
Mr. Rajesh Budhrani	Non-Executive Independent Director	6
Mr. Hemang Gandhi*	Non-Executive Independent Director	3
Ms. Radhika Pereira*	Non-Executive Independent Director	3
Mr. Darius Pandole*	Non-Executive Independent Director	3
Mr. Viren Joshi*	Non-Executive Independent Director	3
Mrs. Anuradha Thakur**	Non-Executive Independent Director	3
Mr. Dwarko Khilnani**	Non-Executive Independent Director	3

* Ceased to be Director/Member of Audit Committee of the Company w.e.f. closing hours of August 12, 2020.

** Appointed as the Director/Member of the Audit Committee of the Company w.e.f. opening hours of August 13, 2020.

The terms of reference of the Audit Committee are:

a. recommendation for appointment, remuneration and terms of appointment of auditors of the Company

b. approval of payment to statutory auditors for any other services rendered by them;

c. review and monitor the auditors' independence and performance, and effectiveness of audit process.

d. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

e. 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

f. discussion with internal auditors of any significant findings and follow up there on

g. 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.

h. 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.

i. call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

j. review, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

    i. 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;

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

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

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

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

    vi. disclosure of any related party transactions

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

k. review with the Management, the quarterly financial Statements before submission to the Board for approval.

l. review the Statement of significant Related Party Transactions, submitted by Management

m. approval or any subsequent modification of transactions of the company with related parties

n. scrutiny of inter-corporate loans and investments

o. valuation of undertakings or assets of the company, wherever it is necessary.

p. evaluation of internal financial controls and risk management systems.

q. power to obtain professional advice from external sources for the items specified in sub section 4 of Section 177 of the Act.

r. to oversee the vigil mechanism wherein the directors and employees can report their genuine concerns or grievances.

s. 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.

t. review the Management Discussion and Analysis of financial condition and results of operations.

u. periodic review of Policies

v. such other matters as mentioned in the terms of references or as may be required to be carried out by the Audit Committee pursuant to amendments under any law, from time to time.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in accordance with the provisions of Section 178 of the Act, and Regulation 19 of SEBI (LODR) Regulations, 2015.

For the Period upto August 12, 2020, the Composition of Nomination and Remuneration Committee was, one Non-Executive Director and two Non-Executive Independent Directors with Mr. Viren Joshi, Non-Executive Independent Director as Chairman of the Committee and Mr. Utkarsh Shah, Non-Executive Director and Mr. Darius Pandole, Non-Executive Independent Director as members.

However, during the year, all the three members of the Committee resigned as Directors, therefore, the Committee was reconstituted at the Board meeting held on August 12, 2020 wherein Mr. Dwarko Topandas Khilnani, Non-Executive Independent Director was appointed as Chairman of the Committee, and Mr. Sumit Maheshwari, Nominee director, Mr. Rajesh Budhrani, Non-Executive Independent Director were appointed as the members of the Committee.

During the year three meetings of Nomination and Remuneration Committee were held i.e. on August 12, 2020, August 17, 2020 and November 05, 2020. The details of composition of the Nomination and Remuneration Committee and attendance at the Meetings during the financial year 2020-21 were as follows:

Name of Member	Designation	No. of Committee Meeting(s) attended
Mr. Viren Joshi (Chairman)*	Non-Executive Independent Director	1
Mr. Utkarsh Shah*	Non-Executive Director - Promoter	1
Mr. Darius Pandole*	Non-Executive Independent Director	1
Mr. Dwarko Topandas Khilnani (Chairman) **	Non-Executive Independent Director	3
Mr. Sumit Maheshwari ^	Non-Executive Nominee Director	3
Mr. Rajesh Budhrani	Non-Executive Independent Director	3

* Ceased to be Director/Member of Audit Committee of the Company w.e.f. closing hours of August 12, 2020.

** Appointed as the Director/Member of the Audit Committee of the Company w.e.f. opening hours of August 13, 2020.

^ Ceased to be Director/Member of Audit Committee of the Company w.e.f. August 29, 2020.

The term of references of Nomination and Remuneration Committee includes:

a. recommend to the Board Appointment & Re-appointment of Directors.

b. identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in the Nomination & Remuneration Policy.

c. recommend to the Board their appointment and removal.

d. recommend to the Board the appointment of Key Managerial Personnel ("KMP" as defined under the Act)

e. recommend to the Board a policy, relating to the remuneration for the directors including Whole Time Directors, key managerial personnel and other employees.

f. recommend to the board, all remuneration, in whatever form, payable to senior management.

g. specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

h. formulation of criteria for evaluation of performance of independent directors and the board of Directors

i. formulate the criteria for determining qualifications, positive attributes and independence of a Director.

j. devising a policy on diversity of board of Directors.

k. oversee familiarisation programmes of Directors.

l. to determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Board and Director Evaluation:

As required under the provisions of the Act and the SEBI Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its committees.

The performance evaluation criteria for Independent Directors includes participation and contribution by a director in Board / Committee Meetings, commitment, expertise, integrity, maintenance of confidentiality and independent behavior.

Remuneration Policy:

The remuneration policy is recommended by the Nomination & Remuneration Committee and approved by the Board. The key objective of the remuneration policy is to ensure that it is aligned to the overall performance of the Company. The policy ensures that it is fair and reasonable and is linked to financial performance. For Director in Executive category, it mainly comprises of fixed component. The remuneration policy is placed on the website of the Company http://www.privi.com/investor-relations/corporate-governance/company-policies. The remuneration paid to the Directors is in line with the remuneration policy of the Company.

Remuneration to Non-Executive Directors

The remuneration for non-executive (Independent) Directors consists of sitting fees for attending meeting of the Board and its Committees. No other payment is made to the non-executive Directors except as recommended by the Nomination and Remuneration Committee and the Board and approved by the Members of the Company.

Details of the remuneration paid to and shareholding of Non-Executive Directors is provided in MGT-9 which forms part of Directors' Report.

Remuneration to Executive Directors

Mr. Nahoosh Jariwala resigned from the post of the Managing Director of the Company and he ceased to be the Director in the Company w.e.f. closing hours of August 12, 2020.

Mr. Mahesh P. Babani, Managing Director of the Company was redesignated as the Chairman and Managing Director of the Company w.e.f. opening hours of August 13, 2020. His term of appointment is for the period upto March 31, 2022.

Further, Mr. Bhaktavatsala Doppalapudi Rao was redesignated as the Executive Director of the Company w.e.f. opening hours of August 13, 2020.

The appointment of Mr. Bhaktavatsala Doppalapudi Rao as Executive Director and the remuneration package comprising of salary and perquisites of Mr. Mahesh P Babani, Chairman and Managing Director as well as Mr. Bhaktavatsala Doppalapudi Rao were approved by the members at the annual general meeting held on November 02, 2020. Further the Board/Committee was empowered to decide the Annual increments which will be effective from April 1 each year and will be merit based and take into account the Company's performance as well subject to the overall ceilings laid down under Section 197 read with Section 198, Schedule V and other applicable provisions of the Act.

Details of the remuneration paid to and shareholding of Executive Directors is provided in MGT-9 which forms part of Directors' Report.

Details of Remuneration:

As required under Regulation 34 of SEBI (LODR) Regulations, 2015, details of remuneration paid to Directors during the financial year 2020-21 are as follows:

Directors	Salary	Perquisites	Sitting Fees	Total
Mr. Utkarsh B. Shah (Non-Executive Director)*	Nil	Nil	Nil	Nil
Mr. Mahesh Babani (Managing Director)^	5,00,00,004			5,00,00,004
Mr. Nahoosh J. Jariwala (Managing Director)*$	48,00,000	Nil	Nil	
Mr. Sumit Maheshwari (Non-Executive Director)	Nil	Nil	Nil	Nil
Mr. Bhaktavatsala Doppalapudi Rao (Non-Executive Director)^^	2,10,00,000			2,10,00,000
Mr. Padmanabh Ramchandra Barpande (Independent Director)	Nil	Nil	5,00,000	5,00,000
Mr. Rajesh Budhrani (Independent Director)	Nil	Nil	5,00,000	5,00,000
Mr. Hemang Gandhi (Independent Director)*	Nil	Nil	1,50,000	1,50,000
Ms. Radhika Pereira (Independent Director)*	Nil	Nil	1,50,000	1,50,000
Mr. Darius Pandole (Independent Director)*	Nil	Nil	1,50,000	1,50,000
Mr. Viren Joshi (Independent Director)*	Nil	Nil	1,50,000	1,50,000
Mrs. Anuradha Eknath Thakur**	Nil	Nil	5,00,000	5,00,000
Mr. Dwarko Topandas Khilnani**	Nil	Nil	5,00,000	5,00,000
Mr. Anurag Surana**	Nil	Nil	5,00,000	5,00,000

* Ceased to be the Director in the Company w.e.f. closing hours of August 12, 2020.
** Appointed as the Non-Executive Independent Director in the Company w.e.f. opening hours of August 13, 2020
^ Redesignated as the Chairman and Managing Director of the Company w.e.f. opening hours of August 13, 2020
^^ Redesignated as the Executive Director of the Company w.e.f. opening hours of August 13, 2020
$ Salary upto July, 2020

5. Stakeholders Relationship Committee

In compliance with the provisions of Section 178 of the Act and Regulation 20 of the SEBI (LODR) Regulations, 2015 the Board has formed a Stakeholders' Relationship Committee. For the period upto August 12, 2020, the composition of the Stakeholder's Relationship Committee was, two Non-Executive Directors, one Executive Director and one Non-Executive Independent Director with Mr. Utkarsh Shah, Non-Executive Director as Chairman of the Committee and Mr. Hemang Gandhi, Non-Executive Independent Director, Mr. Nahoosh Jariwala - Executive Director and Mr. Bhaktavatsala Doppalapudi Rao, Non-Executive Director as members of the Committee.

However, during the year, three members of the Stakeholders Relationship Committee resigned from the Company, therefore, the said Committee was reconstituted at the Board meeting held on August 12, 2020 wherein Mr. Dwarko Topandas Khilnani, Non-Executive Independent Director was appointed as the Chairman, Mr. Padmanabh Ramchandra Barpande, Non-Executive Independent Director, Mr. Bhaktavatsala Doppalapudi Rao, Executive Director and Mr. Sumit Maheshwari, Nominee Director were appointed as the members of the Committee.

During the year under review the Stakeholders Relationship Committee meeting was held on November 05, 2020. The details of composition of the Stakeholders Relationship Committee and attendance at Meetings during the financial year 2020-21 were as follows:

Name of Member	Designation	No. of Committee Meeting(s) attended
Mr. Utkarsh Shah (Chairman)*	Non-Executive Director - Promoter	0
Mr. Hemang Gandhi*	Non-Executive Independent Director	0
Mr. Nahoosh Jariwala*	Executive Director - Promoter	0
Mr. Bhaktavatsala Doppalapudi Rao	Non-Executive Director	1
Mr. Dwarko Topandas Khilnani (Chairman)**	Non-Executive Independent Director	1
Mr. Sumit Maheshwari***	Non-Executive Nominee Director	1
Mr. Padmanabh Ramchandra Barpande	Non-Executive Independent Director	1

* Ceased to be Director/Member of Stakeholders Relationship Committee of the Company w.e.f. closing hours of August 12, 2020.

** Appointed as the Director/Member of Stakeholders Relationship Committee of the Company w.e.f. opening hours of August 13, 2020.

*** Ceased to be Director/Member of Stakeholders Relationship Committee of the Company w.e.f. April 29, 2021.

During the year, Mr. Rajen Jhaveri has resigned from the post of Company Secretary & Compliance Officer and Chief Financial Officer of the Company w.e.f. closing hours of August 12, 2020. Mr. Narayan S. Iyer was appointed as the Chief Financial Officer of the Company and Mr. Ramesh Kathuria was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. opening hours of August 13, 2020.

Details of number of requests/complaints received and resolved during the year ended March 31, 2021 are as under:

Nature of Correspondence	Received	Replied / Resolved	Pending
Non-receipt of Dividend	0	0	–
Non-receipt of Annual Report	0	0	–
Non-receipt of Shares	0	0	–
Letter from Stock Exchange/ROC/SEBI	0	0	–
Others	2	2	–
Total	2	2	–

The terms of references of Stakeholder's Relationship Committee:

1. resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. review of measures taken for effective exercise of voting rights by shareholders.
3. review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent
4. review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
5. consider and approve issue of Share Certificates (including issue of renewed or duplicate Share Certificates), transfer and transmission of securities, etc.
6. oversee the implementation of the above mentioned guidelines/policies.
7. review the policies, processes and system periodically and recommend measures for improvements from time to time.
8. look into various aspects of interest of shareholders / security holders.
9. such other matters as may be required to be carried out by the Stakeholders' Relationship Committee pursuant to amendments under any law, from time to time.

6. **Management Committee**

During the year, the Management Committee was re-constituted at the Board Meeting held on August 17, 2020 wherein Mr. Mahesh P. Babani - Chairman & Managing Director was appointed as the Chairman of the Committee, Mr. D. B. Rao - Executive Director was appointed as the Member of the Committee and Mr. R.S. Rajan, President of the Company was co-opted as the member of the said Committee. The Management Committee has certain Administrative and Financial powers delegated by the Board.

7. **Corporate Social Responsibility Committee**

Pursuant to the provisions of Section 135 of the Act, the Company had formed Corporate Social Responsibility Committee. For the period upto August 12, 2020, composition of the Corporate Social Responsibility Committee was, three Independent Directors, two Non-Executive Directors and one Executive Director with Mr. Utkarsh Shah, Non-Executive Director as Chairman of the Committee, Mr. Nahoosh Jariwala, Executive Director, Mr. Bhaktavatsala Doppalapudi Rao, Non-Executive Director, Ms. Radhika Pereira, Non-Executive Independent Director and Mr. Hemang Gandhi, Non-Executive Independent Director as the members of the Committee.

However, during the year, four members resigned, therefore, the Committee was reconstituted at the Board meeting held on August 12, 2020 where Mrs. Anuradha Thakur, Non-Executive Independent Director was appointed as the Chairperson of the Committee and Mr. Sumit Maheshwari, Non-Executive Nominee Director, Mr. Rajesh Budhrani, Non-Executive Independent Director, Mr. Anurag Surana, Non-Executive Independent Director and Mr. Bhakatavatsala Doppalapudi Rao, Executive Director were appointed as the members of the Committee.

During the year under review two Corporate Social Relationship Committee meetings were held on November 05, 2020 and February 05, 2021. The details of composition of the Corporate Social Responsibility Committee and attendance at Meetings during the financial year 2020-21 were as follows:

Name of Member	Designation	No. of Committee Meeting(s) attended
Mr. Utkarsh Shah (Chairman)*	Non-Executive Director - Promoter	0
Mr. Hemang Gandhi*	Non-Executive Independent Director	0
Mr. Nahoosh Jariwala*	Executive Director - Promoter	0
Mr. Bhaktavatsala Doppalapudi Rao	Non-Executive Director - Promoter	2
Ms. Radhika Pereira*	Non-Executive Independent Director	0
Mrs. Anuradha Thakur (Chairman) **	Non-Executive Independent Director	2
Mr. Sumit Maheshwari ***	Non-Executive Nominee Director	2
Mr. Anurag Surana**	Non-Executive Independent Director	2

* Ceased to be Director/Member of Corporate Social Responsibility Committee of the Company w.e.f. closing hours of August 12, 2020.

** Appointed as the Director/Member of Corporate Social Responsibility Committee of the Company w.e.f. opening hours of August 13, 2020.

*** Ceased to be Director/Member of Corporate Social Responsibility Committee of the Company w.e.f. closing hours of April 29, 2021.

The terms of references of the Corporate Social Responsibility Committee are as follows:

1. to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall also indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Act.
2. recommend the amount of expenditure to be incurred on the activities referred as per the Corporate Social Responsibility Policy
3. monitor the Corporate Social Responsibility Policy of the company from time to time.
4. institute transparent monitoring mechanism for implementation of the CSR Projects or programs or activities undertaken by the Company.
5. do such other acts, deeds, things and matters as are necessary or expedient in complying with the provisions of Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014

The Company has also formulated the Corporate Social Responsibility Policy and the same is available on the website of the Company at http://www.privi.com/Downloads/Policies-PSCL/PSCL-Corporate-Social-Responsibility-Policy.pdf.

8. Risk Management Committee

Pursuant to the provisions of the Act and SEBI (LODR) Regulations 2015, the Company has formed Risk Management Committee on June 23, 2020. For the period upto August 12, 2020, composition of committee was one Executive Director, One Managing Director and One Nominee Director with Mr. Nahoosh Jariwala, Executive Director, as Chairman of the Committee and Mr. Sumit Maheshwrai, Non-Executive Nominee Director and Mr. Mahesh Purshottam Babani, Managing Director as members of the Committee.

However, during the year, Mr. Nahoosh Jariwala resigned, therefore, the Committee was reconstituted at the Board meeting held on August 12, 2020 where Mr. Dwarko Topandas Khilnani, Non-Executive Independent Director was appointed as the Chairman of the Committee and Mr. Sumit Maheshwari, Non-Executive Nominee Director, Mr. Mahesh Purshottam Babani, Chairman and Managing Director, Mr. Padmanabh Ramchandra Barpande, Non-Executive Independent Director, Mr. Anurag Surana, Non-Executive Independent Director and Mr. Bhaktavatsala Rao Doppalapudi, Executive Director were appointed as the members of the Committee.

During the year under review the Risk Management Committee meeting was held on March 31, 2021. The details of composition of the Risk Management Committee and attendance at Meetings during the financial year 2020-21 were as follows:

Name of Member	Designation	No. of Committee Meeting(s) attended
Mr. Nahoosh Jariwala (Chairman)*	Managing Director - Promoter	0
Mr. Mahesh Purshottam Babani	Executive Director - Promoter	1
Mr. Sumit Maheshwari ***	Non-Executive Nominee Director	0
Mr. Dwarko Topandas Khilnani (Chairman)**	Non-Executive Independent Director	1
Mr. Bhaktavatsala Doppalapudi Rao	Executive Director	1
Mr. Padmanabh Ramchandra Barpande	Non-Executive Independent Director	1
Mr. Anurag Surana**	Non-Executive Independent Director	1

* Ceased to be Director/Member of Risk Management Committee of the Company w.e.f. closing hours of August 12, 2020.

** Appointed as the Director/Member of Risk Management Committee of the Company w.e.f. opening hours of August 13, 2020.

*** Ceased to be Director/Member of Risk Management Committee of the Company w.e.f. closing hours of April 29, 2021.

9. Other Disclosures

a. Related Party Transactions

All related party transactions that were entered into during FY 2020-21 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the SEBI Listing Regulations. There were no material significant related party transactions entered into by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at http://www.privi.com/Downloads/Policies-PSCL/PSCL-Policy-on-Related-Party-Transactions.pdf

b. Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authority on all matters related to capital markets. During the last three years, no penalties or strictures have been imposed on the Company by these authorities. None of the Company's listed securities is suspended from trading.

c. Whistleblower and Vigil Mechanism Policy

The Company has in place the Whistle Blower Policy and the same is available on the website of the Company http://www.privi.com/Downloads/Policies-PSCL/PSCL-Vigil-Mechanism-Policy.pdf. The said policy provides the employees a formal mechanism for the employees and other shareholders to report genuine concerns about misconduct, actual or suspected fraud or violation of Companies Code of Conduct without fear of punishment or unfair treatment. During the year under review, no employee was denied the access to the Audit Committee and/ or its Chairman.

d. Compliance with requirement of Corporate Governance Report

The Company has complied with all mandatory requirements of Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015.

e. **CEO / CFO Certification**

The requisite certification from the Chairman & Managing Director and the Chief Financial Officer required to be given under Regulation 17(8) read with part B of schedule II of the Listing Regulations, was placed before the Board of Directors of the Company.

f. **Recommendation of Committees**

The Board of Directors of the Company has accepted all the recommendations of the Committees of the Board.

g. **Certificate from Company Secretary in Practice**

The Company has availed the certificate from M/s. Rathi & Associates, Companies Secretaries in Practice that none of the Directors of the Company have been debarred or disqualified from being appointed or re-appointed or continuing as a Directors of the Companies by SEBI, MCA or other regulatory authorities and the same is attached to this Annual report.

h. **Consolidated Fees paid to Statutory Auditors.**

During the year, total fees of ₹ 70.25 Lakhs was paid by the Company to M/s. B S R & Co. LLP, Statutory Auditors.

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

The Company has in place a Policy on Sexual harassment at workplace which aims at protecting the women employees at workplace and to redress their complaints. During the year under review the Company has not received any complaint under Sexual harassment of women at workplace.

j. **Legal Compliance**

The Company is committed to and conducts its business activities lawfully and in a manner that is consistent with its compliance obligations while ensuring standards of good corporate governance, ethics and community expectations. Through a Legal Compliance Management software, your Company maintains an appropriate compliance program which manages, reports and monitors compliance with all laws which are applicable to the Company.

k. **Non-Mandatory requirements adopted:**

The Company has complied with non-mandatory requirements of the Listing Regulations relating to Corporate Governance.

i. During the year under review, there was no Audit qualification in the Company's Financial Statements. The Company adopts best practices to ensure a regime of un-modified audit opinion.

ii. The Internal Auditors of the Company reports to the Audit Committee

10. Subsidiaries

During the year under review, the Company has two wholly owned subsidiaries namely:

a) Privi Biotechnologies Private Limited

b) Privi Organics USA Corp.

Privi Organics USA Corp is a material Unlisted Subsidiary incorporated in New Jersey, USA. The minutes of the Meeting of the Board of Directors of Subsidiaries / Performance is placed before the Board of Directors for review on a quarterly basis.

The policy on determination of Material Subsidiary of the Company is available on the Company's website at http://www.privi.com/Downloads/Policies-PSCL/PSCL-Policy-on-Material-Subsidiary.pdf.

11. Means of Communication.

The Company has promptly reported all material information including declaration of quarterly financial results, press releases etc. to stock exchanges where shares of the Company are listed. Such information is also simultaneously displayed on the Company's website www.privi.com.

The quarterly unaudited financial results – both standalone and consolidated, and annual audited financial results- both standalone and consolidated were submitted to the stock exchanges soon after its approval by the Board of Directors at their Meetings and were also published in The Economic Times, Mumbai edition in English and vernacular newspaper in Maharashtra Times, Mumbai edition in Marathi. Quarterly / Annual financial performance of the Company is also uploaded on the Company's website www.privi.com

The Company's website www.privi.com contains a separate section named as Investors Relations where the useful information for all the Stakeholders is made available.

12. General Meetings Disclosures:

The Thirty Sixth Annual General Meeting of the Company for the financial year 2020-21 will be held through video conferencing (VC) /other Audio-visual means (OAVM) on Friday, 27th Day of August, 2021 at 12.15 p.m.

The location, day, date and time of the Annual General Meetings held during last three years along with Special Resolution(s) passed at these meetings are as follows :

Meeting	Year	Venue of General Meeting	Date & Time	No. of Special Resolutions
35th AGM	2019-2020	Hosted through Other audio visual means from the Registered office of the Company.	November 02, 2020 at 03:00 pm	Nine
34th AGM	2018-2019	Hall of Culture, Nehru Science Centre, Dr. Annie Besant Road, Lotus Colony, Worli, Mumbai - 400018	August 08, 2019 at 5.00 p.m.	Three
33rd AGM	2017-2018	Hall of Culture, Nehru Science Centre, Dr. Annie Besant Road, Lotus Colony, Worli, Mumbai - 400018	August 10, 2018 at 4.00 p.m.	Eight

Details of the Special Resolutions passed the Annual General Meetings held in the past 3 financial years:

35th AGM held on November 02, 2020	• Alteration in Memorandum of Association of the Company pertaining to Objects Clause • Adoption of new set of Articles of Association of the Company. • Remuneration payable to Mr. Mahesh P Babani, Chairman & Managing Director • Appointment and fixation of remuneration payable to Mr. Bhaktavatsala Rao Doppalapudi as Executive Director. • Continuation of Mr. Dwarko Topandas Khilnani (DIN: 01824655) as Independent Director of the Company for the period upto March 31, 2024 • Continuation of Mrs. Anuradha Eknath Thakur (DIN: 06702919) as Independent Director of the Company for the period upto March 31, 2025 • Borrowing limits pursuant to Section 180 (1) (c) of the Companies Act, 2013 • Creation of Charge / Security on the Assets of the Company pursuant to Section 180 (1) (a) of the Companies Act, 2013 • Limits for giving Loan(s), Guarantee(s), to provide securities or to make Investment(s) pursuant to Section 186 of the Companies Act, 2013
34th AGM held on August 08, 2019	• Re-appointment of Ms. Radhika Pereira (DIN 00016712) as an Independent Director • Approval of change of Registered office within the same State under the jurisdiction of same ROC. • Ratification/confirmation of remuneration of cost auditor for financial year ended March 31, 2020.
33rd AGM held on August 10, 2018.	• Re-appointment of Mr. Nahoosh J. Jariwala (DIN: 00012412) as the Managing Director • Increasing borrowing power pursuant to Section 180(1)(c) of the Companies Act, 2013 • Taking consent of shareholders pursuant to Section 180(1)(a) of the Companies Act, 2013 • Re-appointment of Mr. Padmanabh Ramchandra Barpande, as an Independent Director • Re-appointment of Mr. Hemang Manhar Gandhi, as an Independent Director • Re-appointment of Mr. Darius Dinshaw Pandole, as an Independent Director • Re-appointment of Mr. Rajesh Harichandra Budhrani, as an Independent Director • Re-appointment of Mr. Viren Ajit Joshi, as an Independent Director

Details of resolutions passed during F.Y. 2020-21 through postal ballot: NIL

As on the date of this report there is no special resolution which is proposed to be conducted through Postal ballot.

CERTIFICATE ON DEBARMENT OF DIRECTORS

Your Board hereby confirms that the Company has obtained a certificate from **Rathi & Associates**, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

General Shareholder Information

1.	**Date, Time and Venue of Shareholder's Meeting**	Meeting : Thirty Sixth Annual General Meeting Day & Date : Friday, August 27, 2021 Time : 12.15 p.m. Venue : Through Audio-Visual means hosted from Registered office of the Company
2.	**Financial Year** **First Quarterly Results** **Second Quarterly Results** **Third Quarterly Results** **Fourth Quarterly Results**	April 01, 2021 till March 31, 2022 On or before August 14, 2021 On or before November 14, 2021 On or before February 14, 2022 On or before May 30, 2022
3.	**Date of Book Closure**	From August 20, 2021 to August 27, 2021 (both date inclusive)
4.	**Dividend Payment Date**	Within 30 days from the date of 36th Annual General Meeting to be held on August 27, 2021
5.	**Address for Correspondence**	**Registered Office:** 'Privi House', A-71, TTC, Thane Belapur Road, Near Koparkhairne, Navi Mumbai - 400 710 Tel: +91-22-68713200/33043500, Fax: +91-22-27783049 Website: www.privi.com
6.	**Corporate Identity Number**	L15140MH1985PLC286828
7.	**Listing on Stock Exchanges**	**National Stock Exchange of India Limited (NSE)** Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 **BSE Limited (BSE)** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
8.	**Stock Code**	NSE: PRIVISCL BSE: 530117
9.	**ISIN No.**	INE959A01019 (Equity Shares of ₹ 10/- each, fully paid-up)
10.	**Registrar and Transfer Agent**	**Link Intime India Private Limited** Ahemdabad Fax No: +91-22-49186060 Email id: mt.helpdesk@linkintime.co.in
11.	**Investors Relationship Officer**	The Company Secretary **Privi Speciality Chemicals Limited** (Formerly known as Fairchem Speciality Limited) 'Privi House', A-71, TTC, Thane Belapur Road, Near Kopar Khairne, Navi Mumbai - 400 710 Tel: +91-22-68713200/33043500 Fax: +91-22-27783049 / 68713232 E-mail: investors@privi.co.in
12.	**Listing Fee**	Company has paid the Annual Listing fees for the Financial Year 2021-22 to the stock exchanges where the shares of the Company are listed (viz NSE & BSE).

13.	**PAN & Change of Address**	Members holding equity share in physical form are requested to notify the change of address/ dividend mandate, if any, to the Company's Registrar & Share Transfer Agent, at the address mentioned above. 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 dematerialized form are requested to submit their PAN, notify the change of address including e-mail address/ dividend mandate, if any, to their respective Depository Participant (DP). Members holding shares in physical form can submit their PAN, notify the change of address including e-mail address/ dividend mandate, if any, to the Company/ Registrar & Share Transfer Agent.
14.	**Share Transfer Process**	Effective April 01, 2019, requests for effecting the transfer of listed securities are required to be processed only in dematerialised form. Therefore, the Company had stopped accepting any fresh transfer requests for securities held in physical form with effect from the said date. Dematerialisation of holdings will prevent any fraud in physical transfer of securities and improve ease, convenience and safety of transactions for investors. In view of the aforesaid, Members who are holding shares in physical form are hereby requested to dematerialise their holdings.
15.	**Dematerialisation of Equity Shares & Liquidity**	To facilitate trading in demat form the Company has made arrangements with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders may open account with any of the Depository Participant registered with any of these two depositories. As on March 31, 2021, 99.59% of the equity shares of the Company is held by 10,901 Equity Shareholders in dematerialized form and the balance 0.41% is held by 840 Equity Shareholders in physical form. Entire Equity shareholding of the promoters in Company is held in dematerialized form.
16.	**Secretarial Audit**	Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued, on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company. A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL). Mr. Himanshu Kamdar of M/s. Rathi & Associates, Practicing Company Secretaries, has conducted a Secretarial Audit of the Company for FY 2020-21. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made thereunder, its Memorandum and Articles of Association, Listing Regulations and the applicable SEBI Regulations. The Secretarial Audit Report forms part of the Board's Report.

17. Dividend History & Unclaimed Dividend

Section 124 and Section 125 of the Act, with Investor Education and Protection Fund Authority (Accounting, Audit, transfer and Refund) Rule, 2016 ('the Rules') mandates that companies transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to Investor Education and Protection Fund (IEPF). Further, the Rules mandate the transfer of shares with respect to the dividend, which has not been paid or claimed for seven consecutive years or more to IEPF. Accordingly, the dividend for the years mentioned as follows will be transferred to the IEPF on the respective dates if the dividend remains unclaimed for seven years, and the corresponding shares will also be transferred to IEPF. The Shareholders are requested to claim the unclaimed dividend amount immediately in order to avoid the transfer of shares to IEPF.

Year	Type of Dividend	Dividend Per Share (in ₹)	Date of Declaration of Dividend	Due Date for transfer to IEPF
2013-14	Final	1.50	August 07, 2014	2021
2014-15	Final	2.50	July 27, 2015	2022
2015-16	Final	2.50	September 09, 2016	2023
2016-17	Final	1.00	August 11, 2017	2024
2017-18	Final	1.50	August 10, 2018	2025
2018-19	Final	2.50	August 08, 2019	2026
2019-20	Final	1.50	November 02, 2020	2027

Claim from IEPF Authority

Members/Claimant whose shares and unclaimed dividends have been transferred to the IEPF Authority can claim the same by making an application to the IEPF Authority in E-form IEPF-5 (available at www.iepf.gov.in) and sending duly signed physical copy of the same to the Company at its Registered office along with requisite documents as prescribed in the instruction kit of e-form IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

18. Shareholders' Correspondence

The Company has attended to all the investors' grievances/ queries/ information requests. It is the endeavor of the Company to reply to all letters/ communications received from the shareholders within a maximum period of 7 working days.

All correspondence may please be addressed to the Registrar & Share Transfer Agent at the address given above and/or the Company Secretary at investors@privi.co.in.

19. Outstanding Convertible Securities

There are no outstanding warrants or any other convertible instruments which are likely to impact the equity capital of the Company as on March 31, 2021.

20. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal in commodities and hence, the disclosure pursuant to SEBI Circular dated 15th November, 2018 is not required to be given.

However, the Company has taken suitable steps from time to time for protecting it against foreign exchange risk(s).

21. Share Capital Build-up

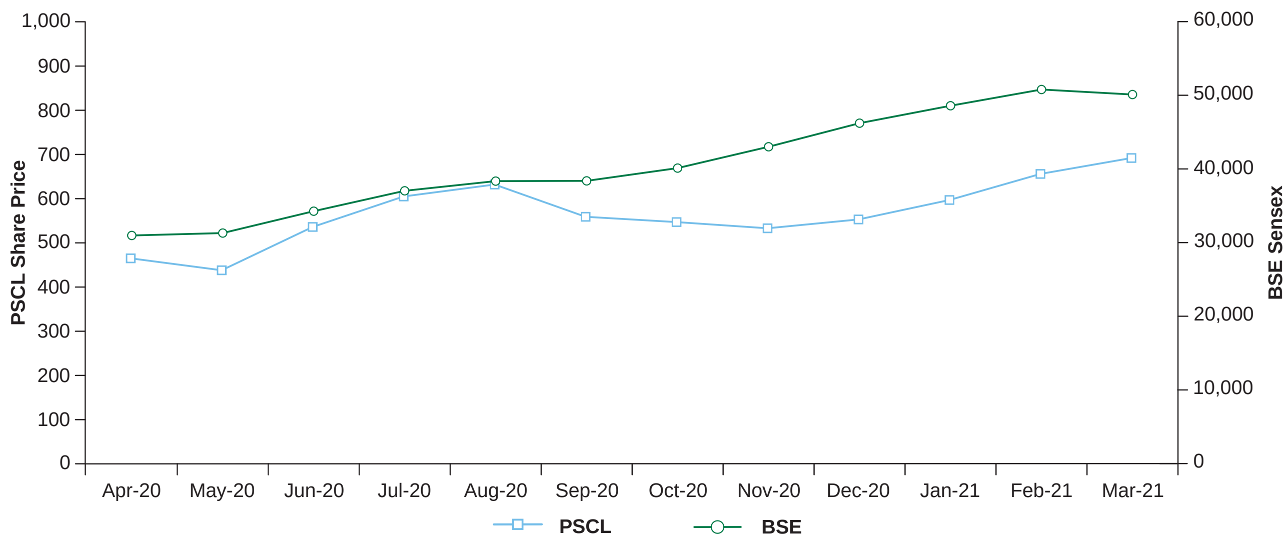
Particulars	No. of Shares issued	Cumulative Equity capital (No of shares)	Date of Issue
Subscribers to MOA and AOA	7	7	May 25, 1985
Bonus Issue	31,500	31,507	August 27, 1994
Private Placement	3,000,000	3,031,507	August 27, 1994
Private Placement	750,000	3,781,507	March 25, 1995
Public Issue	2,618,493	6,400,000	April 19, 1995
Preferential Allotment	400,000	6,800,000	September 23, 1995
Preferential Allotment	200,000	7,000,000	November 18, 1995
Preferential Allotment	1,250,000	8,250,000	August 20, 1996
Preferential Allotment	250,000	8,500,000	October 10, 1996
Preferential Allotment	1,000,000	9,500,000	March 02, 2002
Bonus Issue	1,900,000	11,400,000	July 17, 2012
Bonus Issue	1,140,000	12,540,000	July 06, 2013
Bonus Issue	1,254,000	13,749,000	July 11, 2014
Pursuant to scheme of arrangement	12,634,353	26,428,353	March 14, 2017
Conversion of Compulsorily Convertible Preference Shares (CCPS) into equity shares in the ratio of one equity share of ₹ 10/- each fully paid for one CCPS of ₹ 10/- each. (As provided in scheme of Arrangement)	11,181,404	37,609,757	March 14, 2017
Conversion of remaining Compulsorily Convertible Preference Shares (CCPS) into equity shares in the ratio of one equity share of ₹ 10/- each fully paid for one CCPS of ₹ 10/- each. (As provided in scheme of Arrangement)	1,452,949	39,062,706	September 05, 2018

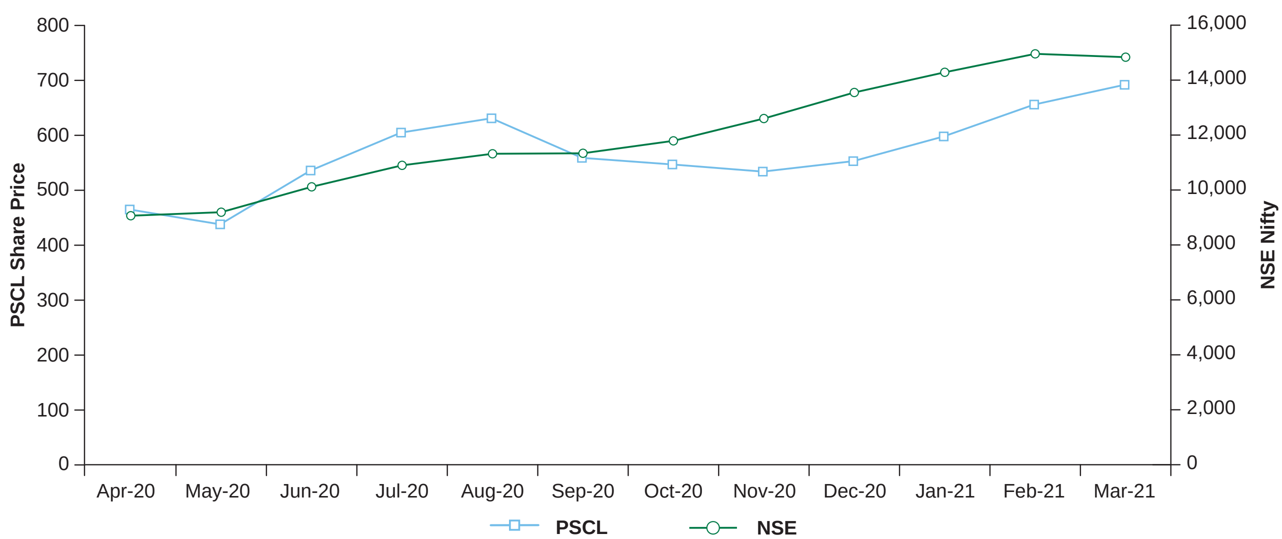
22. Stock Market Data Relating to Shares Listed in India

Monthly high and low quotations and volume of Equity Shares traded on BSE and NSE for the financial year 2020-2021:

Months	BSE			NSE		
	High (₹)	Low (₹)	volume of shares traded	High (₹)	Low (₹)	volume of shares traded
April, 2020	518.35	384.35	45,564	519.60	380.00	9,11,108
May, 2020	485.30	412.35	28,833	457.70	411.00	4,89,455
June, 2020	607.80	473.95	1,60,679	598.00	472.35	18,06,552
July, 2020	675.00	555.70	2,00,056	578.70	555.30	17,57,407
August, 2020	756.00	520.00	4,32,976	756.05	588.00	12,07,345
September, 2020	644.00	505.00	2,20,106	597.70	522.70	6,94,500
October, 2020	579.70	511.25	27,745	576.35	510.10	3,16,241
November, 2020	584.80	509.50	25,224	557.00	506.05	3,01,899
December, 2020	575.55	515.60	54,059	577.00	559.20	3,11,988
January, 2021	729.70	528.65	1,29,910	729.70	526.00	7,68,700
February, 2021	759.10	600.00	1,26,746	734.00	590.00	6,49,130
March, 2021	936.90	600.85	1,32,092	937.00	599.90	15,29,348

23. Relative Performance of the Equity Shares Vs. BSE Sensex & Nifty Index





24. Distribution of Shareholding as on March 31, 2021

No. of Equity Shares	Number of Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Capital
Up to 500	10543	89.7964	889715	2.2777
501 - 1000	495	4.2160	374855	0.9596
1001 - 2000	267	2.2741	379270	0.9709
2001 - 3000	124	1.0561	310546	0.7950
3001 - 4000	58	0.4940	206234	0.5280
4001 - 5000	40	0.3407	179999	0.4608
5001 - 10000	79	0.6729	573650	1.4685
10001 and Above	135	1.1498	36148437	92.5395

25. Categories of Equity Shareholders as on March 31, 2021

Category	No. of Shares held	% to total shares held
Individual	50,15,331	12.84
Promoter		
Indian Promoter	98,82,773	25.30
Foreign Promoter	1,90,46,078	48.76
Other Body Corporate	3,20,529	0.82
Financial Institution/Mutual Funds/Banks	10,02,174	2.57
Directors & their relatives	7,34,980	1.88
Foreign Institutional Investors/Overseas Corporate Bodies	24,61,914	6.30
Non Resident Indians	2,84,673	0.73
Clearing Member	47,038	0.12
Hindu Undivided Family	2,24,289	0.57
IEPF	41,750	0.11
Trusts	300	0.00
Foreign Nationals	877	0.00
TOTAL	**3,90,62,706**	**100.00**

26. Particulars of Shareholding

a) Promoter Shareholding as on March 31, 2021

Sr. No.	Name of Shareholder	No of Shares held	% of shareholding
1	FIH Mauritius Investments Ltd	1,90,42,828	48.75
2	Mr. Mahesh P Babani	25,86,348	6.62
3	Mr. Mahesh Purshottam Babani – HUF	17,91,720	4.59
4	Mr. Doppalapudi Bhaktavatsala Rao	7,23,060	1.85
5	Mr. Vinaykumar Doppalapudi Rao	4,78,278	1.22
6	Mr. Vijaykumar Doppalapudi	4,55,004	1.16
7	Mr. Rajkumar Doppalapudi	4,45,824	1.14
8	Ms. Jyoti Mahesh Babani	3,90,000	0.99

Sr. No.	Name of Shareholder	No of Shares held	% of shareholding
9	Mrs. Seema Mahesh Babani	3,90,000	0.99
10	Ms. Snehal Mahesh Babani	3,90,000	0.99
11	Mrs. Prasanna Raj	1,85,274	0.47
12	Mrs. Premaleela Doppalapudi	1,77,174	0.45
13	Mrs. Sharon Doppalapudi	1,58,544	0.41
14	Mrs. Grace Vinay Kumar Doppalapudi	1,49,850	0.38
15	Mr. Rameshbabu Gokarneswararao Guduru	60,309	0.15
16	Mr. Utkarsh Bhikhoobhai Shah	25,000	0.06
17	Nahoosh Tradelink LLp	6,63,019	1.79
18	Jariwala Tradelink LLp	3,36,981	0.86
19	Moneymart Securities Pvt Ltd	2,06,712	0.53
20	Vivira Investment And Trading Pvt Ltd	1,89,918	0.49
21	Vivira Chemicals Private Limited	79,758	0.20
22	FIH Private Investments Limited	3,250	0.01
	TOTAL	**2,89,28,851**	**74.06**

b) Top ten (10) Public Shareholding as on March 31, 2021

Sr. No.	Name of Shareholder	No of Shares held	% of shareholding
1	Banbridge Limited	24,61,914	6.30
2	SBI Large and Midcap Fund	3,40,000	0.87
3	Bimalbhai Dashrathbhai Parikh	3,39,621	0.87
4	Hemant Navinchandra Shah	2,69,323	0.69
5	Anjali Aniruddha Malpani	1,96,023	0.50
6	Dhirendra B Shah	1,17,470	0.30
7	Abhijit Yashwant Gore	1,05,310	0.27
8	Trustline Deep Alpha AIF	1,04,100	0.27
9	Bhartula VJK Sharma	84,500	0.22
10	SBI Select Equities Fund	73,366	0.19
	Total	**40,91,627**	**10.48**

ANNEXURE I

BUSINESS RESPONSIBILITY REPORT

[Regulation 34(2)(f)]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L15140MH1985PLC286828
2.	Name of the Company	Privi Speciality Chemicals Limited (formerly known as Fairchem Speciality Limited)
3.	Registered address	Privi House, A-71, TTC Thane Belapur Road, Kopar Khairane, Navi Mumbai - 400 710
4.	Website	www.privi.com
5.	E-mail id	rameshk@privi.co.in
6.	Financial Year reported	April 01, 2020- March 31, 2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturing of Chemicals (20119) *(As per National Industrial Classification - Ministry of Statistics and Program Implementation)*
8.	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	Dihydromyrcenol, Pine oil, Amber Fleur
9.	Total number of locations where business activity is undertaken by the Company. (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	 (a) Europe *(excluding UK)*, North America, Asia *(excluding India)*, Middle East and United Kingdom (b) Pan India
10.	Markets served by the Company (Local/State/ National/International)	All

SECTION B: FINANCIAL DETAILS OF THE COMPANY

(Currency, Indian Rupees in Lakhs)

Sr. No.	Particulars	Standalone	Consolidated
1.	Paid up Capital	3,906.27	3,906.27
2.	Total Turnover (Net of Excise)	1,25,518.56	1,27,656.27
3.	Total Profit after Taxes	11,702.15	11,690.06
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	The Company has spent 2% of its average net profits for the preceding three financial years, in terms of Section 135 of the Companies Act, 2013 and Rules made thereto towards CSR activities.	
5.	List of activities in which expenditure in 4 above has been incurred (As per Schedule VII of the Companies Act, 2013)	In line with the CSR Policy, the Company has spent the amount mentioned in (4) above on activities relating to Environment, Health & Hygiene and Education. The details of CSR activities are also available in Annexure 3 of the Board's Report, which forms part of the Annual Report.	

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes, both the wholly owned subsidiaries Privi Biotechnologies Pvt. Limited and Privi Organics USA Corp., participate in the BR initiative of the Company.
3.	Do any other entity/entities (e. g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Yes. The Company encourages all its suppliers as well as clients to participate in BR initiatives. Presently, about 30-60%.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Directors responsible for implementation of the BR policy/policies

Sr. No.	Name of the Director	DIN	Designation
1.	Mr. Mahesh Purshottam Babani	00051162	Chairman & Managing Director
2.	Mr. Bhaktavatsala Rao Doppalapudi	00356218	Executive Director

(b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	00051162
2.	Name	Mr. Mahesh Purshottam Babani
3.	Designation	Chairman and Managing Director
4.	Telephone number	022-33043500
5.	e-mail id	info@privi.co.in

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business ('NVGs') released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are briefly as under:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

a. Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	–	Y	Y ISO-45001: 2018	–	–	Y ISO-14001: 2015	–	–	Y ISO-9001: 2015
4	Has the policy being approved by the Board? If Yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	*	*	*	*	*	*	*	*
5	Does the company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	*	*	*	*	*	*	*	*	*
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	**	**	**	**	**	**	**	**	**
8	Does the company have in-house structure to implement the policy / policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

* Though the policies are not specifically approved by the Board, the Company has internal policies and some of the policies are not published on our website.

** The policies are shared with the internal stakeholders as well as to some extent with the external stakeholders.

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than a year.	Annually
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company publishes BR or Sustainability report annually which is included in the Annual Report and uploaded on the company's website: http://www.privi.com/investor-relations/reports/annual-report-pscl-subsidiaries

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY, AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

   Yes. The subsidiaries of the Company also follow all the policies of the Parent Company. The Company gives due importance to ethics and transparency and it percolates down to the last level. The Company has a Code of Conduct duly approved by its Board of Directors. The said code is applicable to all Board Members and Senior Management. For all the employees, the Company has a set of rules and SOP to ensure the right conduct and preserve the financial interest of the Company.

   The Company keeps a close watch on its labour contractors to ensure that such policy is followed by them also. As far as other external stakeholders such as suppliers of goods and services (other than manpower), other contractors etc. are concerned, the Company cannot enforce the same. The Company, however, views such acts, if any, of bribery and corruption on the part of any of such external agencies either single handedly or in collusion with employee(s) very seriously and takes appropriate action.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   There were no major complaints received in the past financial year which needs to be reported.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

   All the finished products of the Company's including its three prime products i.e. Dihydromyrcenol, Pine oil and Amber Fleur which are manufactured by using natural source raw materials generated during Paper pulping process in big paper mills of Europe, USA, Canada, etc. The Company has in place mechanism for re-use of 50% of treated effluent thereby saving fresh water. The company has made provision for rainwater harvesting & makes use of rainwater for 3 months in monsoon season. Company has its own effluent treatment plants, incineration plant & various other pollution control equipment's to minimize its emissions. The company is having the goal of reaching zero discharge of wastewater from its operations. All plants are designed with best safety practices & getting third party HAZOP as well as third party audits are done periodically.

   All our products are used in the Fragrance formulations that ultimately go in the making of Soaps, Detergents, Fine fragrances, Insence sticks, floor cleaners, antiseptic usage, etc. which are part of home/personal care. Hence, they are safe for human beings & environment.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   The Company is committed to environmental sustainability and constantly endeavors for reduction and optimal utilization of energy, water, raw material by improving operational efficiency and using improved technology. The company has a sustainability agenda which highlights its commitment to creating value through the reduction or elimination of hazardous substances.

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   We are also continuously working towards the reduction in material consumption for all the products by improving the yields by better operational efficiency & improved processes.

1. **Electricity consumption data:**

2020-21		2019-20	
Electricity consumption MWh	**Electricity/Production MWh/MT**	**Electricity consumption MWh**	**Electricity/Production MWh/MT**
44755.1	1.36	37355	1.42

2. **Water consumption data:**

2020-21		2019-20	
Water consumption KL	**Water/Production KL/MT**	**Water consumption KL**	**Water/Production KL/MT**
568259	17.31	567334	21.58

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   Yes. we ourselves are members of Carbon Disclosure Project (CDP) & we have initiated sustainable sourcing of our raw materials by buying from suppliers who are either members of CDP or the paper mills who have sustainable forest certifications. Those who are not we are encouraging them to be part of the CDP & send them questionnaires to share their carbon foot print data & plan to reduce the same. The company has a well-defined and practiced procedure in place including transportation for sourcing its raw materials from across the world including India.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The manufacturing plants of the Company are located in the designated Industrial Zones of Maharashtra & Gujarat. We buy some of the materials that are available locally. We buy Packing materials locally such as 30% wooden pallets, 100% IBCs, 80% lab chemicals, 100% wooden coal, 75% gas cylinders & 80% transport facility. Wherever possible company uses local goods & services.

   However, since our Major raw materials are coming either from the Waste of Paper & Pulp industry, we have to import them. Similarly for other petroleum based raw materials there are no producers in India hence we have to import them as well. As far as requirement of other goods and services are concerned, the Company does source the same from local suppliers of goods and services. More than 50% of the employees of the company are from local area.

   All our labour contractors and other contractual services are being sourced from within the immediate vicinity of the factory locations.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   Yes. The company believes in "Waste to Wealth" philosophy. The Company does recycle > than 50% of its treated effluent water in the cooling towers. As far as recycling of products is concerned, we start our manufacturing operations of 5 major products by using the by-products of Paper & Pulp Industries which are `waste' products of the said industry. We extract our valuable raw materials from this waste, clean them & eventually convert them into value added Aroma chemicals.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES.

1. Please indicate the Total number of employees:

   As on March 31, 2021 - 764.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis:

   As on March 31, 2021 - 493.

3. Please indicate the Number of permanent women employees:

   As on March 31, 2021 - 68.

4. Please indicate the Number of permanent employees with disabilities:

   As on March 31, 2021 - 01.

5. Do you have an employee association that is recognized by management?

   Yes

6. What percentage of your permanent employees is members of this recognized employee association?

   22.38%

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

   NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

   (a) Permanent Employees: 45%

   (b) Permanent Women Employees: 53%

   (c) Casual/Temporary/Contractual Employees: 12

   (d) Employees with Disabilities: Not Applicable

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED.

1. Has the company mapped its internal and external stakeholders?

   Yes. The shareholders/investors including promoters, employees including contract employees, business associates, suppliers of goods and providers of services, residents/occupants of surrounding area, central govt., state govt. and local bodies are the stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

   Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

   The Company through its CSR carried out at all its locations undertakes various activities for the benefit of families of stakeholders.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

   The policy on Human rights covers the Company and its subsidiaries. Though the Company encourages Suppliers/Contractors and Clients to follow the same, it is not in a position to enforce.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   No complaints from any of the stakeholders was received during the Financial year 2020-2021.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others?

   The company maintains Environmental Management Standards ISO 14001. The company in its IMS policy also mentions how it implements, maintains & continually improves the same. The company has made supplier sustainability guidelines & strives to capture the data from its suppliers. The company also works with some of the Government bodies like MIDC, MPCB for tree plantations & environment protection.

   However, the Company to a large extent as far as possible, is selective in finalizing the Suppliers, Contractors and Clients who adopt such environment friendly practices.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   Yes. the company participates in CDP & discloses its environmental data as well as its plane, efforts so save the environment, climate change & global warming. The company has over last few years focused & developed products which are made from wastes of other processes. The company has also done the Life Cycle Assessment (LCA) study for its key products. The company is also working on recycle of its entire treated effluent thereby saving fresh water. The company has put up own captive power generation plants to use the extra steam. It also uses the waste flash steam to generate Chilled water thereby conserving electrical energy to a large extent.

3. Does the company identify and assess potential environmental risks? Y/N

   Yes. The Company has identified and assessed the potential environmental risks for all its processes & operations. Based on the significant risks identified, the company takes goals, programs to reduce the risks to minimize the impact on the environment.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   The Company is working towards becoming a zero liquid discharge company to be 100% environmentally sustainable. The Company also follows 7 out of the 17 UN sustainability development goals which are no poverty, good health & well being, quality education, clean water & sanitation, Sustainable cities & Communities, Climate Action and life on land. The company has done energy audits of its facilities & the findings are implemented thereby reducing energy consumption & saving carbon foot prints.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   The company is further working to evaluate the feasibility of using solar power for its operations in collaboration with a third party. Also to reduce its carbon foot prints the company is working on optimizing its supply chain to club shipments & move materials in bulk wherever possible.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes. The periodic monitoring reports are regularly submitted to MPCB/ GPCB & no non conformances are observed during FY 2020-21.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   Nil

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   The Company is a member of Chemicals Export Promotion Council (CHEMEXCIL), an export promotion council administered by the Ministry of Commerce and Industry, Indian Merchants Chamber (IMC), Mahad Manufacturers Association (MMA), Thane Belapur Industrial Association, International Fragrance Association (IFRA), Federation of Indian Chambers of Commerce and Industry (FICCI) and Fragrance and Flavour Association of India (FAFAI).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   Yes, through CHEMEXCIL, FICCI and MMA.

   Broad Areas: Policy related to Chemical Sector (Fragrance), Environment.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

1. Does the company have specified program / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

   The details related to such program/initiatives/projects are given in the CSR Report which is also included in the Annual Report.

2. Are the program/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

   The program/projects during the year were undertaken through external agencies as well as our in-house team.

3. Have you done any impact assessment of your initiative?

   No

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   The details related to company's contribution towards community development are given in the CSR Report which is also included in the Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   Yes. We include few persons from village willing to volunteer in such initiative for preserving / maintaining the work done by the Company under CSR.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   The Company has no open or unresolved customer complaint for the Financial Year 2020-2021.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

   All our finished products are liquids and are generally sold to industrial users. All the necessary information pertaining to the product transportation, safety and quality is provided along with the products.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   No case is filed against the Company. Further, since the company is in B2B segment, Company does not advertise its products in any newspapers, TV media or on social platform.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

   Yes, we do carry out Customer Satisfaction surveys and our customers share their satisfaction survey Report every year.

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 34(3) OF THE SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Members of

Privi Speciality Chemicals Limited
(Formerly known as Fairchem Speciality Limited)

We have examined the compliance of conditions of Corporate Governance by Privi Speciality Chemicals Limited ('the Company') for the year ended March 31, 2021, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations have been limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Regulations. 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 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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For RATHI & ASSOCIATES COMPANY SECRETARIES

Himanshu S. Kamdar
Partner
MEM NO. FCS5171
COP NO.3030
UDIN. F005171C000341683

Place : Mumbai

Date : May 14, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of

PRIVI SPECIALITY CHEMICALS LIMITED
(Formerly known as Fairchem Speciality Limited)
Privi House, Plot No A-71, TTC,
Thane Belapur Road, Kopar Khairane,
Navi Mumbai, Thane 400710

Dear Sirs,

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Privi Speciality Chemicals Limited, having CIN: L15140MH1985PLC286828, and registered office at Privi House, Plot No A-71, TTC, Thane Belapur Road, Kopar Khairane, Navi Mumbai, Thane – 400710 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para C, sub-clause 10(i) of the Securities 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 & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of the Director	DIN	Date of Appointment
1.	Mr. Anurag Surana	00006665	13/08/2020
2.	Mr. Padmanabh Ramchandra Barpande	00016214	11/05/2017
3.	Mr. Mahesh Purshottam Babani	00051162	11/05/2017
4.	Mr. Bhaktavatsala Rao Doppalapudi	00356218	11/05/2017
5.	Mr. Rajesh Harichandra Budhrani	01284426	11/05/2017
6.	Mr. Dwarko Topandas Khilnani	01824655	13/08/2020
7.	Ms. Anuradha Eknath Thakur	06702919	13/08/2020
8.	Mr. Sumit Maheshwari	06920646	08/02/2016

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

For RATHI &ASSOCIATES COMPANY SECRETARIES

Himanshu S. Kamdar
Partner
MEM NO. FCS: 5171
COP: 3030
UDIN: F005171C000341641

Place : Mumbai
Date : May 14, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of

Privi Speciality Chemicals Limited
(formerly known as Fairchem Speciality Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Privi Speciality Chemicals Limited *(formerly known as Fairchem Speciality Limited)* ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the the Companies Act, 2013 ("Act") in the manner so required and in the context of the overriding effect of the provision in the Scheme of Merger and De-merger as approved by the National Company Law Tribunal ('NCLT'), regarding accounting of Merger and De-merger from the specified retrospective appointed date and consequential restatement of comparatives 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, 2021, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Emphasis of matter

We draw attention to Note 42 of the standalone financial statements which describes the Scheme of Merger and De-merger ('Scheme') between the Company, Privi Organics India Limited and Fairchem Organics Limited (both being wholly owned subsidiaries). The Scheme has been approved by the National Company Law Tribunal ('NCLT') vide its order dated June 30, 2020 and a certified copy has been filed by the Company with the Registrar of Companies, Maharashtra, on August 12, 2020. Since the appointed date as per the NCLT approved Scheme is April 1, 2019, the merger and the de-merger has been accounted for with effect from that date. Accordingly, the amounts relating for the year ended March 31, 2021 include the impact of the merger and de-merger for the entire year and the corresponding amounts for the previous year ended March 31, 2020 have been restated by the Company after recognising the effect of the merger and de-merger as above.

The aforesaid note also describes in detail the impact of the merger and de-merger on the standalone financial statements.

Our opinion is not modified in respect of this matter.

Other Matter

The comparative financial statements of the Company for the year ended March 31, 2020 included in these standalone financial statements, are based on the previously issued standalone financial statements audited by the predecessor auditor whose report for the year ended March 31, 2020 dated June 23, 2020 expressed an unmodified opinion on those standalone financial statements, as adjusted for the impact of effect of merger of Privi Organics India Limited and demerger of the existing business of the Holding Company to Fairchem Organics Limited, which have been audited by us.

Our opinion is not modified in respect of this matters.

Key Audit Matters

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

INDEPENDENT AUDITORS' REPORT

Description of Key Audit Matter

Key Audit Matter	How the matter was addressed in our audit
Revenue Recognition (Refer note - 21 and note 37 to the standalone financial statements) The Company's revenue is derived primarily from sale of products. The principal products of the Company comprise aroma chemicals. Revenue from sale of goods is recognised on transfer of control of the products to the customer. The Company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. The performance obligations in the contracts may be fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on contract terms. There is a risk that revenue could be recognised at a time which is different from transfer of control especially for sales transactions occurring on and around the reporting period. In view of this and since revenue is a key performance indicator of the Company, we have identified timing of the revenue recognition as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:- • Assessed the appropriateness of Company's accounting policies relating to revenue recognition as per the applicable accounting standard. • Obtained an understanding of the Company's sales process and evaluated the design and implementation of key internal controls in relation to the timing of revenue recognition. We also tested the operating effectiveness of such controls for a sample of transactions with special reference to controls over revenue recognised on and around the year end. • For a sample of sale transactions selected using statistical sampling, performed detailed testing and in particular examined whether these are recognised in the period in which control is transferred. This included examination of the terms and conditions of the customer orders including the shipping terms, transporter documents and customer acceptances. • Tested on a sample basis using statistical sampling, specific revenue transactions recorded around the year end date to check whether revenue has been recognised in the correct reporting period by examining the underlying documents. • Tested sample journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India and basis described in Note 2, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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.

INDEPENDENT AUDITORS' REPORT

In preparing the standalone financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the 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 in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

INDEPENDENT AUDITORS' REPORT

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements;

ii. The Company did not have any long-term contracts for which there were any material foreseeable losses. The Company has made provision for foreseeable losses on derivative contracts. – Refer Note 19 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. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2021.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co LLP**
Chartered Accountants
Firm's Registration No.101248W/W-100022

Jayesh T. Thakkar
Partner
Membership No: 113959
ICAI UDIN: - 21113959AAAACQ4917

Mumbai
May 14, 2021

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS – MARCH 31, 2021

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) All property, plant and equipment were physically verified by the management during the year in accordance with a planned programme of verifying them once in 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 noticed on such verification and the same have been dealt with in the books of account.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The inventory, except for goods-in-transit and stocks lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraphs 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, in respect of loans given, investments made, guarantees given and security provided.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income tax and Profession tax have generally been regularly deposited during the year with the appropriate authorities, though there have been slight delays in few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Service tax, Value Added tax, Goods and Service tax and Sales tax which have not been deposited with the appropriate authorities on account of any dispute.

According to the information and explanation given to us, the following dues of Income tax, Duty of Customs and Duty of Excise have not been deposited by the Company on account of disputes:

Name of the statue	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending	Date of payment
The Income Tax Act, 1961	Income tax	3.32	2005-2006	CIT Appeals	Not Yet Paid
The Income Tax Act, 1961	Income tax	1,111.88	2011-2012	CIT Appeals	Not Yet Paid
The Customs Act, 1962	Customs Duty	9.52	1998-1999	CESTAT	Not yet paid
The Income Tax Act, 1961	Income Tax	316.12	2014-2015	CIT Appeals	Not Yet Paid
The Income Tax Act, 1961	Income Tax	31.21	2015-2016	CIT Appeals	Not Yet Paid
The Customs Act, 1962	Customs Duty	90.54	2013-2014	CESTAT	Not Yet Paid

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS – MARCH 31, 2021

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, or to any financial institutions. The Company did not have any outstanding dues to government and debenture holders during the year.

ix. According to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained. The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45 - IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.101248W/W-100022

Jayesh T. Thakkar
Partner
Membership No: 113959
ICAI UDIN: - 21113959AAAACQ4917

Mumbai
May 14, 2021

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF PRIVI SPECIALITY CHEMICALS LIMITED

('formerly known as Fairchem Speciality Limited')

for the year ended March 31, 2021

Report on the internal financial controls with reference to the aforesaid standalone Financial Statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to Standalone Financial Statements of Privi Speciality Chemicals Limited *('formerly known as Fairchem Speciality Limited') ("the Company")* as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone Financial Statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to 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 Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 standalone financial statements.

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF PRIVI SPECIALITY CHEMICALS LIMITED

('formerly known as Fairchem Speciality Limited')

for the year ended March 31, 2021

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 controls 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.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.101248W/W-100022

Jayesh T. Thakkar
Partner
Membership No: 113959
ICAI UDIN: - 21113959AAAACQ4917

Mumbai
May 14, 2021

STANDALONE BALANCE SHEET as at March 31, 2021

(Currency: Indian Rupees in lakhs)

	Note	As at March 31, 2021	As at March 31, 2020 (Restated)
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	53,949.86	53,660.70
Capital work-in-progress	3	17,444.95	3,026.99
Right to use assets	4 a	1,879.96	2,077.28
Intangible assets	4 b	642.00	659.09
Financial assets			
Investments	5	4,302.31	4,302.31
Loans	6	957.57	822.86
Other financial assets	7	92.95	135.14
Income tax assets (net)		1,156.77	1,159.92
Other non-current assets	8	4,516.15	620.69
Total non-current assets		84,942.52	66,464.98
Current Assets			
Inventories	9	31,497.52	30,774.96
Financial assets			
Trade receivables	10	23,629.05	21,696.60
Cash and cash equivalents	11	1,136.42	8,208.19
Bank balances other than cash and cash equivalents	12	395.74	327.24
Other financial assets	7	809.26	–
Other current assets	8	9,808.19	8,931.73
Total current assets		67,276.18	69,938.72
TOTAL ASSETS		1,52,218.70	1,36,403.70
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13 a)	3,906.27	3,906.27
Other equity	13 b)	67,487.93	56,378.70
Total equity		71,394.20	60,284.97
LIABILITIES			
Non-Current Liabilities			
Financial liabilities			
i) Borrowings	14 a)	33,181.82	22,562.76
ii) Lease liabilities	14 b)	583.11	818.83
Provisions	16	1,451.06	1,291.55
Deferred tax liabilities (net)	17	1,370.03	1,332.33
Total non-current liabilities		36,586.02	26,005.47
Current Liabilities			
Financial liabilities			
i) Borrowings	15	14,228.16	23,654.21
ii) Trade payables			
a) Total outstanding dues of micro and small enterprises		–	–
b) Total outstanding dues of creditors other than micro and small enterprises	18	18,042.62	15,729.63
iii) Other financial liabilities	19	10,494.15	9,469.76
iv) Lease liabilities	14 b)	156.45	79.63
Other current liabilities	20	315.67	345.46
Provisions	16	133.88	101.57
Current tax liabilities (net)		867.55	733.00
Total current liabilities		44,238.48	50,113.26
TOTAL EQUITY AND LIABILITIES		1,52,218.70	1,36,403.70
Notes to the standalone financial statements	3 to 43		
Significant accounting policies	2		

The notes referred to above form an integral part of the standalone financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Mumbai
Date : May 14, 2021

For and on behalf of the Board of Directors

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

D. B. Rao
Executive Director
DIN: 00356218

Narayan S Iyer
Chief Financial Officer
Membership No: 105320

Ramesh Kathuria
Company Secretary
Membership No: A-11214

Mumbai
Date : May 14, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

	Note	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
INCOME			
Revenue from operations	21	**1,25,518.56**	1,29,461.83
Other income	22	**1,992.52**	2,630.61
TOTAL INCOME (I)		**1,27,511.08**	1,32,092.44
EXPENSES			
Cost of materials consumed	23	**77,099.08**	80,323.97
Purchase of Stock-in Trade		**13.09**	–
Changes in inventories of finished goods and work-in-progress	24	**(2,758.41)**	(1,517.83)
Employee benefits expense	25	**6,285.40**	5,990.34
Finance costs	26	**2,123.57**	3,346.87
Depreciation and amortisation expenses	27	**6,920.27**	5,507.52
Other expenses	28	**24,383.89**	23,514.92
TOTAL EXPENSES (II)		**1,14,066.89**	1,17,165.79
Profit before exceptional items and tax expense (I) - (II)		**13,444.19**	14,926.65
Exceptional item			
Insurance recoveries towards loss by fire (refer note: 40)		**2,309.26**	4,000.00
Profit before tax expense		**15,753.45**	18,926.65
Tax expenses:			
Current tax			
Current year		**4,011.18**	4,906.69
Tax adjustment of earlier years		**–**	(14.15)
Deferred tax		**40.12**	(367.58)
Total tax expense		**4,051.30**	4,524.96
Profit for the year (III)		**11,702.15**	14,401.69
Other comprehensive income			
Items that will not be reclassified to profit or loss - remeasurements of the net defined benefit plans		**(9.40)**	(92.33)
Income tax related to items that will not be reclassified to profit or loss		**2.42**	23.34
Other comprehensive income for the year net of taxes (IV)		**(6.98)**	(68.99)
Total comprehensive income for the year (III + IV)		**11,695.17**	14,332.70
Earnings per equity share: nominal value of share Rs. 10/- each			
Basic and diluted (Rs.)	36	**29.96**	36.87
Notes to the standalone financial statements	3 to 43		
Significant accounting policies	2		

The notes referred to above form an integral part of the standalone financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Mumbai
Date : May 14, 2021

For and on behalf of the Board of Directors

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

D. B. Rao
Executive Director
DIN: 00356218

Narayan S Iyer
Chief Financial Officer
Membership No: 105320

Ramesh Kathuria
Company Secretary
Membership No: A-11214

Mumbai
Date : May 14, 2021

STANDALONE STATEMENT OF CASH FLOWS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
A	**Cash flow from operating activities**		
	Profit before tax after exceptional items	**15,753.45**	18,926.65
	Adjustment for:		
	Depreciation and amortisation	**6,603.66**	5,219.54
	Amortisation of right of use assets	**316.61**	287.98
	Gain on write-back of Financial liabilities measured at amortised cost	**(1.72)**	(7.78)
	Sundry balances w/off	**117.45**	29.53
	Unrealised foreign exchange loss (gain)	**1,201.12**	(1,324.73)
	Interest income	**(45.87)**	(72.07)
	Finance cost	**2,123.57**	3,346.87
	Profit on sale of property, plant and equipment	**(0.30)**	–
	Provision for doubtful advances	**–**	160.00
	Operating cash flow before working capital changes	**26,067.97**	26,565.99
	Movements in Working Capital		
	(Increase) / decrease in trade receivables	**(2,589.33)**	7,980.95
	(Increase) / decrease in inventories	**(722.56)**	510.17
	(Increase) in other assets	**(1,768.88)**	(1,256.85)
	Increase / (decrease) in trade payable	**2,402.52**	(2,155.19)
	(Decrease) in other current liabilities and provisions	**(2,063.69)**	(3,537.38)
		(4,741.94)	1,541.70
	Cash generated from operations	**21,326.03**	28,107.69
	Income taxes paid	**(3,879.78)**	(6,511.25)
	Net Cash generated from operating activities [A]	**17,446.25**	21,596.44
B	**Cash flow from investing activities**		
	Purchase of property, plant & equipment	**(24,212.61)**	(17,018.15)
	Proceeds from sales of property, plant & equipment	**1.46**	–
	Purchase of investments	**–**	(864.95)
	(Investment in)/ realisation from fixed deposits (net)	**(26.31)**	433.51
	Interest received	**45.51**	74.32
	Net Cash (used in) investing activities [B]	**(24,191.95)**	(17,375.27)
C	**Cash flow from financing activities**		
	Proceeds from long-term borrowings	**14,111.74**	7,632.53
	Repayment of long-term borrowings	**(2,089.80)**	(1,998.00)
	(Repayment) / Proceeds of short term borrowings (net)	**(9,300.78)**	1,830.19
	Repayment of lease liabilities	**(302.08)**	(253.45)
	Dividend paid (including dividend distribution tax)	**(585.94)**	–
	Payment on account of the scheme of arrangement for demerger of the company	**–**	(753.47)
	Interest paid	**(2,159.21)**	(3,522.62)
	Net cash (used in) / generated from financing activities [C]	**(326.07)**	2,935.18
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(7,071.77)**	7,156.35
	Cash and cash equivalents at the beginning of the year	**8,208.19**	1,051.84
	Cash and cash equivalents at end of the year (refer note 11)	**1,136.42**	8,208.19

STANDALONE STATEMENT OF CASH FLOWS for the year ended March 31, 2021 (continued)

(Currency: Indian Rupees in lakhs)

Note A : The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Note B : Purchase of Property, Plant and Equipment includes movements capital work-in-progress (including capital advances) during the year.

Note C : Reconciliation of net debts

Particulars	Lease Liabilities	Non Current Borrowings	Current Borrowings
Balance as on April 01, 2020 (Restated)	**898.46**	**24,701.41**	**23,654.21**
Loan/ lease taken during the current year	**58.29**	**14,111.74**	
Repayment during the current year	**–**	**(2,089.80)**	**(9,300.78)**
Foreign exchange gain or loss	**–**	**(116.39)**	**(125.27)**
Impact of effective interest rate	**–**	**14.71**	**–**
Interest on lease liabilities	**84.89**	**–**	**–**
Payment against lease liabilities	**(302.08)**	**–**	**–**
Closing balance as on March 31, 2021	**739.56**	**36,621.67**	**14,228.16**

Particulars	Lease Liabilities	Non Current Borrowings	Current Borrowings
Balance as on April 01, 2019 (Restated)	–	19,250.42	21,923.70
Loan/ lease taken during the current year	1054.39	7,632.53	6,588.71
Repayment during the current year	–	(1,998.00)	(5,107.70)
Foreign exchange gain or loss	–	(193.64)	249.50
Impact of effective interest rate	–	10.10	–
Interest on lease liabilities	97.52	–	–
Payment against lease liabilities	(253.45)	–	–
Closing balance as on March 31, 2020 (Restated)	**898.46**	**24,701.41**	**23,654.21**
Significant accounting policies	**2**		
The accompanying notes form an integral part of the standalone financial statements	**3 to 43**		

The notes referred to above form an integral part of the standalone financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Mumbai
Date : May 14, 2021

For and on behalf of the Board of Directors

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

D. B. Rao
Executive Director
DIN: 00356218

Narayan S Iyer
Chief Financial Officer
Membership No: 105320

Ramesh Kathuria
Company Secretary
Membership No: A-11214

Mumbai
Date : May 14, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

A. Equity share capital

	As at March 31, 2021	As at March 31, 2020 (Restated)
Balance at the beginning of the year	**3,906.27**	3,906.27
Changes in equity share capital during the year	**–**	–
Balance at the end of the year	**3,906.27**	3,906.27

B. Other equity

	Reserves and Surplus			
	General reserve	Retained earnings*	Capital Reserve (refer note 42)	Total
Balance as at April 01, 2019 (refer note 42)	**35,573.76**	**6,484.16**	**1.00**	**42,058.92**
Transition Impact of Ind AS 116	–	(12.92)	–	(12.92)
Profit for the year	–	14,401.69	–	14,401.69
Other comprehensive income (net of tax)	–	(68.99)	–	(68.99)
Balance as at March 31, 2020 (Restated)	35,573.76	20,803.94	1.00	56,378.70
Profit for the year	**–**	**11,702.15**	**–**	**11,702.15**
Other comprehensive income (net of tax)	**–**	**(6.98)**	**–**	**(6.98)**
Total comprehensive income for the year	**–**	**11,695.17**	**–**	**11,695.17**
Contribution by and distribution to the owners				
Dividend of Rs. 1.50 per share for the year ended March 31, 2020 (including dividend distribution tax)	**–**	**(585.94)**	**–**	**(585.94)**
Balance as at March 31, 2021	**35,573.76**	**31,913.17**	**1.00**	**67,487.93**

* The Balance arising out of remeasurement of defined plans is adjusted against the available retained earnings.

Notes to the standalone financial statements	**3 to 43**
Significant accounting policies	**2**

The notes referred to above form an integral part of the standalone financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Mumbai
Date : May 14, 2021

For and on behalf of the Board of Directors

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

D. B. Rao
Executive Director
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Chief Financial Officer
Membership No: 105320

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Company Secretary
Membership No: A-11214

Mumbai
Date : May 14, 2021

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

1 Corporate Information

Privi Speciality Chemicals Limited *(Formerly known as Fairchem Speciality Limited)* ('PSCL or 'the Company') incorporated on May 25, 1985 under the provisions of the Companies Act, 1956 is a public company domiciled in India. The Company was incorporated as H. K. Agro Oil Ltd. and later changed its name and style to Adi Finechem Limited. The Company is primarily engaged in the manufacture and export of aroma chemicals and in trading of chemicals. The Company's manufacturing units are located at Mahad and Jhagadia. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Ltd.

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted by the Company in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of Compliance

These Financial Statements of the Company comprising the Balance Sheet as at March 31, 2021, Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity, and Cash Flow Statement for the year ended March 31, 2021, and a summary of significant accounting policies and other explanatory information have been prepared by the Company in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 (the 'Act'), The Audit report of statutory auditor on these standalone financial statements of the company will be addressed to the Shareholders. The standalone financial statements were authorised for issue by the Company's Board of Directors at their meetings held on May 14, 2021.

i. Basis of preparation and Presentation

Basis of Preparation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) Derivative Financial Instruments measured at fair value.

(ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

(iii) Employee's Defined Benefit Plan as per actuarial valuation.

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 under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional and Presentation Currency

The standalone financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest lakh, unless otherwise stated.

ii. Use of estimates, judgements, and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets and liabilities, Actual results may differ from these estimates and assumptions.

Estimate and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

The Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

a. Lease term, whether the Company is reasonably certain to exercise extension options – Note 4 a)

Assumptions and estimation uncertainties

Information about judgements in applying accounting policies, as well as estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Measurement of defined benefit obligations for key actuarial assumptions - Note 31.

(b) Recognition of deferred tax assets – Note 17.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

iii. Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle.

(b) it is held primarily for the purpose of being traded.

(c) it is expected to be realised within 12 months after the balance sheet date; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

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

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in, the Company's normal operating cycle.

(b) it is held primarily for the purpose of being traded.

(c) it is due to be settled within 12 months after the balance sheet date; or

(d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Terms of a liability that could, at the option of the counter party, result in its settlement by issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

iv. Property, Plant and Equipment ("PPE") and depreciation

I Recognition and Measurement

Items of Property, Plant and Equipment are measured at cost, which includes capitalized borrowing costs less accumulated depreciation and any accumulated impairment losses. The cost of the certain items of the property, plant, and equipment as of January 1, 2005. The Company's date of transition to the standards was determined with the reference to its fair value at the date.

If significant parts of an item of Property, Plant and Equipment have different useful lives, then they are accounted for as separate items (major components) of Property, Plant and Equipment

Any Gain or loss on disposal of an item of Property, Plant and Equipment is recognized in profit or loss.

II Subsequent Expenditure

Subsequent Expenditure is capitalized only if it is probable that the economic benefits flow to the associated with the Expenditure will flow to the entity.

Depreciation and Amortisation

Depreciation is calculated using the straight-line method to allocate cost of Property Plant and Equipment, net of residual values, over their estimated useful lives as per the useful life prescribed in schedule II of the Companies Act, 2013 except in case of the following class of assets where the useful life is based on technical evaluation of the management:

Asset Class	Years
Plant and Machinery	10
Furniture & Fixtures	16
Office Equipment	10
Vehicle	11
Computer	6

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

Fixtures in leasehold premises are amortized over the primary period of the lease or useful life of the fixtures, whichever is lower.

Depreciation on additions / deletions during the year is provided from the month in which the asset is ready to use to the month in which the asset is disposed of.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets required under finance leases are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II of Companies Act, 2013) unless it is reasonably certain that Company will obtain ownership by the end of lease term, in which case the depreciation rates applicable for similar assets owned by the Company are applied.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

v. Intangible assets and amortisation

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets.

Asset Class	Years
Computers and Software	3 to 6 Years
Rights of Sale of Products	5 Years
Development Rights	5 Years

About internally generated intangible assets:

Expenditure on research activities, undertaken with the prospect of development of new products or gaining new technical knowledge and understanding, is recognised in profit or loss as incurred.

Capital expenditure on research and development is capitalized and depreciated as per accounting policy mentioned above. Revenue expenditure is charged off in the year in which it is incurred.

Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in profit or loss as incurred.

Intangible assets are amortised in profit or loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

Gains or losses arising from derecognition 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 or loss when the asset is derecognised.

vi. Impairment of Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets other than biological assets. investment property, inventories, contract assets and deferred tax assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's referable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value Jess costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its Recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

vii. Borrowing costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange differences arising from foreign currency borrowings (other than long term foreign currency borrowings) to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

viii. Foreign currency transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of profit and loss of the year.

Monetary assets and liabilities in foreign currency, which are outstanding as at the balance sheet date are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/expenses.

ix. Financial Instruments

a. Financial assets

Initial recognition and initial measurement

All financial assets are initially recognised at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

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

Financial assets at amortised cost

A financial asset is classified as subsequently measured at the amortised cost if both the following conditions are met:

– The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

– Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through Other Comprehensive Income ("FVTOCI")

A financial asset is classified as subsequently measured at fair value through Other Comprehensive Income if both the following conditions are met:

– The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

– Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

(Currency: Indian Rupees in lakhs)

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to P&L. The Company did not have any financial assets at FVTOCI during the current year as well as previous year.

Financial assets at Fair Value through Profit and Loss (“FVTPL”)

Financial assets at FVTPL are a residual category for financial assets. Any financial assets which do not meet the criteria of categorizing it at amortised cost or at FVTOCI is classified as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

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 (a) 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 view of its past experience of having insignificant impairment bad debts / write-offs and based on management’s estimate considering its portfolio of customers, this trend would continue for the foreseeable future, the Company has determined that significant impairment of Financial assets is not required to be recognised based on Expected Credit Loss model.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost and financial liabilities at FVTPL. Derivative liabilities are classified as FVTPL. All financial liabilities are recognised initially at fair value. The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at 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 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 profit or loss. Except derivative instruments, the Company has not designated any financial liability as at FVTPL.

Financial liabilities at amortised cost

All financial liabilities except for derivatives are classified as measured at amortised cost. This category includes bank and other borrowings, trade payables and other financial liabilities.

(Currency: Indian Rupees in lakhs)

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 or loss.

c. Offsetting of Financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Business Model Assessment

Financial assets -Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities, or expected cash outflows or realizing cash flows through the sale of the assets.

- how the performance of the portfolio is evaluated and reported to the Company's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated- e.g., whether compensation is based on the fair value of the assets managed, or the contractual cash flows collected, and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial Assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

x. Cash and Cash equivalents

Cash and cash equivalent in the balance sheet and for the statement cash flow 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.

xi. Leases

The Company has adopted Ind AS 116 effective from April 01 2019 using modified retrospective approach. For the purpose of preparation of Standalone Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31, 2021.

The Company assesses whether a contract contains a lease, at inception of a 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 assets, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

(Currency: Indian Rupees in lakhs)

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method.

The Company has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The Company's leases mainly comprise land and buildings and Plant and equipment. The Company leases land and buildings for warehouse facilities. The Company also has leases for equipment.

xii. Inventories

Inventories include raw materials, consumable stores and spares and manufactured inventory. Inventory is valued at the lower of cost and net realisable value.

Cost comprises the purchase price, costs of conversion and other related costs incurred in bringing the inventories to their present location and condition. Cost of raw materials and consumables packing materials are determined on first in first out basis. Cost of finished goods and work in progress are determined using the absorption costing principle. Cost includes the cost of material consumed, labour and appropriate proportion of costs of conversion which include variable and fixed overheads.

Obsolete, defective, and unserviceable inventories are duly provided for. The comparison of cost and net realisable value is made on an item-to-item basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The net realisable value of work in progress is determined by reference to the selling prices of related finished products.

xiii. Revenue Recognition

Revenue from the sale of goods is recognised on the basis of approved contracts regarding the transfer of goods to a customer as per agreed terms of delivery recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over or managerial involvement with the goods, for an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and Goods and Service Tax. The Company does not provide any warranties or maintenance contracts to its customers.

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Insurance

Income in respect of Insurance and other claim is recognized only on reasonable certainty of ultimate collection. as per the requirement of the accounting standards.

Interest

Interest revenue is calculated by using the effective interest method for financial assets measured at amortised cost.

Dividend Income

Dividend income is recognised when the right to receive payment is established.

Export incentive

An export incentive is recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of export made, and there is no uncertainty as to its receipt.

xiv. Employee Benefits

(a) Short Term Employee Benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, ex-gratia etc. These are recognised as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

(b) Post-employment Benefits

(i) Provident Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

(ii) Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company`s net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the assets ceiling (if any, excluding interest), are recognised in OCI. All expenses related to defined benefit plan are recognised in employee benefits expense in the Statement of Profit and Loss.

(iii) Compensated Absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/ availment. The Company makes provision for compensated absences based on an independent external actuarial valuation carried out at the end of the year.

xv. Taxation

Income tax expense comprises current tax and deferred tax charge or credit.

Current Income Tax

Provision for current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of the Income Tax Act, 1961.Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the enacted or substantively enacted tax rates and tax laws. 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.

On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments.

Current tax assets and current tax liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

Current Tax is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Deferred Tax

Deferred tax is recognized in respect of 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.

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 utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

Deferred tax relating to items recognised outside profit or loss is recognised 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 deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternative tax ('MAT') under the provisions of the Income tax Act, 1961 is recognized as current tax in the Statement of Profit and loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent it is probable that the Company will pay normal income tax during the year for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

xvi. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the net profit for the year attributable to equity shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares, except where the results would be anti-dilutive.

xvii. Provisions and contingent liabilities

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. The expense relating to a provision is presented in the statement of profit and loss.

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.

Provision in respect of loss contingencies relating to claims litigation, assessment, fines, penalties etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, probably will not, require an outflow of resources embodying economic benefits, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the standalone financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic resources embodying economic benefits will arise, related income are recognized in the year in which the change occurs.

xviii.Fair value measurement

The Company measures financial instruments, such as, 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.

xix. Estimation of uncertainties relating to the global health pandemic from COVID-19: -

The Global pandemic Covid-19 continues. The business of the Company was not affected for the year ended March 31, 2021 and impact is insignificant.

Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

3 Property, plant and equipment

Description	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 01, 2020 (Restated)	Addition during the year	Disposal during the year	As at March 31, 2021	As at April 01, 2020 (Restated)	Depreciation for the year	Disposal during the year	As at March 31, 2021	As at March 31, 2021
At cost :									
Building	13,087.86	1,959.84	–	15,047.70	1,252.94	436.43	–	1,689.37	13,358.33
Leasehold Improvement	547.20	–	–	547.20	462.02	39.72	–	501.74	45.46
Plant and equipment	61,174.88	3,980.81	–	65,155.69	23,057.87	5,347.17	–	28,405.04	36,750.65
Electrical installation	3,336.49	152.49	–	3,488.98	1,304.20	291.58	–	1,595.78	1,893.20
Furniture and fittings	97.86	13.65	–	111.51	47.60	3.87	–	51.47	60.04
Office equipment	380.28	7.84	–	388.12	114.57	30.14	–	144.71	243.41
Computers	673.00	289.39	1.73	960.66	306.39	97.69	0.57	403.51	557.15
Lab equipment	1,114.93	73.63	–	1,188.56	515.32	84.26	–	599.58	588.98
Vehicles	404.29	192.09	–	596.38	95.18	48.56	–	143.74	452.64
	80,816.79	6,669.74	1.73	87,484.80	27,156.09	6,379.42	0.57	33,534.94	53,949.86
Capital work-in-progress	3,026.99	21,270.97	6,853.01	17,444.95	–	–	–	–	17,444.95
	83,843.78	27,940.71	6,854.74	1,04,929.75	27,156.09	6,379.42	0.57	33,534.94	71,394.81

a) The net carrying amount of property, plant and equipment, amounting to Rs. 53,949.86 lakhs (March 31, 2020 Rs. 53,660.70 lakhs) are pledged as first charge security to banks providing term loans and second charge to banks providing working capital loans.

b) The Plant and machinery, Building and electrical installation includes an amount of Rs. 53.21 lakhs, Rs. 21.58 lakhs and Rs. 2.54 lakhs respectively (March 31, 2020 : Rs. 343.25 lakhs, Rs. 130.65 lakhs and Rs. 9.98 lakhs) that represent borrowing cost capitalized @ 6.75% during the year. (March 31, 2020 : 8.6%).

c) The Company has not recognised any impairment loss during the current year (March 31, 2020 - Nil).

Description	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 01, 2019 (Restated)	Addition during the year	Disposal during the year	As at March 31, 2020 (Restated)	As at April 01, 2019 (Restated)	Depreciation for the year	Disposal during the year	As at March 31, 2020 (Restated)	As at March 31, 2020 (Restated)
At cost :									
Building	8,058.93	5,028.93	–	13,087.86	935.44	317.50	–	1,252.94	11,834.92
Leasehold Improvement	547.20	–	–	547.20	422.20	39.82	–	462.02	85.18
Plant and equipment	42,358.90	18,815.98	–	61,174.88	18,832.61	4,225.26	–	23,057.87	38,117.01
Electrical installation	2,538.22	798.27	–	3,336.49	1,049.16	255.04	–	1,304.20	2,032.29
Furniture and fixtures	92.17	5.69	–	97.86	42.87	4.73	–	47.60	50.26
Office equipment	145.98	234.30	–	380.28	104.03	10.54	–	114.57	265.71
Computers	442.77	230.23	–	673.00	245.69	60.70	–	306.39	366.61
Lab equipment	786.13	328.80	–	1,114.93	456.46	58.86	–	515.32	599.61
Vehicles	387.97	28.58	12.26	404.29	71.89	35.55	12.26	95.18	309.11
	55,358.27	25,470.78	12.26	80,816.79	22,160.35	5,008.00	12.26	27,156.09	53,660.70
Capital work-in-progress	9,377.81	19,274.08	25,624.90	3,026.99	–	–	–	–	3,026.99
	64,736.08	44,744.86	25,637.16	83,843.78	22,160.35	5,008.00	12.26	27,156.09	56,687.69

a) The net block of property, plant and equipment, amounting to Rs. 53,660.70 lakhs (March 31, 2019 Rs. 34,339.66 lakhs) are pledged as first charge security to banks providing term loans and second charge to banks providing working capital loans.

b) The Plant and Machinery, Building and electrical installation includes an amount of Rs. 343.25 lakhs, Rs. 130.65 lakhs and Rs. 9.98 lakhs respectively (March 31, 2019 : Rs. 156.54 lakhs, Rs. 8.74 lakhs and Rs. 10.48 lakhs) that represent borrowing cost capitalized @ 8.6% during the year.(March 31, 2019 : 8.6%).

c) The Company has not recognised any impairment loss during the current year (March 31, 2019 - Nil).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

4 a Right of use assets

Description	Gross carrying amount				Accumulated Amortisation				Net carrying amount
	As at April 01, 2020 (Restated)	Addition during the year	Disposal during the year	As at March 31, 2021	As at April 01, 2020 (Restated)	Amortisation for the year	Disposal during the year	As at March 31, 2021	As at March 31, 2021
Land	2,007.28	143.18	–	2,150.46	240.53	211.20	–	451.73	1,698.73
Building	419.01	–	–	419.01	122.37	122.37	–	244.74	174.27
Plant and Machinery	67.00	–	–	67.00	53.11	6.93	–	60.04	6.96
	2,493.29	143.18	–	2,636.47	416.01	340.50	–	756.51	1,879.96

The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The Company has not recognised any impairment loss during the current year (March 31, 2020 - Nil).

Description	Gross carrying amount				Accumulated Amortisation				Net carrying amount
	As at April 01, 2019 (Restated)	Addition during the year	Disposal during the year	As at March 31, 2020	As at April 01, 2019 (Restated)	Amortisation for the year	Disposal during the year	As at March 31, 2020	As at March 31, 2020
Land	1,179.85	827.43	–	2,007.28	58.95	181.58	–	240.53	1,766.75
Building	–	419.01	–	419.01	–	122.37	–	122.37	296.64
Plant and Machinery	67.00	–	–	67.00	46.16	6.95	–	53.11	13.89
	1,246.85	1,246.44	–	2,493.29	105.11	310.90	–	416.01	2,077.28

* Addition is due to transition adjustment on account of implementation of Ind AS 116 from April 01, 2019.

The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The Company has not recognised any impairment loss during the current year (March 31, 2019 - Nil).

i) The Company has taken land for non-cancellable period of 99 years, Building ranging from 3 years to 5 years and plant and machinery for 10 years.

The Company leases with contract term of less than 1 year. These leases are short term and/or leases of low value items. The company has elected not to recognise right of use assets and lease liabilities of these assets.

ii) Lease Expenses recognized in Profit and Loss statement not included in the measurement of lease liabilities:

Particulars	**Year Ended March 31, 2021**	Year Ended March 31, 2020 (Restated)
Variable lease payments	**–**	–
Expenses relating to short-term leases	**16.22**	19.98
Interest cost Lease lability	**84.89**	97.52
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	**–**	–

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

4 a Right of use assets (continued)

iii) Maturity analysis of lease liabilities– contractual undiscounted cash flows:

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Less than one year	**310.98**	145.12
One to five years	**588.00**	989.95
More than five years	**–**	–
Total undiscounted lease liabilities	**898.98**	1,135.07
Discounted Lease liabilities included in the statement of financial position	**739.56**	898.46
Current lease liability	**156.45**	79.63
Non-Current lease liability	**583.11**	818.83

iv) The Weighted average incremental borrowing rate of 9.40% p.a. for borrowings has been applied for measuring the lease liability at the date of initial application.

v) The total cash outflow for leases for year ended March 31, 2021 Rs. 302.08 lakhs (March 31, 2020 is Rs. 254.73 lakhs.)

vi) Income from sub leasing of Right to use assets is Rs. NIL.

4 b Intangible assets

Description	Gross carrying amount				Accumulated Amortisation				Net carrying amount
	As at April 01, 2020 (Restated)	Addition during the year	Disposal during the year	As at March 31, 2021	As at April 01, 2020 (Restated)	Amortisation for the year	Disposal during the year	As at March 31, 2021	As at March 31, 2021
Computer software	480.69	–	–	480.69	438.12	9.97	–	448.09	32.60
Rights of sale of products	1,057.15	183.27	–	1,240.42	505.56	174.15	–	679.71	560.71
Development rights	265.65	–	–	265.65	200.72	16.24	–	216.96	48.69
Intangible assets	1,803.49	183.27	–	1,986.76	1,144.40	200.36	–	1,344.76	642.00
Intangible assets under development	63.89	–	–	63.89	63.89	–	–	63.89	–
	1,867.38	183.27	–	2,050.65	1,208.29	200.36	–	1,408.65	642.00

Description	Gross carrying amount				Accumulated Amortisation				Net carrying amount
	As at April 01, 2019 (Restated)	Addition during the year	Disposal during the year	As at March 31, 2020 (Restated)	As at April 01, 2019 (Restated)	Amortisation for the year	Disposal during the year	As at March 31, 2020 (Restated)	As at March 31, 2020 (Restated)
Computer software	476.42	4.27	–	480.69	427.95	10.17	–	438.12	42.57
Rights of sale of products	1,021.70	35.45	–	1,057.15	343.41	162.15	–	505.56	551.59
Development rights	265.65	–	–	265.65	184.43	16.29	–	200.72	64.93
Intangible assets	1,763.77	39.72	–	1,803.49	955.79	188.61	–	1,144.40	659.09
Intangible assets under development	63.89	–	–	63.89	63.89	–	–	63.89	–
	1,827.66	39.72	–	1,867.38	1,019.68	188.61	–	1,208.29	659.09

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

5 Investments (Unquoted)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
Investments measured at Cost:				
Equity Instruments:				
Subsidiaries:				
Face value of Rs. 10 each fully paid:				
Privi Biotechnologies Private Limited	**3,62,74,728**	**4,271.70**	3,62,74,728	4,271.70
USD 1 each fully paid:				
Privi Organics USA Corp	**50,100**	**30.61**	50,100	30.61
Total		**4,302.31**		4,302.31
Aggregate amount of unquoted investments		**4,302.31**		4,302.31
Aggregate amount of impairment in value of investments		**–**		–

6 Loans (Secured, considered good)

Particulars	Non-Current Portion		Current Portion	
	As at March 31, 2021	As at March 31, 2020 (Restated)	As at March 31, 2021	As at March 31, 2020 (Restated)
Security deposits*	**957.57**	822.86	**–**	–
	957.57	822.86	**–**	–

* An amount of Rs. 376 lakhs (March 31, 2020 Rs. 325 lakhs) due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period. (refer note 30 and below table)

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Privi Biotechnologies Pvt. Ltd.	**25.00**	25.00
MoneyMart Securities Pvt. Ltd.	**–**	300.00
MM Infra & Leasing Private Limited	**351.00**	–
Total	**376.00**	325.00

7 Other financial assets

Particulars	Non-Current Portion		Current Portion	
	As at March 31, 2021	As at March 31, 2020 (Restated)	As at March 31, 2021	As at March 31, 2020 (Restated)
Investments in term deposits (with remaining maturity of more than twelve months) refer note 12	**92.95**	135.14	**–**	–
Insurance claim receivable	**–**	–	**809.26**	
	92.95	135.14	**809.26**	–

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

8 Other non-current assets

Particulars	Non-Current Portion		Current Portion	
	As at March 31, 2021	As at March 31, 2020 (Restated)	**As at March 31, 2021**	As at March 31, 2020 (Restated)
Capital advances*				
Considered good	**4,363.93**	459.11	**–**	–
Considered doubtful	**36.15**	36.15	**–**	–
Less: Allowance for doubtful advances	**(36.15)**	(36.15)	**–**	–
	4,363.93	459.11	**–**	–
Advances other than Capital advances				
Deposits with custom authorities	**6.00**	6.00	**–**	–
Prepaid expenses	**1.85**	11.36	**783.88**	1,136.58
Receivable from government authorities	**106.24**	106.09	**5,313.25**	3,566.67
Vat/sales tax receivable	**38.13**	38.13	**–**	–
Loans and advances to employees	**–**	–	**13.98**	7.90
Advance for supply of goods and services*	**–**	–	**3,857.08**	4,380.58
Less: Allowance for doubtful advances	**–**	–	**(160.00)**	(160.00)
	4,516.15	620.69	**9,808.19**	8,931.73

* An amount of Rs. 1375.82 lakhs (March 31 2020 Rs. 360.45 lakhs) due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period. (refer note 30 and below table)

Particulars	Nature of Transaction	As at March 31, 2021	As at March 31, 2020 (Restated)
Privi Organics USA Corporation	**Advance for supply of goods and services**	**975.82**	360.45
Minar Organics Pvt. Ltd.	**Capital advances**	**225.00**	–
Vivira Chemicals Pvt. Ltd.	**Capital advances**	**175.00**	–
Total		**1,375.82**	360.45

9 Inventories
(valued at lower of cost and net realisable value)

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Raw materials including goods in transit Rs. 5,559.88 lakhs (March 31, 2020 : Rs. 7,294.74 lakhs)	**9,591.30**	11,921.62
Finished goods including goods in transit Rs. 6,392.50 lakhs (March 31, 2020 : Rs. 4,042.70 lakhs)	**11,645.11**	10,554.55
Work-in-progress	**9,306.99**	7,639.14
Stores and spares	**540.64**	411.57
Packing material	**86.91**	61.28
Fuel	**326.57**	186.80
	31,497.52	30,774.96

i) The cost of inventories recognised as an expense during the year was Rs. 74,353.76 lakhs (March 31, 2020 Rs. 78,806.14 lakhs)

ii) The mode of valuation of inventories has been stated in note 2 xii.

iii) Bank overdrafts, cash credit and short-term loan from bank facility are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 10 and 15).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

10 Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Considered good-Secured		
Dues from related parties (ref note 30)	**4,652.72**	3,472.00
Dues from others (Other than related party)	**18,976.33**	18,224.60
Credit impaired	**10.86**	10.86
Less: Allowance for expected credit loss and credit impairment	**(10.86)**	(10.86)
	23,629.05	21,696.60
Refer note 33 for information about credit risk and market risk of trade receivables.		
The movement in Allowance for expected credit loss and credit impairment of receivable is as follows:		
Balance as at beginning of the year	**10.86**	10.86
Charge/(release) during the year	**–**	–
Balance as at the end of the year	**10.86**	10.86

11 Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Balances with banks:		
In current accounts	**778.74**	4,444.34
In Earner exchange foreign currency account	**341.79**	747.61
Term deposits (with original maturity of less than three months) refer note 12	**7.49**	3,006.00
Cash on hand	**8.40**	10.24
	1,136.42	8,208.19

12 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Margin money deposits (with original maturity of more than three months but less than twelve months)	**395.74**	327.24
	395.74	327.24

Note : Margin money deposit amounting to Rs. 62.39 lakhs (March 31, 2020: Rs. 225.88 lakhs) are pledged with banks for non cash limits and term deposit Rs. 290.49 lakhs (March 31, 2020: Rs. 183.33 lakhs) are pledged as cash security with banks for the loans taken by the Group and Rs. 142.91 lakhs (March 31, 2020 Rs. 3091.69 lakhs) other deposits with no lien.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

13 a) Share Capital

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Authorised Share Capital		
50,010,000 equity shares of Rs. 10 each (March 31, 2020: 50,010,000 equity shares of Rs. 10 each)	**5,001.00**	5,001.00
5,000,000 Preference shares of Rs. 10 each (March 31, 2020: 5,000,000 Preference shares of Rs. 10 each)	**500.00**	500.00
Issued, subscribed and fully paid up:		
39,062,706 equity shares of Rs. 10 each (March 31, 2020: 39,062,706 equity shares of Rs. 10 each)	**3,906.27**	3,906.27
	3,906.27	3,906.27

A Reconciliation of the number of shares:

Description	As at March 31, 2021		As at March 31, 2020 (Restated)	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	**3,90,62,700**	**3,906.27**	3,90,62,700	3,906.27
Add: Shares issued during the year	**–**	**–**	–	–
Shares outstanding at the end of the year	**3,90,62,700**	**3,906.27**	3,90,62,700	3,906.27

B Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regards to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

C Details of shareholders holding more than 5% of shares:

Particulars	As at March 31, 2021		As at March 31, 2020 (Restated)	
	Number	%	Number	%
FIH Mauritius Investments Limited	**1,90,42,828**	**48.75%**	1,90,42,828	48.75%
Mr. Mahesh P Babani	**25,86,348**	**6.62%**	25,86,348	6.62%
Banbridge Limited	**24,61,914**	**6.30%**	24,61,914	6.30%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

13 a) Share Capital (continued)

The Company was informed by promotors about the inter-se transaction between the Promoter/ Promoter Group on April 29, 2021, April 30, 2021, May 04, 2021, whereby entire holding of FIH Mauritius Investments Limited, Mr. Utkarsh Shah, M/s. Jariwala Trade Link LLP and M/s.Nahoosh Trade Link LLP (collectively called as "Sellers") were acquired by Mr. Mahesh Babani, Mr. D.B. Rao and Promoter group (collectively called as "Acquirers"). The aggregate promoter shareholding pre and post the inter-se transfers remains the same at the 74.06%. The necessary compliances as required under SEBI (Prohibition of insider Trading) Regulations, 2015 and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 has been complied with by the Acquirers, Sellers and Company.

D Aggerate number of shares allotted as fully paid up by way of bonus shares (during 5 years immediately preceding March 31, 2021):

Equity shares allotted as fully paid up Bonus shares – Nil (March 31, 2020 – Nil)

E Shares allotted as fully paid up pursuant to a scheme of arrangement without payment being received in cash (during 5 years immediately preceding March 31, 2021):

During Financial year ended March 31, 2017 – Equity shares of Rs. 10/- each – 12,634,353 shares.

13 b) Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
General reserve	**35,573.76**	35,573.76
Capital reserve	**1.00**	1.00
Retained earnings	**31,913.17**	20,803.94
Total other equity	**67,487.93**	56,378.70

The description of the nature and purpose of each reserve within equity is as follows:

A General reserve

As per the approved scheme of arrangement (Demerger) between the Privi Organics India Limited, Fairchem Specialty Limited and Privi Organics Limited during the period ended March 31, 2017 the excess of book value of assets over liabilities is treated as general reserve.

B Retained earnings

Retained earnings represent the amount of accumulated earnings/ (losses) at each Balance Sheet date of the Company, prepared in accordance with the basis of preparation section.

C Capital Reserve

As per the approved Scheme of Arrangement and Amalgamation amongst Fairchem Speciality Limited (Demerged/ Transferee Company) and Privi Organics India Limited (Transferor Company). vide NCLT Mumbai order dated June 30, 2020 all the assets, liabilities and reserve pursuant to the scheme, have been transferred at carrying amount and the difference if any being the excess is treated as capital reserve.

D The Capital management objective of the Company is to (a) maximize shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued equity share capital, share premium and all other equity.

The Company monitors capital using debt-equity ratio, which is total debt less liquid investments and bank deposits divided by total equity.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

13 b) Other Equity (continued)

The Company's Debt Equity ratio as at March 31, 2021 was as follows:

Particulars	**As at March 31, 2021**	As at March 31, 2020 (Restated)
Total Debt	**50,849.83**	48,355.62
Less: Cash and cash equivalents and short term investments	**1,532.16**	8,535.43
Net Liabilities (A)	**49,317.67**	39,820.19
Equity (B)	**71,394.20**	60,284.97
Debt – Equity Ratio	**0.69**	0.66

In addition, the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc.

14 a) Non-current borrowings

Particulars	**Non-current portion**		Current portion (*)	
	As at March 31, 2021	As at March 31, 2020 (Restated)	**As at March 31, 2021**	As at March 31, 2020 (Restated)
Secured:				
Term loans from banks				
Term loan in Indian currency (refer note (b) below)	**30,586.99**	19,360.78	**2,720.00**	1,441.50
Term loans in foreign currency	**2,582.97**	3,116.01	**645.74**	621.22
Term loans from financial institutions				
Vehicle loan (hypothecated with the lender)	**11.86**	85.97	**74.11**	75.93
	33,181.82	22,562.76	**3,439.85**	2,138.65

(*) Amount disclosed under the head 'Other financials liabilities' refer note 19

i) Term loan are secured by a first mortgage on the company's immovable properties both present and future ranking paripassu interest and a first charge by way of hypothecation of all the company's assets (save and except book debts and inventories) including movable machinery (save and except spares tools and accessories) both present and future subject to charges created in favour of the Company's bankers for inventories, book debts and other specified movable assets for securing the borrowings of working capital.

ii) Currency swap on IDFC Rupee loan of Rs. 4,000 lakhs and ICICI bank Rupee loan of Rs. 4,000 lakhs are taken @ 64.42 per USD and @ 68.13 per USD respectively and other currency swap on HDFC Bank Rupee loan of Rs. 5,600 lakhs and Rs. 7,400 lakhs are taken @ 76.78 per USD and @ 75.83 per USD respectively, The Currency swap represents derivative instruments which has been mark to market at the year end.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

14 a) Non-current borrowings (continued)

iii) Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

Name of the Bank/ Financial Institutions	Currency	Interest Rate	Year of Maturity	Installments	Carrying amount as at March 31, 2021	Carrying amount as at March 31, 2020 (Restated)
Foreign Currency						
Ratnakar Bank - ECB	EUR	**2.75%**	2026	The term loan is repayable in 24 quarterly installments of EURO 187,500.00 each starting from Apr 2020.	**3,228.71**	3,737.23
Foreign Currency - Total-A					**3,228.71**	3,737.23
Indian Currency						
Bank of Baroda	INR	**11.20% - 12.89%**	2020	The term loan is repayable in 20 quarterly installments of Rs. 41.50 lakhs Starting from June 2015.	**–**	41.50
Kotak Mahindra Bank	INR	**6.25%**	2027	The term loan is repayable in 20 quarterly installments of Rs. 250 lakhs Starting from Mar 2023.	**4,963.63**	–
CITI Bank	INR	**5.70%**	2025	The term loan is repayable in 12 quarterly installments of Rs. 750 lakhs Starting from Mar 2023.	**8,971.88**	–
ICICI Bank	INR	**7.90%**	2024	The term loan is repayable in 20 quarterly installments of Rs. 200 lakhs Starting from Sep 2020.	**3,395.49**	3,993.41
IDFC Bank	INR	**8.60%**	2025	The term loan is repayable in 20 quarterly installments of Rs. 200 lakhs Starting from Mar 2020.	**3,000.00**	3,800.00
HDFC Bank	INR	**7.90%**	2026	The term loan is repayable in 20 quarterly installments of Rs. 280 lakhs Starting from Apr 2021.	**5,575.99**	5,567.37
HDFC Bank	INR	**8.38%**	2027	The term loan is repayable in 20 quarterly installments of Rs. 370 lakhs Starting from Jun 2022.	**7,400.00**	7,400.00
Toyota Financial services India Limited (Vehicle loan)	INR	**9.14%**	2022	The term loan is repayable in 36 monthly installments of Rs. 8.36 lakh starting from Jan 2019.	**70.44**	143.01
Yes Bank (Vehicle loan)	INR	**8.97%**	2024	The term loan is repayable in 60 monthly installments of Rs. 0.41 lakh starting from Jan 2020.	**15.53**	18.89
Indian Currency - B					**33,392.96**	20,964.18
Total Term Loan (A+B)					**36,621.67**	24,701.41

14 b) Lease liabilities

Particulars	Non-Current portion		Current portion	
	As at March 31, 2021	As at March 31, 2020 (Restated)	**As at March 31, 2021**	As at March 31, 2020 (Restated)
Lease liabilities	**583.11**	818.83	**156.45**	79.63
	583.11	818.83	**156.45**	79.63

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

15 Current borrowings (secured)

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
From Banks:		
Cash credit	**14.81**	–
Working capital demand loan	**7,500.00**	13,513.17
Packing credit from bank	**6,713.35**	8,862.73
Buyers credit	**–**	1,278.31
Total	**14,228.16**	23,654.21

a) All the above loans are secured by first pari passu charge on all current assets of the Company both present and future.

b) Working capital loans from banks are secured by way of hypothecation of inventories both on hand and in transit and book debts and other receivables both present and future and also secured by way of second charge on fixed assets. Working capital loans carry interest rate @ 5.50% to 6.40%.

c) Post shipment and packing credit from bank carry interest rate @ 0.70% to 6.75% and are due for payment within 180 days.

d) Cash Credit loan from bank carry interest rate @ 6.50% to 7.00%.

16 Provisions

Particulars	Non-Current portion		Current portion	
	As at March 31, 2021	As at March 31, 2020 (Restated)	As at March 31, 2021	As at March 31, 2020 (Restated)
Provisions for employee benefits				
Compensated absences (refer note 31)	**367.02**	337.83	**50.76**	38.56
Gratuity (refer note 31)	**1,084.04**	953.72	**83.12**	62.81
Other provision				
Provision for wealth tax	**–**	–	**–**	0.20
	1,451.06	1,291.55	**133.88**	101.57

17 Income tax

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Amounts recognised in profit or loss		
The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:		
Current income tax:		
Current income tax expenses	**4,011.18**	4,906.69
Tax Adjustment of earlier years	**–**	(14.15)
Deferred tax:		
Relating to origination and reversal of temporary differences	**40.12**	(367.58)
Income tax expense reported in the statement of profit or loss	**4,051.30**	4,524.96

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

17 Income tax (continued)

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Income tax recognised in other comprehensive income		
Tax expense related to items recognised in OCI during the year:		
Remeasurements of defined benefit (asset)	**(2.42)**	(23.34)
Income tax charged to OCI	**(2.42)**	(23.34)
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:		
Accounting profit before income tax	**15,753.45**	18,926.65
At India's statutory income tax rate of 25.17% (March 31, 2020 : 25.17%)	**3,965.14**	4,763.84
Impact of Ind AS 116	**–**	11.95
Impact of change in tax rate	**–**	(529.49)
Reversal of DTA	**–**	15.29
Non-deductible expenses for tax purposes	**85.60**	174.10
Others	**0.56**	89.27
	4,051.30	4,524.96
	4,051.30	4,524.96
Income tax expense reported in the statement of profit and loss	**–**	

The Company has chosen to exercise the option of lower tax rate of 25.17% (inclusive of surcharge and cess) under Section 115BAA of the Income tax act,1961 as introduced by the Taxation laws (Amendment) Ordinance 2019. The impact of this change has been recognised in tax expenses for the year ended March 31, 2021 and March 31, 2020 respectively at the effective tax rate.

Particulars	As at April 01, 2020 (Restated)	Credit/(charge) in the statement of Profit and Loss	Credit/(charge) in other comprehensive income	Adjustments due to transition impact of Ind AS 116	As at March 31, 2021
Deferred tax (assets)/liabilities					–
Tax depreciation	**2,175.45**	**130.21**	**–**	**–**	**2,305.66**
Deferred asset on ROU impact	**(20.64)**	**(3.66)**	**–**	**–**	**(24.30)**
Provision for doubtful debts and advances	**(54.79)**	**–**	**–**	**–**	**(54.79)**
Expenses allowable for tax purposes when paid	**(365.64)**	**(57.65)**	**(2.42)**	**–**	**(425.71)**
Forex loss unrealised Impact (Derivative instrument)	**(402.05)**	**(28.78)**	**–**	**–**	**(430.83)**
	1,332.33	**40.12**	**(2.42)**	**–**	**1,370.03**

Particulars	As at April 01, 2019 (Restated)	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	Adjustments due to transition impact of Ind AS 116	As at 31 March, 2020 (Restated)
Deferred tax (assets)/liabilities					
Tax Depreciation	2,325.26	(149.81)	–	–	2,175.45
Deferred asset on ROU impact	–	(13.69)	–	(6.95)	(20.64)
Provision for doubtful debts and advances	(20.16)	(34.63)	–	–	(54.79)
Expenses allowable for tax purposes when paid	(392.84)	50.54	(23.34)	–	(365.64)
Forex loss unrealised Impact (Derivative instrument)	(182.06)	(219.99)	–	–	(402.05)
	1,730.20	(367.58)	(23.34)	(6.95)	1,332.33

a) In respect of Deferred taxes, all items are attributable to origination and reversal of temporary differences.

b) Deferred tax benefits are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which, those deductible temporary differences can be realised.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
18 Trade payables		
a) Total outstanding dues of micro and small enterprises		
b) Total outstanding dues of creditors other than micro and small enterprises		
i) Payable to Related parties : (refer note 30)	**2,156.60**	1,600.70
ii) Payable to Others	**15,886.02**	14,128.93
	18,042.62	15,729.63
The Company's exposure to credit and currency and liquidity risk related to trade payables are disclosed in Note 33.		
Information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006.		
a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	–	–
(ii) The interest due on above	–	–
The total of (i) & (ii)	–	–
b) The amount of interest paid by the buyer in terms of Section 16 of the Act	–	–
c) The amount of the payment made to the supplier beyond the appointed day during the accounting year	–	–
d) The amounts of interest accrued and remaining unpaid at the end of financial year	–	–
e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act.	–	–
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	–	–
The above information has been determined to the extent such parties have been identified on the basis of information available with the Group and the same has been relied upon by the auditors.		
19 Other financial liabilities		
Interest accrued but not due on borrowings	**131.34**	127.66
Payable for capital expenditure	**5,505.61**	4,583.78
Deposits	**0.25**	0.25
Salaries, wages and bonus payable	**766.92**	877.32
Derivative Instruments (refer note 14a)	**637.03**	1,615.18
Current maturities of long term debt (refer note 14a)	**3,439.85**	2,138.65
Interest on delayed payment of income tax	**13.15**	126.92
	10,494.15	9,469.76
The Company's exposure to credit and currency and liquidity risk related to the above financial liabilities are disclosed in Note 33.		
20 Other current liabilities		
Statutory dues (including provident fund, tax deducted at source and others)	**199.00**	178.13
Advance from customers (refer note 37)	**116.67**	137.43
Provision for Stamp Duty on account of demerger	–	29.90
	315.67	345.46

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
21 Revenue from operations		
Revenue from contracts with customers disaggregated based on nature of product or services		
Sale of products (refer note 29 and 37)		
a) Manufactured Goods	**1,24,659.49**	1,27,431.66
b) Traded goods	**13.20**	–
	1,24,672.69	1,27,431.66
Other operating revenues		
a) Export incentives	**698.50**	1,854.94
b) Scrap Sales	**147.37**	175.23
	845.87	2,030.17
	1,25,518.56	1,29,461.83
22 Other income		
Interest income from fixed deposits carried at amortise cost	**45.87**	72.07
Gain on write-back of Financial liabilities measured at amortised cost	**1.72**	7.78
Profit on disposal of property, plant and equipment (net)	**0.30**	–
Profit on sales of investment (net) at FVTPL	**16.35**	0.42
Net Gain on Foreign currency Transactions and Translation	**1,856.73**	2,004.12
Miscellaneous income	**71.55**	546.22
	1,992.52	2,630.61
23 Cost of materials consumed		
Raw material consumed		
Opening Stock	**11,921.62**	14,154.48
Add: Purchases	**73,054.82**	76,749.90
Less: Closing stock	**9,591.30**	11,921.62
Consumption	**75,385.14**	78,982.76
Packing material consumed		
Opening Stock	**61.28**	82.16
Add: Purchases	**1,739.57**	1,320.33
Less: Closing Stock	**86.91**	61.28
Consumption	**1,713.94**	1,341.21
	77,099.08	80,323.97

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
24 Changes in inventories of finished goods and work in progress		
Closing stock:		
Finished goods	**11,645.11**	10,554.55
Work in progress	**9,306.99**	7,639.14
	20,952.10	18,193.69
Opening stock:		
Finished goods	**10,554.55**	10,489.31
Work in progress	**7,639.14**	6,186.55
	18,193.69	16,675.86
(Increase)/ decrease in inventories	**(2,758.41)**	(1,517.83)
25 Employee benefits expense		
Salaries, wages and bonus	**5,533.21**	5,304.52
Contribution to provident and other funds	**293.15**	274.69
Staff welfare expenses	**459.04**	411.13
	6,285.40	5,990.34
26 Finance cost		
Interest on term loans using effective interest rate measured at amortised cost	**1,286.57**	1,097.58
Add - Exchange difference regarded as an adjustment as per para 6E to borrowing costs	**189.35**	372.77
Less: Exchange loss capitalised as per para 6E from borrowing Cost	**(162.35)**	(108.73)
Less: Interest capitalised	**(532.94)**	(500.98)
Net interest on term loans	**780.63**	860.64
Interest on working capital loans using effective interest rate measured at amortised cost	**1,218.29**	2,233.64
Interest on vehicle loans using effective interest rate measured at amortised cost	**11.89**	18.05
Loan arrangement fees amortised using effective rate of interest basis	**14.72**	10.10
Interest on delayed payment of income tax	**13.15**	126.92
Interest cost lease liability using effective interest rate measured at amortised cost	**84.89**	97.52
	2,123.57	3,346.87
27 Depreciation and amortisation		
Depreciation on property, plant and equipment	**6,379.42**	5,008.00
Amortisation of intangible assets	**200.36**	188.61
Amortisation right to use assets	**340.49**	310.91
	6,920.27	5,507.52

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
28 Other expenses		
Consumption of stores and spares	**1,240.96**	1,040.10
Power and fuel	**6,961.95**	6,021.22
Job work charges	**2,160.03**	2,748.61
Repairs and maintenance of:		
Buildings	**414.58**	369.68
Plant and machinery	**817.43**	868.01
Others	**145.98**	114.24
Contract labour charges	**1,117.78**	915.64
Lease expense (refer note 4a)	**16.22**	19.98
Research and development expense	**615.38**	682.83
Pollution control expenses	**309.55**	225.87
Other factory expenses	**560.00**	440.52
Insurance	**1,364.74**	1,941.94
Postage and telephone expense	**70.36**	58.76
Rates and taxes	**57.78**	139.19
Training expenses	**9.93**	24.32
Auditors remuneration:		
'For audit	**43.25**	37.25
'For limited review	**27.00**	27.00
'Other services	**3.90**	3.50
Out of pocket expenses	**2.06**	2.23
Brokerage and commission	**188.34**	111.60
Printing and stationery	**58.53**	94.01
Freight outward	**3,833.30**	2,837.86
Selling and distribution	**1,251.72**	1,120.72
Legal and professional fees	**1,285.47**	1,411.55
Travelling and conveyance	**366.25**	661.68
Bank charges	**184.54**	303.55
CSR expenses*	**240.08**	113.97
Sundry balances w/off	**117.45**	29.53
Allowance for doubtful advances	**–**	160.00
Miscellaneous expenses (net)	**919.33**	989.56
	24,383.89	23,514.92

* **Corporate Social Responsibility**

The Gross amount required to be spent by Company during the year towards Corporate Social Responsibility (CSR) as per provision of Section 135 of Companies Act, 2013 amounts to Rs. 162.87 lakhs (March 31, 2020 : Rs. 125.67 lakhs). Amount spent during the year on CSR activities in note 28 of the statement of Profit and loss as under :

Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
Amount spend for the year		
Employee benefit expenses	**–**	–
Expenses yet to incurred	**–**	–
Other Expenses (Education, Environment, Health & Hygiene & Model village, water tank etc.)	**240.08**	113.97
	240.08	113.97
In cash	**240.08**	113.97
Yet to be paid in cash	**–**	–
	240.08	113.97

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

29 Segment information

A. Factors used to identify the entity's reportable segments, including the basis of organisation

For management purpose, the Company has determined its reportable segment as "Aromatic chemicals" since the chief operating decision maker (CODM) evaluates the Company's performance as a single segment.

B. Information about reportable segments

Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
Revenue	**1,24,672.69**	1,27,431.66
	1,24,672.69	1,27,431.66

C. Geographic information

The geographic information analyses the Company's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segments assets were based on the geographic location of the respective non-current assets.

The product offerings which are part of the speciality chemicals portfolio of the Company are managed on a worldwide basis from India. (refer note 37)

The amount of the group's revenue is shown in the table below.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
India	**31,363.27**	31,809.88
Outside India #	**93,309.42**	95,621.78
Total	**1,24,672.69**	1,27,431.66

Includes deemed exports of Rs. 2,490.55 lakhs for the year (March 31, 2020 : Rs. 3,491.81 lakhs)

All the non-current assets of Company are located within India.

D. Information about Major Customers

Revenue from one major customer represented approximately Rs. 18,827.44 lakhs (March 31, 2020 : Rs. 16,724.25 lakhs)

30 Related party disclosures

Details of transactions between the Company and other related party are disclosed below.

a) List of Related Parties

Promoter Group

FIH Mauritius Investments Limited, Republic of Mauritius (FMIL)

FIH Private Investments Limited, Mauritius

(FMIL is wholly owned and controlled by Fairfax India Holdings Corporation, Canada)

Subsidiary Companies

Privi Biotechnologies Private Limited

Privi Organics USA Corporation

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

30 Related party disclosures (continued)

Enterprises owned by Key Management Personnel or their relatives

Vivira Chemical Industries

Minar Organics Private Limited

Vivira Chemicals Private Limited

Privi Life Sciences Private Limited

Moneymart Securities Private Limited

Babani Investment and Trading Private Limited

Satellite Technologies Private Limited

Vivira Investment and Trading Private Limited

Prasad Organics Private Limited

MM Infra & Leasing Private Limited

Babani Bros. LLP

Fairchem Organics Limited

Privi Organics Limited

Jariwala Tradelink LLP

Nahoosh Tradelink LLP

Key Management Personnel (KMP)

Mr. Mahesh P. Babani	Chairman & Managing Director
Mr. D. B. Rao	Executive Director
Mr. Nahoosh Jariwala	Managing Director upto closing hours of August 12, 2020
Mr. Utkarsh Shah	Chairman upto closing hours of August 12, 2020

Relatives of Key Management Personnel

Mahesh Purshottam Babani HUF

Mrs. Seema Mahesh Babani

Ms. Snehal Mahesh Babani

Ms. Jyoti Mahesh Babani

Mr. D. Vijaykumar

Mr. D. Vinaykumar

Mrs. Grace Vinaykumar

Mrs. Sharon Doppalapudi

Mrs.Premaleela Doppalapudi

Mr. Rajkumar Doppalapudi

Mrs. Prasanna Raj

Mr. Rameshbabu Gokameswararao Guduru

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

30 Related party disclosures (continued)

b) During the year, following transactions were carried out with the related parties :

Particulars	Subsidiaries		Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2021	March 31, 2020 (Restated)	**March 31, 2021**	March 31, 2020 (Restated)	**March 31, 2021**	March 31, 2020 (Restated)
Transactions						
Purchase of raw materials						
Privi Life Science Pvt Ltd	–	–	**31.29**	24.86	–	–
Privi Organics USA Corporation	**9,945.26**	10,758.12	–	–	–	–
Prasad Organics Pvt Ltd	–	–	**1,710.94**	–	–	–
Sale of finished goods						
Privi Organics USA Corporation	**18,906.25**	16,552.82	–	–	–	–
Privi Life Science Pvt Ltd	–	–	**20.38**	21.08	–	–
Prasad Organics Pvt Ltd	–	–	**1,054.35**	–	–	–
Sale of Property plant & equipment						
Privi Organics Ltd	–	–	**1.46**	–	–	–
Lease expense						
Minar Organics Pvt Ltd	–	–	**15.00**	15.00		
Vivira Chemicals Pvt Ltd	–	–	**12.00**	12.00	–	–
Moneymart Securities Pvt Ltd	–	–	**120.00**	180.00	–	–
Privi Biotechnologies Pvt Ltd	**60.00**	60.00	–	–	–	–
MM Infra & Leasing Private Limited	–	–	**96.00**	–	–	–
Technical Fees						
Privi Biotechnologies Pvt Ltd	**420.00**	420.00	–	–	–	–
Lease income						
Minar Organics Pvt Ltd	–	–	**0.30**	0.30		
Privi Life Science Pvt Ltd	–	–	**12.00**	12.00	–	–
Vivira Chemicals Pvt Ltd	–	–	**0.30**	0.30	–	–
Security Deposit						
MM Infra & Leasing Private Limited	–	–	**351.00**	–	–	–
Privi Biotechnologies Pvt Ltd	–	25.00	–	–	–	–
Reimbursement of Expense Received						
Privi Organics USA Corporation	**33.02**	31.00	–	–	–	–
Fairchem Organics Limited	–	–	**411.95**	–	–	–
Commission paid						
Privi Organics USA Corporation	**5.58**	–	–	–	–	–
Loan and Advances						
Privi Organics USA Corporation	**975.82**	1,201.16	–	–	–	–
Minar Organics Pvt Ltd	–	–	**225.00**	–	–	–
Vivira Chemicals Pvt Ltd	–	–	**175.00**	–	–	–
Investment in shares						
Privi Biotechnologies Pvt Ltd	–	864.95	–	–	–	–

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

30 Related party disclosures (continued)

Particulars	Subsidiaries		Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2021	March 31, 2020 (Restated)	**March 31, 2021**	March 31, 2020 (Restated)	**March 31, 2021**	March 31, 2020 (Restated)
Managerial remuneration						
Mr. D. B. Rao (*)	–	–	–	–	**210.00**	210.00
Mr. Mahesh P Babani (*)	–	–	–	–	**500.00**	360.00
Salary paid					–	
Mr. D. Vinaykumar	–	–	–	–	**54.73**	21.78
Dividend Paid						
Mr. Mahesh P Babani	–	–	–	–	**38.80**	–
Mr. D. B. Rao	–	–	–	–	**10.85**	–
Mr. Utkarsh Shah	–	–	–	–	**0.38**	–
FIH Mauritius Investments Ltd	–	–	**285.64**	–	–	–
FIH Private Investments Ltd	–	–	**0.05**	–	–	–
Moneymart Securities Pvt Ltd	–	–	**3.10**	–	–	–
Vivira Investment and Trading Pvt Ltd	–	–	**2.85**	–	–	–
Jariwala Tradelink LLP	–	–	**5.05**	–	–	–
Nahoosh Tradelink LLP	–	–	**9.95**	–	–	–
Vivira Chemicals Pvt Ltd	–	–	**1.20**	–	–	–
Mahesh Purshottam Babani HUF	–	–	–	–	**26.88**	–
Ms. Seema Mahesh Babani	–	–	–	–	**5.85**	–
Ms. Jyoti Mahesh Babani	–	–	–	–	**5.85**	–
Ms. Snehal Mahesh Babani	–	–	–	–	**5.85**	–
Ms. Premaleela Doppalapudi	–	–	–	–	**2.66**	–
Mr. Vinaykumar Doppalapudi Rao	–	–	–	–	**7.17**	–
Ms. Grace Vinaykumar	–	–	–	–	**2.25**	–
Mr. Vijaykumar Doppalapudi	–	–	–	–	**6.82**	–
Ms. Sharon Doppalapudi	–	–	–	–	**2.38**	–
Mr. Rajkumar Doppalapudi	–	–	–	–	**6.69**	–
Ms. Prasanna Raj	–	–	–	–	**2.78**	–
Mr. Rameshbabu Gokarneswararao Guduru	–	–	–	–	**0.90**	–

*Remuneration does not include charge for gratuity and leave encashment as employee-wise break up is not available

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

30 Related party disclosures (continued)

c) Outstanding balances

Particulars	Subsidiaries and Associates		Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2021	March 31, 2020 (Restated)	**March 31, 2021**	March 31, 2020 (Restated)	**March 31, 2021**	March 31, 2020 (Restated)
Receivables/Other assets						
Privi Organics USA Corporation	**4,783.22**	3,355.87	**–**	–	**–**	–
Vivira chemicals Industries	**–**	–	**0.51**	0.51		
Mm Infra & Leasing Private Limited	**–**	–	**351.00**	–	**–**	–
Privi Life Science Private Limited	**–**	–	**52.51**	115.35	**–**	–
Minar Organics Pvt Ltd	**–**	–	**225.09**	–	**–**	–
Moneymart Securities Pvt Ltd.	**–**	–	**–**	300.00	**–**	–
Prasad Organics Pvt Ltd	**–**	–	**792.15**	–	**–**	–
Vivira Chemicals Pvt. Ltd.	**–**	–	**175.06**	–	**–**	–
Privi Biotechnologies Pvt Ltd	**25.00**	27.54	**–**	–	**–**	–
Investments						
Privi Organics USA Corporation	**30.61**	30.61		–	**–**	–
Privi Biotechnologies Pvt Ltd	**4,271.70**	4,271.70	**–**	–	**–**	–
Trade Payables						
Privi Biotechnologies Pvt Ltd	**129.16**	9.60	**–**		**–**	–
Privi Life Science Pvt Ltd	**–**	–	**21.06**	2.25	**–**	–
Prasad Organics Pvt Ltd	**–**	–	**412.51**	–	**–**	–
Vivira Chemicals Pvt. Limited	**–**	–	**0.93**	–	**–**	–
Minar Organics Pvt Ltd	**–**	–	**1.16**	–	**–**	–
Privi Organics USA Corporation	**1,591.78**	1,588.85	**–**	–	**–**	–
Payable to Key Management Personal						
Mr. Mahesh P Babani (*)	**–**	–	**–**	–	**24.83**	18.54
Mr. D. B. Rao (*)	**–**	–	**–**	–	**7.05**	12.26
Relatives of Key Management Personnel	**–**	–	**–**	–		
Mr. D. Vinaykumar (**)	**–**	–	**–**	–	**0.54**	0.54

** Remuneration Net of Tax Deducted at Source and includes short term benefit

** Remuneration Net of Tax Deducted at Source and includes short term benefit and post employment benefit

31 Employee benefits – Post-employment benefit plans

a) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, and ESIC which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue.

The Company has recognised the following amount as an expense and included in the Note 25 under "Contribution to provident & other funds".

Particulars	**Year ended March 31, 2021**	Year ended March 31, 2020 (Restated)
Contribution to employees provident fund	**287.39**	265.92
Contribution to ESIC	**5.40**	8.39

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

31 Employee benefits – Post-employment benefit plans (continued)

b) Defined benefit plans

The Company operates one post-employment defined benefit plan that provides gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement. In case of employees completing longer service periods, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Amount recognised in the Balance Sheet in respect of Gratuity		
Present value of the defined benefit obligation at the end of the year	**1,167.16**	1,016.53
Fair value of the plan assets	**–**	–
Net liability	**1,167.16**	1,016.53

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Movement in present value of defined benefit obligation		
Opening Liability	**1,016.53**	789.99
Current service cost	**101.05**	85.77
Interest cost	**69.53**	59.01
Actuarial /loss	**9.40**	92.33
Benefits paid	**(29.35)**	(10.57)
Closing defined benefit obligation	**1,167.16**	1,016.53
Expense recognised in statement of profit and loss		
Current service cost	**101.05**	85.77
Interest on defined benefit obligations	**69.53**	59.01
Total	**170.58**	144.78
Remeasurements recognised in Other comprehensive income		
Change in financial assumptions	**(1.98)**	53.42
Change in Demographic Assumptions	**–**	(4.81)
Experience adjustments	**11.38**	43.72
Total	**9.40**	92.33
Total expense recognised	**179.98**	237.11

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

31 Employee benefits – Post-employment benefit plans (continued)

b) Defined benefit plans (continued)

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Principal actuarial assumptions at the balance sheet date		
Discount rate (p.a.)	**6.86%**	6.84%
Expected rate of Salary increase (p.a.)	**8.25%**	8.25%
Attrition Rate	**For service 2 years and below 20.00%**	For service 2 years and below 20.00%
	For service 3 years to 4 years 10.00%	For service 3 years to 4 years 10.00%
	For service 5 years and above 5.00%	For service 5 years and above 5.00%
Mortality Tables	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)

At March 31, 2021 the weighted average duration of the defined benefit obligation was 10 years (March 31, 2020 – 10 years)

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Discount rate		Future salary increase	
	March 31, 2021	March 31, 2020 (Restated)	March 31, 2021	March 31, 2020 (Restated)
Impact on defined benefit obligation due to:				
a. 1% increase	**(92.25)**	(82.62)	**104.17**	93.37
b. 1% decrease	**106.68**	95.64	**(91.93)**	(82.33)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period, as calculated by Actuary.

Experience adjustment for last five years

Particulars	March 31, 2021	March 31, 2020 (Restated)	March 31, 2019 (Restated)	March 31, 2018 (Restated)	March 31, 2017 (Restated)
Defined benefit obligation	**1,167.16**	1,016.53	789.99	627.56	522.23
Surplus/(deficit)	**(1,167.16)**	(1,016.53)	(789.99)	(627.56)	(522.23)
Experience adjustment on plan liabilities	**11.38**	43.72	54.61	23.63	31.42

Compensatory absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Amount of Rs. 87.88 lakhs (March 31, 2020 Rs. 147.42 lakhs) has been recognised in the Standalone Statement of profit and loss on account of provision for long-term employment benefit.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

32 Financial instruments

a. Accounting classification and fair values

The Company is exposed to the risks of changes in fair value of its financial assets and liabilities. The following table summarises the fair values and carrying amounts of financial instruments.

As on March 31, 2021	Note	Carrying value				Fair value measurement using		
		Amortised cost	**Financial assets/ liabilities at FVTPL**	**Financial assets/ liabilities at FVOCI**	**Total carrying amount**	**Level 1**	**Level 2**	**Level 3**
Financial assets:								
Investment in equity instruments (unquoted)	5	**4,302.31**	–	–	**4,302.31**	–	–	–
Trade receivables	10	**23,629.05**	–	–	**23,629.05**	–	–	–
Cash and cash equivalents	11	**1,136.42**	–	–	**1,136.42**	–	–	–
Bank balances other than cash and cash equivalents	12	**395.74**	–	–	**395.74**	–	–	–
Loans	6	**957.57**	–	–	**957.57**	–	–	–
Other financial assets	7	**92.95**	–	–	**92.95**	–	–	–
Financial liabilities:								
Non Current borrowings	14 a)	**33,181.82**	–	–	**33,181.82**	–	–	**33,181.82**
Current borrowings	15	**14,228.16**	–	–	**14,228.16**	–	–	–
Trade payables	18	**18,042.62**	–	–	**18,042.62**	–	–	–
Derivatives	19	–	**637.03**	–	**637.03**	–	**637.03**	
Lease liabilities	14 b	**739.56**	–	–	**739.56**	–	–	**739.56**
Other financial liabilities (other than lease liabilities)	19	**9,857.12**	–	–	**9,857.12**	–	–	

As on March 31, 2020 (Restated)	Note	Carrying value				Fair value measurement using		
		Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial assets:								
Investment in equity instruments (unquoted)	5	4,302.31	–	–	4,302.31	–	–	–
Trade receivables	10	21,696.60	–	–	21,696.60	–	–	–
Cash and cash equivalents	11	8,208.19	–	–	8,208.19	–	–	–
Bank balances other than cash and cash equivalents	12	327.24	–	–	327.24	–	–	–
Loans	6	822.86	–	–	822.86	–	–	–
Other financial assets	7	135.14	–	–	135.14	–	–	–
		–						
Financial liabilities:		–						
Non Current borrowings	14 a)	22,562.76	–	–	22,562.76	–	–	22,562.76
Current borrowings	15	23,654.21	–	–	23,654.21	–	–	–
Trade payables	18	15,729.63	–	–	15,729.63	–	–	–
Derivatives	19	–	1,615.18	–	1,615.18	–	1,615.18	
Lease liabilities	14 b	898.46	–	–	898.46	–	–	898.46
Other financial liabilities (other than lease liabilities)	19	7,854.58	–	–	7,854.58	–	–	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

32 Financial instruments (continued)

b. The fair value of financial instruments as referred to in note (a) above have been classified into a three categories depending on the inputs used in the valuation technique.

The categories used are as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

c. Calculation of fair values

The fair values of the financial assets and liabilities are defined as 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. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2020.

(i) The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates. In case the forwards are taken from banks and financial institutions, the fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies by the bankers.

(ii) The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

(iii) Loans, lease liabilities and borrowings have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

(iv) Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.

33 Financial risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports regularly to the board of Directors on its activities.

The Company's risk management are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities.

The Audit committee oversees how management monitors compliance with the company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit committee is assisted in its oversight role by internal audit by external party.

The Company has exposure to the following risks arising from the financial instruments:

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The carrying amount of financial assets represent the maximum credit exposure.

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. However, management also consider the factors that may influence the credit risk of its customer base. including the default risk associated with the industry and country in which company operates.

The Company analyses credit worthiness of each new customer individually before standard payment and delivery terms are offered. The Company is monitoring economic environment in countries where it operates and is taking actions to limit its exposure to customers in those countries experiencing particular economic volatility.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

33 Financial risk management (continued)

a) Credit Risk (continued)

Impairment of Trade receivables

At March 31, 2021, the ageing of trade and other receivables that were not impaired was as follows.

Particulars	Carrying amount	
	March 31, 2021	March 31, 2020 (Restated)
Neither past due nor impaired	**18,868.67**	16,394.25
Past due 0-90 days	**3,844.21**	4,044.30
Past due 90-180 days	**547.81**	701.29
Past due 180-270 days	**294.45**	40.34
Past due 270-360 days	**8.34**	–
More than 360 days	**65.57**	516.42
	23,629.05	21,696.60

Movement in Loss allowance measured at amount equal to life time expected credit losses for trade receivables.

Particulars	Amount
Balance as at April 01, 2019 (Restated)	10.86
Impairment loss recognised	–
Amounts written off	–
Balance as at March 31, 2020 (Restated)	10.86
Impairment loss recognised	–
Amounts written off	–
Balance as at March 31, 2021	**10.86**

The Company uses an allowance matrix to measure the expected credit loss of trade receivables. Based on the industry practices and the business environment in which the entity operates, Management considers that the trade receivables are in default (credit impaired) if the payments are more than 365 days past due.

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk and the current provision for the bad debts represents the impacted credit loss it foresees in its receivables.

Financial assets other than trade receivables are not impaired and further, there are no amounts that are past due. Management believes that the amounts are collectible in full, based on historical payment behaviour.

b) Liquidity risk

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

The Company maintains the level of its cash and cash equivalents at an amount in excess of expected cash outflow on financial liabilities. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash inflows on trade and other payables

Exposure to liquidity risk:

The following are 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

33 Financial risk management (continued)

b) Liquidity risk (continued)

March 31, 2021	Contractual cash flows					
	Carrying amount	**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Term loans from banks	**36,621.67**	**36,621.67**	**3,439.85**	**5,844.70**	**24,184.10**	**3,153.02**
Other borrowings	**14,228.16**	**14,228.16**	**14,228.16**	**–**	**–**	**–**
Trade payables	**18,042.62**	**18,042.62**	**18,042.62**	**–**	**–**	**–**
Other financial liabilities	**6,260.82**	**6,260.82**	**6,260.82**	**–**	**–**	**–**
Lease liability	**739.56**	**739.56**	**156.45**	**153.98**	**429.13**	
Derivative financial liabilities						
Interest rate swaps	**637.03**	**637.03**	**637.03**	**–**	**–**	**–**
	76,529.86	**76,529.86**	**42,764.93**	**5,998.68**	**24,613.23**	**3,153.02**

March 31, 2020 (Restated)	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	24,701.41	24,701.41	2,138.65	8,165.74	12,368.15	2,063.37
Other borrowings	23,654.21	23,654.21	23,654.21	–	–	–
Trade payables	15,729.63	15,729.63	15,729.63	–	–	–
Other financial liabilities	5,636.30	5,636.30	5,636.30	–	–	–
Lease liabilities	898.46	898.46	79.63	153.98	664.85	
Derivative financial liabilities						
Interest rate swaps	1,615.18	1,615.18	1,615.18	–	–	–
	72,235.19	72,235.19	48,853.60	8,319.72	13,033.00	2,063.37

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

c) Currency Risk

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

33 Financial risk management (continued)

c) Currency Risk (continued)

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2021 and March 31, 2020 are as below:

Particulars	March 31, 2021	March 31, 2021	March 31, 2020 (Restated)	March 31, 2020 (Restated)
	USD	EURO	USD	EURO
Financial assets				
Cash and cash equivalents	3.60	1.93	10.64	0.42
Trade Receivables	198.72	6.90	184.82	10.35
	202.32	8.83	195.46	10.77
Financial liabilities				
Borrowings	–	37.50	–	45.00
Buyers Credit	–	–	17.06	–
PCFC	41.39	–	76.43	–
Working capital demand Loan	–	–	–	–
Trade payables and other financial liabilities	98.26	0.37	128.65	0.54
Other Current financial liabilities - Derivative Instruments Interest rate swap	7.30	1.07	19.95	1.34
	146.95	38.94	242.09	46.88
Net exposure	55.37	(30.11)	(46.63)	(36.11)

* The exposure disclosed here is net of currency swap taken by the Company

Currency exposure for borrowings is exclusive of Currency swap on IDFC Rupee loan of Rs. 4,000 lakhs and ICICI bank Rupee loan of Rs. 4,000 lakhs are taken @ 64.42 per USD and @ 68.13 per USD respectively and other currency swap on HDFC Bank Rupee loan of Rs. 5,600 lakhs and Rs. 7,400 lakhs are taken @ 76.78 per USD and @ 75.83 per USD respectively which are classified as Indian currency loan.

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The Corporate treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

33 Financial risk management (continued)

d) Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currencies against INR as at March 31 would have affected the measurement of financial instruments denominated in US dollars 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.

Effect in INR	Profit before tax		Equity, net of tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
March 31, 2021				
USD (3% movement)	**122.10**	**(122.10)**	**91.37**	**(79.84)**
EUR (3% movement)	**(77.77)**	**77.77**	**(58.20)**	**50.86**
	44.33	**(44.33)**	**33.17**	**(28.98)**

Effect in INR	Profit before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2020 (Restated)				
USD (3% movement)	(102.83)	102.83	(76.95)	76.95
EUR (3% movement)	(93.27)	93.27	(69.79)	69.79

e) Interest risk

The company is exposed primarily to fluctuation in USD LIBOR rates. Interest rate risk on financial debt is managed through interest rate swaps.

The interest rate profile of the Company's interest-bearing financial instruments is as follows.

Particulars	**March 31, 2021**	March 31, 2020 (Restated)
Fixed-rate instruments	**50,849.83**	48,314.12
Variable-rate instruments	**–**	41.50
Total borrowings	**50,849.83**	48,355.62

* Effect of interest rate swaps is disclosed in note 14 a.

Financial assets classified at amortized cost have fixed interest rate. Hence, the group is not subject to interest rate risk on such financial assets.

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.

Particulars	**Profit or loss**		**Equity, net of tax**	
	100 bp increase	100 bp decrease	**100 bp increase**	100 bp decrease
March 31, 2021				
Variable-rate instruments	–	–	–	–
March 31, 2020 (Restated)				
Variable-rate instruments	0.42	(0.42)	0.31	(0.31)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

34 Contingent liabilities:

Claims against the Company not acknowledged as debts are below

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Income tax authorities	**1,515.22**	1,518.55
Custom Duty*	**15.52**	15.52

* Demand of Rs. 15.52 lakhs (out of which Rs. 6.00 lakhs paid) raised by Customs, Excise and Service Tax Appellate Tribunal West Zonal Bench, Mumbai for clearance of imported goods under DEPB scheme. (Contravention of the provisions of Section 111 (o) of the Customs Act, 1962)

The claims against the Company comprise of pending litigations / proceedings pertaining to demands raised by Excise, Custom, Sales / VAT tax and other authorities / bodies. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The Company does not expect any reimbursements in respect of the above contingent liabilities.

35 Commitments

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of Rs. 3,290.41 lakhs, (March 31, 2020 : Rs. 495.26 lakhs)	**11,374.66**	4,520.01
LC's issued in favour of suppliers, but the material not dispatched	**1,531.81**	1,486.14

36 Earnings per share

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Profit after tax attributable to equity shareholders [A]	**11,702.15**	14,401.69
Number of equity shares at the beginning of the year [B]	**3,90,62,700**	3,90,62,700
Number of equity shares outstanding at the end of the year [C]	**3,90,62,700**	3,90,62,700
Weighted average number of equity shares outstanding during the year [D]	**3,90,62,700**	3,90,62,700
Basic and diluted earnings per share of face value Rs. 10 [A]/[D]	**29.96**	36.87

37 Revenue from Contracts with Customers

(A) The Company is primarily in the business of manufacture and sale of aroma chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give significant credit period resulting in no significant financing component.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

37 Revenue from Contracts with Customers (continued)

(B) Reconciliation of revenue recognised from Contract liability:

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Opening Contract liability	**137.43**	219.17
Less: Recognised as revenue during the year	**2,763.04**	1,438.24
Add: Addition to contract liability during the year	**2,742.28**	1,356.50
Closing Contract liability	**116.67**	137.43

Contract liability primarily relates to advance consideration received from customers for sale of products in case of few contracts based on terms agreed. The contract liability is expected to be recognised within 12 months.

There is no contract asset as at March 31, 2021 (March 31, 2020 : Nil)

(C) Reconciliation of revenue as per contract price and as recognised in Statement of Standalone Profit and Loss:

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Revenue from contract with customer as per Contract price	**1,24,844.40**	1,27,642.57
Less: Discounts and other adjustments	**171.71**	210.91
Revenue from contract with customer as per statement of standalone profit and loss	**1,24,672.69**	1,27,431.66

(D) Disaggregation of revenue from contract with customers

Particulars	Revenue from contracts with customers (IND AS 115) March 31, 2021	Revenue from contracts with customers (IND AS 115) March 31, 2020 (Restated)
India	**33,853.82**	35,301.69
Europe(excluding UK)	**31,661.76**	28,503.52
North America	**25,875.47**	24,701.73
Asia (Excluding India)	**12,643.72**	16,547.26
Middle East	**7,716.07**	8,699.00
United Kingdom	**6,198.93**	6,360.97
South America	**2,871.73**	4,012.01
Africa	**3,707.93**	3,234.87
Australia and New Zealand	**143.26**	70.61
	1,24,672.69	1,27,431.66

(E) Unsatisfied Performance Obligations

The Company applies the practical expedient in Paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

38 Dividend on equity shares

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Dividend on equity shares declared and paid during the year		
Final dividend for the year ended March 31, 2020 - Rs. 1.50 (March 31, 2019 Rs.: 2.00) per fully paid up share	**585.94**	753.47
(Amount of Cash-out flow of dividend is inclusive of dividend distribution tax)		
	585.94	753.47
Dividends not recognized at the end of reporting period		
Final dividend of Rs. 2.00 per fully paid up equity shares (March 31, 2020 Rs. 1.50 per fully paid up share). This proposed dividend is subject to the approval of share holders in the ensuing annual general meeting.	**781.25**	585.94
(Amount of Cash-out flow of dividend is inclusive of dividend distribution tax)		
	781.25	585.94

39 Transfer Pricing

Transactions with related parties are governed by transfer pricing regulations of the Indian Income-tax Act, 1961. The Company's international and domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended March 31, 2020. Management believes that the Company's international and domestic transactions with related parties post March 2020 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 tax expense and that of provision for taxation.

40 Insurance recoveries towards loss by fire

On April 26, 2018 a major fire broke out at the Company's Unit 2 Plant located at MIDC Mahad. There was loss to the assets comprising of Inventories, Buildings, Plant and Machinery and other Fixed Assets, etc. which were adequately insured including coverage towards loss of profit and replacement cost of fixed assets. The Company received Rs. 2,309.26 lakhs and Rs. 4,000 lakhs during the years ended March 31, 2021 and March 31, 2020 respectively on account of Insurance claim which has been disclosed as an exceptional item. The entire Insurance Claim is now settled with the Insurance company, however, an amount of Rs. 809.26 lakhs (Out of Rs. 2,309.26 lakhs) of current year is received on April 07, 2021 subsequent to the Year end. Since the final insurance claim is settled and a settlement letter is also issued by Insurance company on or before March 31, 2021 therefore this balance amount of Rs. 809.26 lakhs as above mentioned has been recognised as an exceptional Income in statement of standalone profit and loss Account for the year ended March 2021 and shown as receivable from Insurance Company in Balance sheet as on March 31, 2021 as per requirement of the accounting standards.

41 Estimation of uncertainties related to global health pandemic from COVID-19

Government of India announced a Nationwide Lockdown due to Covid-19 Global Pandemic due to which the Company shutdown few of its plants at Mahad & Jhagadia factories (except those involved in manufacture of chemicals used in essential goods) from March 24, 2020 which continued till April 7, 2020. Although sales were partially affected during the period of shutdown, however, impact is not significant. The Company does not foresee significant impact on net realisable value of its current assets. The production and sales is not currently impacted due to supply chain issues. However, given the uncertainty due to Covid 19, the Company would continue to monitor any material changes to future economic conditions and the consequential impact on the standalone financial statements.

42 Composite Scheme of Arrangement and Amalgamation amongst Fairchem Speciality Limited (Demerged/Transferee Company) and Fairchem Organics Limited (Resulting Company) and Privi Organics India Limited (Transferor Company)

i) Pursuant to the scheme of Arrangement and Amalgamation ('the Scheme') approved by the National Company Law Tribunal ('the NCLT'), Special Bench, Mumbai vide its order dated June 30, 2020, Privi Organics India Limited (the Transferor Company), amalgamated with Fairchem Speciality Limited (Demerged / Transferee Company) with effect from April 1, 2019 ('the appointed date'), and the existing business of the transferee company of speciality oleo chemicals and nutraceuticals was transferred to Fairchem Organics Limited (appointed date March 31, 2019). Pursuant to the effect of scheme, the name of Fairchem Speciality Limited changed to Privi Speciality Chemicals Limited vide certificate of incorporation pursuant to change of name issued by the Ministry of Corporate Affairs dated August 17, 2020. As per Appendix C of Ind AS 103 - Business Combinations, since merger is common control transaction, the financial information in the consolidated financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

42 Composite Scheme of Arrangement and Amalgamation amongst Fairchem Speciality Limited (Demerged/Transferee Company) and Fairchem Organics Limited (Resulting Company) and Privi Organics India Limited (Transferor Company) (continued)

statements, irrespective of the actual date of the combination. Accordingly, previous years numbers have been restated. In context of demerger, the amounts relating for the year ended March 31, 2021 include the impact of the de-merger for the entire year and the corresponding amounts for the previous year ended March 31, 2020 have been restated after recognising the effect of the de-merger on the appointed date i.e. March 31, 2019 considering overriding effect of the Scheme.

ii) The Transferor undertaking is engaged in the business of aroma chemicals operations. The amalgamation is in-line with the Company's strategy to grow the business and saving in costs of operations. The trading business of transferee company shall continue to be carried out under the Privi Speciality Chemicals Limited.

iii) Accounting treatment of the arrangement in the books of Transferee company.

Business combination is accounted for using the 'pooling of interests' method as per Appendix C of Ind AS 103 - Business Combinations as notified under Section 230 to 232 of the Companies Act, 2013 which involves the following:

a) The financial information in the financial statements in respect of prior periods is 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. Accordingly, business combinations is accounted with effect from April 1, 2018.

b) The Company has recorded the asset and liabilities of the Merged Undertaking vested in it pursuant to this Scheme at the respective carrying amounts appearing in the books of the Transferor Company as prescribed in IND AS 103.

c) The investment in the equity share capital of Transferor Company as appearing in the books of transferee company on effective date shall stand cancelled..

d) Inter Company balances and transactions between the Transferor Company and Transferee Company if any stand cancelled.

e) No adjustments are made to reflect fair values, or recognize any new assets or liabilities.

f) The deficit arising pursuant to the amalgamation, after giving effects to the above adjustments is shown as Amalgamation Reserve and excess arising pursuant to the demerger, after giving effect to the above adjustments is shown as Capital Reserve and reflected under Statement of Changes in Equity.

Accordingly, the Scheme has resulted in transfer of assets and liabilities at the following summarised values:

Particulars	**March 31, 2019**	**Adjustment on account of demerger**	**March 31, 2019 (Restated)**
ASSETS			
Non-current assets			
Property, plant and equipment	11,524.25	22,815.41	34,339.66
Capital work-in-progress	87.91	9,289.90	9,377.81
Intangible assets	–	807.98	807.98
Financial assets		–	
Investments	**2.00**	**3,435.36**	**3,437.36**
Loans and advances	1.51	784.52	786.03
Other financial assets	13.78	312.24	326.02
Income tax assets (net)	59.55	1,097.21	1,156.76
Other non-current assets	125.67	615.20	740.87
Total Non-current assets	11,814.67	39,157.82	50,972.49
Current assets			
Inventories	3,400.62	27,884.51	31,285.13
Financial assets	1.24	(1.24)	
Investments		–	–
Loans and advances	0.74	33.97	34.71
Trade receivables	3,213.13	25,353.79	28,566.92
Cash and cash equivalents	1.64	1,050.20	1,051.84
Bank balances other than cash and cash equivalents	16.53	553.34	569.87
Other current assets	324.49	7,345.64	7,670.13
Total current assets	**6,958.39**	**62,220.21**	**69,178.60**
TOTAL ASSETS (A)	**18,773.06**	**1,01,378.03**	**1,20,151.09**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

42 Composite Scheme of Arrangement and Amalgamation amongst Fairchem Speciality Limited (Demerged/Transferee Company) and Fairchem Organics Limited (Resulting Company) and Privi Organics India Limited (Transferor Company) (continued)

Particulars	March 31, 2019	Adjustment on account of demerger	March 31, 2019 (Restated)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	829.14	16,292.92	17,122.06
Provisions	89.54	870.10	959.64
Deferred tax liabilities (net)	1,215.74	514.46	1,730.20
Total non-current liabilities	**2,134.42**	**17,677.48**	**19,811.90**
Current liabilities			
Financial liabilities			
Borrowings	4,049.00	17,874.70	21,923.70
Trade payables		–	
Micro and small enterprises	57.74	(57.74)	–
Others	942.23	16,776.93	17,719.16
Other financial liabilities	1,123.80	9,877.08	11,000.88
Other current liabilities	83.19	444.45	527.64
Provisions	57.50	36.79	94.29
Current tax liabilities (net)	63.59	2,291.27	2,354.86
Total current liabilities	**6,377.05**	**47,243.48**	**53,620.53**
TOTAL EQUITY AND LIABILITIES (B)	**8,511.47**	**64,920.96**	**73,432.43**
Total net identifiable assets acquired C = (A-B)	10,261.59	36,457.07	46,718.66
Cost of investment in the Merged Undertaking (D)			3,906.27
Adjustment of Dividend Paid during the year (E)			625.00
Net impact transferred to other equity F = (C-D-E)			42,187.39
Balance in Other equity			42,812.39
Net impact after considering balances in Other equity			625.00

Particulars	April to March 2020	Adjustment on account of demerger	April to March 2020 (Restated)
INCOME			
Revenue from operations	30,649.26	98,812.57	1,29,461.83
Other income	658.86	1,971.75	2,630.61
TOTAL INCOME (I)	**31,308.12**	1,00,784.32	1,32,092.44
EXPENSES			
Cost of materials consumed	19,832.24	60,491.73	80,323.97
Purchase of stock-in-trade (Traded goods)		–	–
Changes in inventories of finished goods and work-in-Progress	634.00	(2,151.83)	(1,517.83)
Employee benefits expense	1,550.16	4,440.18	5,990.34
Finance costs	657.90	2,688.97	3,346.87
Depreciation and amortisation expenses	595.95	4,911.57	5,507.52
Other expenses	3,549.49	19,965.43	23,514.92
TOTAL EXPENSES (II)	**26,819.74**	90,346.05	1,17,165.79

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

42 Composite Scheme of Arrangement and Amalgamation amongst Fairchem Speciality Limited (Demerged/Transferee Company) and Fairchem Organics Limited (Resulting Company) and Privi Organics India Limited (Transferor Company) (continued)

Particulars	April to March 2020	Adjustment on account of demerger	April to March 2020 (Restated)
Profit before exceptional items and tax expense (I) - (II)	**4,488.38**	10,438.27	14,926.65
Exceptional Items			
Insurance recoveries towards loss by fire (refer note 40)	–	4,000.00	4,000.00
Profit before tax expense	**4,488.38**	14,438.27	18,926.65
Tax expenses:			
Current tax	878.89	4,027.80	4,906.69
Tax adjustment of earlier years	4.11	(18.26)	(14.15)
Deferred tax	(49.59)	(317.99)	(367.58)
Total tax expense	**833.41**	3,691.55	4,524.96
Profit for the year (III)	**3,654.97**	10,746.72	14,401.69

43 Specified Bank Note

The disclosures regarding details of specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these financial statements since the requirement does not pertain to the financial year ended March 31, 2021.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Mumbai
Date : May 14, 2021

For and on behalf of the Board of Directors

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

D. B. Rao
Executive Director
DIN: 00356218

Narayan S Iyer
Chief Financial Officer
Membership No: 105320

Ramesh Kathuria
Company Secretary
Membership No: A-11214

Mumbai
Date : May 14, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of

Privi Speciality Chemicals Limited
(formerly known as Fairchem Speciality Limited)

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Privi Speciality Chemicals Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and in the context of the overriding effect of the provision in the Scheme of Merger and De-merger as approved by the National Company Law Tribunal ('NCLT'), regarding accounting of De-merger from the specified retrospective appointed date and consequential restatement of comparatives give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021 of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of matter

We draw attention to Note 44 of the consolidated financial statements which describes the Scheme of Merger and De-merger ('Scheme') between the Holding Company, Privi Organics India Limited and Fairchem Organics Limited (both being wholly owned subsidiaries). The Scheme has been approved by the National Company Law Tribunal ('NCLT') vide its order dated June 30, 2020 and a certified copy has been filed by the Company with the Registrar of Companies, Maharashtra, on August 12, 2020. Since the appointed date as per the NCLT approved Scheme is March 31, 2019 the de-merger has been accounted for with effect from that date. Accordingly, the amounts relating for the year ended March 31, 2021 include the impact of the de-merger for the entire year and the corresponding amounts for the previous year ended March 31, 2020 have been restated after recognising the effect of the de-merger as above. The aforesaid note also describes in detail the impact of the de-merger on the consolidated financial statements.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

INDEPENDENT AUDITORS' REPORT

Description of Key Audit Matter

Key Audit Matter	How the matter was addressed in our audit
Revenue Recognition (Refer note:- 21 and note 40 to the consolidated financial statements) The Group's revenue is derived primarily from sale of products. The principal products of the Group comprise aroma chemicals. Revenue from sale of goods is recognised on transfer of control of the products to the customer. The Group uses a variety of shipment terms across its operating markets, and this has an impact on the timing of revenue recognition. The performance obligations in the contracts may be fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on contract terms. There is a risk that revenue could be recognised at a time which is different from transfer of control especially for sales transactions occurring on and around the reporting period. In view of this and since revenue is a key performance indicator of the Group, we have identified timing of the revenue recognition as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessed the appropriateness of Group's accounting policies relating to revenue recognition as per the applicable accounting standard. • Obtained an understanding of the Group's sales process and evaluated the design and implementation of key internal controls in relation to the timing of revenue recognition. We also tested the operating effectiveness of such controls for a sample of transactions with special reference to controls over revenue recognised on and around the year end. • For a sample of sale transactions selected using statistical sampling, performed detailed testing and in particular examined whether these are recognised in the period in which control is transferred. This included examination of the terms and conditions of the customer orders including the shipping terms, transporter documents and customer acceptances. • Tested on a sample basis using statistical sampling, specific revenue transactions recorded around the year end date to check whether revenue has been recognised in the correct reporting period by examining the underlying documents. • Tested sample journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

INDEPENDENT AUDITORS' REPORT

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (b) of the section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITORS' REPORT

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a. The comparative financial information of the Group for the year ended March 31, 2020 included in these consolidated financial statements, are based on the previously issued consolidated financial statements audited by the predecessor auditor whose report for the year ended March 31, 2020 dated June 23, 2020 expressed an unmodified opinion on those consolidated financial statements, as adjusted for the impact of effect of demerger of the existing business of the Holding Company to Fairchem Organics Limited, which have been audited by us.

b. We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of Rs. 12,347.82 lakhs as at March 31, 2021 total revenues of Rs. 31,409.22 lakhs and net cash flows amounting to Rs. 145.28 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of Sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2021 on the consolidated financial position of the Group. Refer Note 35 to the consolidated financial statements.

   ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts- Refer Note 19 to the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended March 31, 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from November 08, 2016 to December 30, 2016 have not been made in the financial statements since they do not pertain to the financial year ended March 31, 2021.

C. With respect to the matter to be included in the Auditor's report under Section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co LLP**
Chartered Accountants
Firm's Registration No.101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959
ICAI UDIN: - 21113959AAAACR4325

Mumbai
May 14, 2021

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS – MARCH 31, 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2 A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021 we have audited the internal financial controls with reference to consolidated financial statements of Privi Speciality Chemicals Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2021 based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note requires 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary Company in terms of their reports referred to in the Other Matters paragraph below, 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 controls 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 controls 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.

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS – MARCH 31, 2021

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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary, which is company incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959
ICAI UDIN: - 21113959AAAACR4325

Mumbai
May 14, 2021

CONSOLIDATED BALANCE SHEET as at March 31, 2021

(Currency: Indian Rupees in lakhs)

	Note	As at March 31, 2021	As at March 31, 2020 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	3	56,014.33	55,914.75
Capital work-in-progress	3	17,444.95	3,026.99
Right to use assets	4 a)	3,058.47	3,200.55
Intangible assets	4 b)	712.98	701.24
Intangible assets under development	4 b)	13.91	20.47
Financial assets			
Loans	5	993.27	817.34
Other financial assets	6	92.95	135.14
Income tax assets (net)		1,156.77	1,159.92
Other non-current assets	7	4,517.78	623.54
Total non-current assets		84,005.41	65,599.94
Current assets			
Inventories	8	34,252.80	32,871.41
Financial assets			
Investments	9	–	105.11
Trade receivables	10	23,903.85	22,890.06
Cash and cash equivalents	11	1,545.32	8,471.81
Bank balances other than cash and cash equivalents	12	428.63	359.76
Other financial Assets	6	809.26	–
Other current assets	7	9,076.03	8,070.80
Total current assets		70,015.89	72,768.95
TOTAL ASSETS		1,54,021.30	1,38,368.89
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13 a)	3,906.27	3,906.27
Other equity	13 b)	68,345.63	57,299.07
Total equity		72,251.90	61,205.34
LIABILITIES			
Non-Current liabilities			
Financial liabilities			
i) Borrowings	14 a)	33,184.82	22,571.76
ii) Lease liabilities	14 b)	431.25	619.43
Provisions	16	1,468.09	1,291.55
Deferred tax liabilities (net)	17	1,326.24	1,343.45
Total non-Current liabilities		36,410.40	25,826.19
Current liabilities			
Financial liabilities			
i) Borrowings	15	16,433.30	25,538.86
ii) Trade payables			
a) Total outstanding dues of micro and small enterprises	18	–	–
b) Total outstanding dues of creditors other than micro and small enterprises	18	16,739.41	14,972.40
iii) Other financial liabilities	19	10,538.06	9,495.31
iv) Lease liabilities	14 b)	156.45	79.63
Other current liabilities	20	430.74	406.42
Provisions	16	135.57	101.57
Current tax liabilities (net)		925.47	743.17
Total current liabilities		45,359.00	51,337.36
TOTAL EQUITY AND LIABILITIES		1,54,021.30	1,38,368.89
Notes to the consolidated financial statements	3 to 45		
Significant accounting policies	2		

The notes referred to above form an integral part of the consolidated financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Mumbai
Date : May 14, 2021

For and on behalf of the Board of Directors

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

D. B. Rao
Executive Director
DIN: 00356218

Narayan S Iyer
Chief Financial Officer
Membership No: 105320

Ramesh Kathuria
Company Secretary
Membership No: A-11214

Mumbai
Date : May 14, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

	Note	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
INCOME			
Revenue from operations	21	1,27,656.27	1,32,411.30
Other income	22	1,995.95	2,635.90
TOTAL INCOME (I)		1,29,652.22	1,35,047.20
EXPENSES			
Cost of materials consumed	23	78,173.92	81,918.98
Purchase of stock-in-trade	24	316.77	270.37
Changes in inventories of finished goods and work-in-progress	25	(3,381.39)	(1,876.31)
Employee benefits expense	26	6,986.73	6,503.43
Finance costs	27	2,141.02	3,410.91
Depreciation and amortisation expenses	28	7,099.96	5,677.16
Other expenses	29	24,802.23	23,879.37
TOTAL EXPENSES (II)		1,16,139.24	1,19,783.91
Profit before exceptional items and tax expense (I) - (II)		13,512.98	15,263.29
Exceptional Items			
Insurance recoveries towards loss by fire (refer note 42)		2,309.26	4,000.00
Profit before tax expense		15,822.24	19,263.29
Tax expenses:	17		
Current tax			
Current year		4,146.97	4,952.27
Tax adjustment of earlier years		–	(14.15)
Deferred tax		(14.79)	(277.77)
Total tax expense		4,132.18	4,660.35
Profit after tax for the year		11,690.06	14,602.94
Profit for the year (III)		11,690.06	14,602.94
Other comprehensive income			
Items that will not be reclassified to profit or loss-remeasurements of the net defined benefit plans		(15.68)	(92.33)
Income tax related to items that will not be reclassified to profit or loss		2.42	23.34
Items that will be reclassified to profit or loss-exchange differences in translating financial statement of foreign operations		(44.30)	132.06
Other comprehensive income for the year net of taxes (IV)		(57.56)	63.07
Total comprehensive income for the year (III + IV)		11,632.50	14,666.01
Profit for the year attribute to			
Owners of the Holding Company		11,690.06	14,602.94
Non-controlling interest		–	–
		11,690.06	14,602.94
Other comprehensive income attribute to			
Owners of the Holding Company		(57.56)	63.07
Non-controlling interest		–	–
		(57.56)	63.07
Total comprehensive income attribute to			
Owners of the Holding Company		11,632.50	14,666.01
Non-controlling interest		–	–
		11,632.50	14,666.01
Earnings per equity share: nominal value of share Rs. 10/- each			
Basic and diluted (Rs.)	37	29.93	37.38
Notes to the consolidated financial statements	3 to 45		
Significant accounting policies	2		

The notes referred to above form an integral part of the consolidated financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Mumbai
Date : May 14, 2021

For and on behalf of the Board of Directors

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

D. B. Rao
Executive Director
DIN: 00356218

Narayan S Iyer
Chief Financial Officer
Membership No: 105320

Ramesh Kathuria
Company Secretary
Membership No: A-11214

Mumbai
Date : May 14, 2021

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
A	**Cash flow from operating activities**		
	Profit before tax after exceptional items	**15,822.24**	19,263.29
	Adjustment for:		
	Depreciation and amortisation	**6,831.07**	5,436.91
	Amortisation of right of use assets	**268.89**	240.25
	Gain on write-back of Financial liabilities measured at amortised cost	**(1.72)**	(7.78)
	Sundry balances w/off	**117.45**	29.53
	Unrealised foreign exchange loss (gain)	**1,201.12**	(1,324.73)
	Fair value gain on Investments	**–**	(0.08)
	Interest income	**(48.10)**	(77.01)
	Finance costs	**2,141.02**	3,410.91
	Profit on sale of property, plant and equipment	**(0.30)**	–
	Provision for doubtful debts	**–**	15.58
	Provision for doubtful advances	**–**	160.00
	Operating cash flow before working capital changes	**26,331.67**	27,146.87
	Movements in Working Capital		
	(Increase) / decrease in trade receivables	**(1,670.67)**	8,061.32
	(Increase) / decrease in inventories	**(1,381.39)**	151.69
	(Increase) in other assets	**(1,938.87)**	(113.40)
	Increase / (decrease) in trade payables	**1,856.54**	(3,578.53)
	(Decrease) in other current liabilities and provisions	**(2,019.77)**	(3,407.17)
		(5,154.16)	1,113.91
	Cash generated from operations	**21,177.51**	28,260.78
	Income taxes paid	**(3,967.82)**	(6,655.08)
	Net Cash generated from / (used in) operating activities [A]	**17,209.69**	21,605.70
B	**Cash flow from investing activities**		
	Purchase of property, plant & equipment	**(24,279.27)**	(18,032.68)
	Proceeds from sale of property, plant & equipment	**1.46**	–
	Sale / (purchase) of investments	**105.11**	(105.03)
	(Investment in)/ realisation from fixed deposits (net)	**(26.68)**	501.70
	Interest received	**47.74**	79.27
	Net Cash (used in) investing activities [B]	**(24,151.64)**	(17,556.74)
C	**Cash flow from financing activities**		
	Proceeds from long-term borrowings	**14,111.74**	7,629.53
	Repayment of long-term borrowings	**(2,098.80)**	(2,115.00)
	(Repayment) / Proceeds of short term borrowings (net)	**(8,980.29)**	1,639.70
	Repayment of lease liabilities	**(254.73)**	(220.25)
	Dividend paid including dividend distribution tax	**(585.94)**	–
	Payment on account of the scheme of arrangement for demerger of the company	**–**	(753.47)
	Interest paid	**(2,176.52)**	(3,381.22)
	Net Cash generated from financing activities [C]	**15.46**	2,799.29
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(6,926.49)**	6,848.25
	Cash and cash equivalents at the beginning of the year	**8,471.81**	1,623.56
	Cash and cash equivalents at end of the year (refer note 11)	**1,545.32**	8,471.81

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

Note A : The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Note B : Property, Plant and Equipment includes movements capital work-in-progress (including capital advances) during the year.

Note C : Reconciliation of movements of liabilities to cash flows arising from financing activities.

Particulars	**Lease liabilities**	**Non Current Borrowings**	**Current Borrowings**
Balance as on April 01, 2020 (Restated)	**699.06**	**24,719.41**	**25,538.86**
Loan/lease taken during the current year	**71.13**	**14,111.74**	**–**
Repayment during the current year	**–**	**(2,084.09)**	**(8,980.29)**
Foreign exchange (gain) or loss	**–**	**(116.39)**	**(125.27)**
Interest on lease liabilities	**72.24**	**–**	**–**
Payment against lease liabilities	**(254.73)**	**–**	**–**
Closing balance as on March 31, 2021	**587.70**	**36,630.67**	**16,433.30**

Particulars	**Lease liabilities**	**Non Current Borrowings**	**Current Borrowings**
Balance as on April 01, 2019 (Restated)	–	19,388.42	23,998.84
Loan/lease taken during the current year	848.59	7,639.63	1,639.70
Repayment during the current year	–	(2,115.00)	–
Foreign exchange gain or loss	–	(193.64)	(99.68)
Interest on lease liabilities	70.72	–	–
Payment against lease liabilities	(220.25)	–	–
Closing balance as on March 31, 2020 (Restated)	**699.06**	**24,719.41**	**25,538.86**
Notes to the consolidated financial statements	**3 to 45**		
Significant accounting policies	**2**		

The notes referred to above form an integral part of the consolidated financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Mumbai
Date : May 14, 2021

For and on behalf of the Board of Directors

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

D. B. Rao
Executive Director
DIN: 00356218

Narayan S Iyer
Chief Financial Officer
Membership No: 105320

Ramesh Kathuria
Company Secretary
Membership No: A-11214

Mumbai
Date : May 14, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

A. Equity share capital

	As at March 31, 2021	As at March 31, 2020 (Restated)
Balance at the beginning of the year	**3,906.27**	3,906.27
Changes in equity share capital during the year	**–**	–
Balance at the end of the year	**3,906.27**	3,906.27

B. Other equity

	Reserves and Surplus			Items of other comprehensive income	Total attributable to owners of the Company
	General Reserve	Retained earnings*	Capital Reserve (refer note 44)	Exchange difference on translating the financial statement	
Balance as at April 01, 2019 (refer note 44)	**35,573.76**	**7,019.68**	**1.00**	**51.54**	**42,645.98**
Transition impact of Ind AS 116	–	(12.92)	–	–	(12.92)
Profit for the year	–	14,602.94	–	–	14,602.94
Other comprehensive income (net of tax)	–	(68.99)	–	132.06	63.07
Balance as at March 31, 2020 (Restated)	35,573.76	21,540.71	1.00	183.60	57,299.07
Profit for the year	**–**	**11,690.06**	**–**	**–**	**11,690.06**
Other comprehensive income (net of tax)	**–**	**(13.26)**	**–**	**(44.30)**	**(57.56)**
Total comprehensive income for the year	**–**	**11,676.80**	**–**	**(44.30)**	**11,632.50**
Contribution by and distribution to the owners					
Dividend of Rs. 1.50 per share for the year ended March 31, 2020 (Including dividend distribution tax)	**–**	**(585.94)**	**–**	**–**	**(585.94)**
Balance as at March 31, 2021	**35,573.76**	**32,631.57**	**1.00**	**139.30**	**68,345.63**

* The Balance arising out of remeasurement of defined plans is adjusted against the available retained earnings.

Notes to the consolidated financial statements	**3 to 45**
Significant accounting policies	**2**

The notes referred to above form an integral part of the consolidated financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Mumbai
Date : May 14, 2021

For and on behalf of the Board of Directors

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

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Executive Director
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Narayan S Iyer
Chief Financial Officer
Membership No: 105320

Ramesh Kathuria
Company Secretary
Membership No: A-11214

Mumbai
Date : May 14, 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

1 Corporate Information

Privi Speciality Chemicals Limited *(Formerly known as Fairchem Speciality Limited)* ('The Company or 'Holding Company') and its subsidiaries ('the company and its subsidiaries together referred to as the Group. The Holding company was incorporated on May 25, 1985 under the provisions of the Companies Act, 1956 is a public company domiciled in India. The Company was incorporated as H. K. Agro Oil Ltd. and later changed its name and style to Adi Finechem Limited. The Company is primarily engaged in the manufacture and export of aroma chemicals and in trading of chemicals. The Company's manufacturing units are located at Mahad and Jhagadia. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Ltd.

The group's subsidiaries at March 31, 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Principal activities	Place of business / country of incorporation	Ownership interest held by the Group March 31, 2021
Privi Biotechnologies Private Limited	Chemicals	India	100
Privi organics USA Corporation	Chemicals	United States of America	100

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted by the Group in the preparation of these Consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of Compliance

These Consolidated financial statements of the Group comprising the Consolidated Balance Sheet as at March 31, 2021, Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity, and Consolidated Cash Flow Statement for the year ended March 31, 2021, and a summary of significant accounting policies and other explanatory information have been prepared by the Group in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 (the 'Act'), The Audit report of statutory auditor on these Consolidated financial statements of the group will be addressed to the Shareholders. The Consolidated financial statements were authorised for issue by the Company's Board of Directors at their meetings held on May 14, 2021.

i. Basis of preparation and Presentation

Basis of Preparation

The Consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) Derivative Financial Instruments measured at fair value.

(ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

(iii) Employee's Defined Benefit Plan as per actuarial valuation.

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 under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional & Presentation Currency

Items included in the Consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated financial statements are presented in Indian Rupee (Rs.), which is also the Company's functional. Currency and reporting currency of the Group. All values are rounded to the nearest lakh, unless otherwise stated.

ii. Principles of consolidation and equity accounting

The Consolidated financial statements (CFS) include the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The group combines the financial statements of the parent and its subsidiaries line by line by adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

iii. Use of estimates, judgements, and assumptions

In preparing these Consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets and liabilities, Actual results may differ from these estimates and assumptions.

Estimate and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

The Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and in the relevant notes to the Consolidated financial statements. Changes in estimates are accounted for prospectively.

Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the Consolidated financial statements.

a. Lease term, whether the group is reasonably certain to exercise extension options – Refer Note 4(a)

Assumptions and estimation uncertainties

Information about judgements in applying accounting policies, as well as estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Measurement of defined benefit obligations for key actuarial assumptions. - Note 32

(b) Recognition of deferred tax assets – Note 17.

iv. Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle.

(b) it is held primarily for the purpose of being traded.

(c) it is expected to be realised within 12 months after the balance sheet date; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

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

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in, the group's normal operating cycle.

(b) it is held primarily for the purpose of being traded.

(c) it is due to be settled within 12 months after the balance sheet date; or

(d) the group does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Terms of a liability that could, at the option of the counter party, result in its settlement by issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

v. *Property, Plant and Equipment ("PPE") and depreciation*

I Recognition and Measurement

Items of Property, Plant and Equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation, and any accumulated impairment losses. The cost of the certain items of the property, plant and equipment as of January 1, 2005. The group's date of transition to the standards was determined with the reference to its fair value at the date.

If significant parts of an item of Property, Plant and Equipment have different useful lives, then they are accounted for as separate items (major components) of Property, Plant and Equipment.

Any Gain or loss on disposal of an item of Property, Plant and Equipment is recognized in profit or loss.

II Subsequent Expenditure

Subsequent Expenditure is capitalized only if it is probable that the economic benefits flow to the associated with the Expenditure will flow to the entity.

Depreciation and Amortisation

Depreciation is calculated using the straight-line method to allocate cost of Property Plant and Equipment, net of residual values, over their estimated useful lives as per the useful life prescribed in schedule II of the Companies Act, 2013 except in case of the following class of assets where the useful life is based on technical evaluation of the management:

ASSET CLASS	Years
Plant and Machinery	10
Furniture & Fixtures	16
Office Equipment	10
Vehicle	11
Computer	6

Fixtures in leasehold premises are amortized over the primary period of the lease or useful life of the fixtures, whichever is lower.

Depreciation on additions / deletions during the year is provided from the month in which the asset is ready to use to the month in which the asset is disposed of.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets required under finance leases are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II of Companies Act, 2013) unless it is reasonably certain that group will obtain ownership by the end of lease term, in which case the depreciation rates applicable for similar assets owned by the group are applied.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

vi. *Intangible assets and amortisation*

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets.

ASSET CLASS	Years
Computers and Soft wares	3 to 6 Years
Rights of Sale of Products	5 Years
Development Rights	5 Years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

About internally generated intangible assets:

Expenditure on research activities, undertaken with the prospect of development of new products or gaining new technical knowledge and understanding, is recognised in profit or loss as incurred.

Capital expenditure on research and development is capitalized and depreciated as per accounting policy mentioned above. Revenue expenditure is charged off in the year in which it is incurred.

Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in profit or loss as incurred.

Intangible assets are amortised in profit and loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

Gains or losses arising from derecognition 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 or loss when the asset is derecognised.

vii Impairment of Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets other than biological assets. investment property, inventories, contract assets and deferred tax assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's referable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value Jess costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its Recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation. if no impairment loss had been recognised.

viii. Borrowing costs

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange differences arising from foreign currency borrowings (other than long term foreign currency borrowings) to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction/ development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

ix. Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the date of the transaction or an average rate if the average rate approximate the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

are translated using the exchange rates at the dates of the initial transactions. Non-monetary item measured at fair value in a 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 who is fair value gain or loss is recognised in OCI or profit and loss are also recognised in OCI or profit and loss, respectively).

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Foreign currency operation

The assets and liabilities of foreign operations are translated into Rupees, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated using an average exchange rate if the average rate approximates the actual rate at the date of transaction. All resulting exchange differences recognised in other comprehensive income.

The cumulative amount of the exchange differences is presented in a separate component of equity until disposal of the foreign operation. When the exchange differences relate to a foreign operation that is consolidated but not wholly owned accumulated exchange differences arising from translation and attributable to non-controlling interests are allocated to, and recognised as part of, non-controlling interests in the consolidated balance sheet.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, shall be reclassified from equity to profit and loss (as a reclassification adjustment) when the gain or loss on disposal is recognised.

x. Financial Instruments

a. Financial assets

Initial recognition and initial measurement

All financial assets are initially recognised at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

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

Financial assets at amortised cost

A financial asset is classified as subsequently measured at the amortised cost if both the following conditions are met:

– The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

– Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through Other Comprehensive Income ("FVTOCI")

A financial asset is classified as subsequently measured at fair value through Other Comprehensive Income if both the following conditions are met:

– The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

– Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to P&L. The Group did not have any financial assets at FVTOCI during the current year as well as previous year.

Financial assets at fair value through Profit and loss ("FVTPL")

Financial assets at FVTPL is a residual category for financial assets. Any financial assets which does not meet the criteria of categorising it at amortised cost or at FVTOCI is classified as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in Profit and Loss.

(Currency: Indian Rupees in lakhs)

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 (a) 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 view of its past experience of having insignificant impairment bad debts / write-offs and based on management's estimate considering its portfolio of customers, this trend would continue for the foreseeable future, the Group has determined that significant impairment of Financial assets is not required to be recognised based on Expected Credit Loss model.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost and financial liabilities at FVTPL. Derivative liabilities are classified as FVTPL. All financial liabilities are recognised initially at fair value. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at 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 by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss. Except derivative instruments, the Group has not designated any financial liability as at FVTPL.

Financial liabilities at amortised cost

All financial liabilities except for derivatives are classified as measured at amortised cost. This category includes bank and other borrowings, trade payables and other financial liabilities.

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 or loss.

c. Offsetting of Financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

Business Model Assessment

Financial assets -Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities, or expected cash outflows or realizing cash flows through the sale of the assets.

- how the performance of the portfolio is evaluated and reported to the Group's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated- e.g., whether compensation is based on the fair value of the assets managed, or the contractual cash flows collected, and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial Assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

xi. Cash and Cash equivalents

Cash and cash equivalent in the balance sheet and for the statement cash flow 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.

xii. Leases

The Group has adopted Ind AS 116 effective from April 01, 2019 using modified retrospective approach. For the purpose of preparation of Consolidated Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31, 2021.

The Group assesses whether a contract contains a lease, at inception of a 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 assets, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method.

The Group has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The Group's leases mainly comprise land and buildings and Plant and equipment. The Group leases land and buildings for warehouse facilities. The Group also has leases for equipment.

xiii. Inventories

Inventories include raw materials, consumable stores and spares and manufactured inventory. Inventory is valued at the lower of cost and net realisable value.

Cost comprises the purchase price, costs of conversion and other related costs incurred in bringing the inventories to their present location and condition. Cost of raw materials and consumables packing materials are determined on first in first out basis. Cost of finished goods and work in progress are determined using the absorption costing principle. Cost includes the cost of material consumed, labour and appropriate proportion of costs of conversion which include variable and fixed overheads.

Obsolete, defective, and unserviceable inventories are duly provided for. The comparison of cost and net realisable value is made on an item-to-item basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The net realisable value of work in progress is determined by reference to the selling prices of related finished products.

xiv. Revenue Recognition

Revenue from the sale of goods is recognised on the basis of approved contracts regarding the transfer of goods to a customer as per agreed terms of delivery recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over or managerial involvement with the goods, for an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and Goods and Service Tax. The Group does not provide any warranties or maintenance contracts to its customers.

Significant financing component - Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Insurance

Income in respect of Insurance and other claim is recognized only on reasonable certainty of ultimate collection. as per the requirement of the accounting standards.

Interest

Interest revenue is calculated by using the effective interest method for financial assets measured at amortised cost.

Dividend Income

Dividend income is recognised when the right to receive payment is established.

Export incentive

An export incentive is recognised in the statement of consolidated profit and loss when the right to receive credit as per the terms of the scheme is established in respect of export made, and there is no uncertainty as to its receipt.

xv. Employee Benefits

(a) Short Term Employee Benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, ex-gratia etc. These are recognised as an expense at an undiscounted amount in the Statement of consolidated Profit and Loss of the year in which the related service is rendered.

(b) Post-employment Benefits

(i) Provident Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Group's contribution is recognised as an expense in the statement of consolidated profit and loss during the period in which the employee renders the related service.

(Currency: Indian Rupees in lakhs)

(ii) Gratuity

The Group's gratuity benefit scheme is a defined benefit plan. The Group`s net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The calculation of the Group's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the assets ceiling (if any, excluding interest), are recognised in OCI. All expenses related to defined benefit plan are recognised in employee benefits expense in the Statement of consolidated Profit and Loss.

(iii) Compensated Absences

The Group provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The Group makes provision for compensated absences based on an independent external actuarial valuation carried out at the end of the year.

xvi. Taxation

Income tax expense comprises current tax and deferred tax charge or credit.

Current Income Tax

Provision for current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of the Income Tax Act, 1961.Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the enacted or substantively enacted tax rates and tax laws.

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.

On March 30, 2019 MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 01, 2019. As per the Group's assessment, there are no material income tax uncertainties over income tax treatments.

Current tax assets and current tax liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

Current Tax is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Deferred Tax

Deferred tax is recognized in respect of 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.

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 utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. un-recognised 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 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 deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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(Currency: Indian Rupees in lakhs)

Minimum Alternative tax ('MAT') under the provisions of the Income tax Act, 1961 is recognized as current tax in the Statement of consolidated Profit and loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent it is probable that the Group will pay normal income tax during the year for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

xvii. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share are the net profit for the year attributable to equity shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares, except where the results would be anti-dilutive.

xviii. Provisions and contingent liabilities

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. The expense relating to a provision is presented in the statement of consolidated profit and loss.

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.

Provision in respect of loss contingencies relating to claims litigation, assessment, fines, penalties etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, probably will not, require an outflow of resources embodying economic benefits, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the Consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic resources embodying economic benefits will arise, related income are recognized in the year in which the change occurs.

xix. Fair value measurement

The Group measures financial instruments, such as, 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 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.

xx. Estimation of uncertainties relating to the global health pandemic from COVID-19:–

The Global pandemic Covid-19 continues. The business of the group was not affected for the year ended March 31, 2021 and impact is insignificant.

Having reviewed the underlying data and based on current estimates the Group expects the carrying amount of assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Group's Consolidated financial statements may differ from that estimated as at the date of approval of these Consolidated financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

3 Property, plant and equipment

Description	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 01, 2020 (Restated)	Addition during the year	Disposal during the year	As at March 31, 2021	As at April 01, 2020 (Restated)	Depreciation for the year	Disposal during the year	As at March 31, 2021	As at March 31, 2021
At cost :									
Building	13,964.57	1,959.84	–	15,924.41	1,338.95	469.26	–	1,808.21	14,116.20
Leasehold Improvement	547.20	–	–	547.20	462.02	39.72	–	501.74	45.46
Plant and equipment	62,568.00	3,986.49	–	66,554.49	23,232.06	5,491.52	–	28,723.58	37,830.91
Electrical installation	3,529.22	154.60	–	3,683.82	1,328.66	311.62	–	1,640.28	2,043.54
Furniture and fittings	174.21	14.63	–	188.84	53.75	8.72	–	62.47	126.37
Office equipment	392.20	14.09	–	406.29	125.03	31.67	–	156.70	249.59
Computers	679.14	289.39	1.73	966.80	308.04	98.69	0.57	406.16	560.64
Lab equipment	1,114.93	73.63	–	1,188.56	515.32	84.26	–	599.58	588.98
Vehicles	404.29	192.09	–	596.38	95.18	48.56	–	143.74	452.64
	83,373.76	6,684.76	1.73	90,056.79	27,459.01	6,584.02	0.57	34,042.46	56,014.33
Capital work-in-progress	3,026.99	21,302.47	6,884.51	17,444.95	–	–	–	–	17,444.95
	86,400.75	27,987.23	6,886.24	1,07,501.74	27,459.01	6,584.02	0.57	34,042.46	73,459.28

a) The net block of Property, plant and equipment, amounting to Rs. 56,014.33 lakhs (March 31, 2020 Rs. 55,914.75 lakhs) are pledged as first charge security to term lending banks and second charge to working capital banks.

b) The Plant and machinery, Building and electrical installation includes an amount of Rs. 53.21 lakhs, Rs. 21.58 lakhs and Rs. 2.54 lakhs respectively (March 31, 2020 : Rs. 343.25 lakhs, Rs. 130.65 lakhs and Rs. 9.98 lakhs) that represent borrowing cost capitalized @ 6.75% during the year. (March 31, 2020 : 8.6%).

c) The Group has not recognised any impairment loss during the current year (March 31, 2020 - Nil).

Description	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 01, 2019 (Restated)	Addition during the year	Disposal during the year	As at March 31, 2020 (Restated)	As at April 01, 2019 (Restated)	Depreciation for the year	Disposal during the year	As at March 31, 2020 (Restated)	As at March 31, 2020 (Restated)
At cost :									
Building	8,873.24	5,091.33	–	13,964.57	993.91	345.04	–	1,338.95	12,625.62
Leasehold Improvement	547.20	–	–	547.20	422.20	39.82	–	462.02	85.18
Plant and equipment	43,685.23	18,882.77	–	62,568.00	18,866.24	4,365.82	–	23,232.06	39,335.94
Electrical installation	2,726.30	802.92	–	3,529.22	1,053.95	274.71	–	1,328.66	2,200.56
Furniture and fixtures	168.13	6.08	–	174.21	44.19	9.56	–	53.75	120.46
Office equipment	157.11	235.09	–	392.20	111.99	13.04	–	125.03	267.17
Computers	448.78	230.36	–	679.14	246.35	61.69	–	308.04	371.10
Lab equipment	786.13	328.80	–	1,114.93	456.46	58.86	–	515.32	599.61
Vehicles	387.97	28.58	12.26	404.29	71.89	35.55	12.26	95.18	309.11
	57,780.09	25,605.93	12.26	83,373.76	22,267.18	5,204.09	12.26	27,459.01	55,914.75
Capital work-in-progress	9,377.81	20,019.17	26,369.99	3,026.99	–	–	–	–	3,026.99
	67,157.90	45,625.10	26,382.25	86,400.75	22,267.18	5,204.09	12.26	27,459.01	58,941.74

a) The net carrying amount of Property, plant and equipment, amounting to Rs. 55,914.75 lakhs (March 31, 2019 Rs. 37,373.58 lakhs) are pledged as first charge security to term lending banks and second charge to working capital banks.

b) The Plant and machinery, Building and electrical installation includes an amount of Rs. 343.25 lakhs, Rs. 130.65 lakhs and Rs. 9.98 lakhs respectively (March 31, 2019 : Rs. 156.54 lakhs, Rs. 8.74 lakhs and Rs. 10.48 lakhs) that represent borrowing cost capitalized @ 8.6% during the year. (March 31, 2019 : 8.6%).

c) The Group has not recognised any impairment loss during the current year (March 31, 2019 - Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

4 a Right of use assets

Description	Gross carrying amount				Accumulated Amortisation				Net carrying amount
	As at April 01, 2020 (Restated)	Addition during the year	Disposal during the year	As at March 31, 2021	As at April 01, 2020 (Restated)	Amortisation for the year	Disposal during the year	As at March 31, 2021	As at March 31, 2021
Land	3,371.84	165.91	–	3,537.75	290.92	226.42	–	517.34	3,020.41
Building	180.38	–	–	180.38	74.64	74.64	–	149.28	31.10
Plant and Machinery	67.00	–	–	67.00	53.11	6.93	–	60.04	6.96
	3,619.22	165.91	–	3,785.13	418.67	307.99	–	726.66	3,058.47

The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The Group has not recognised any impairment loss during the current year (March 31, 2020 - Nil).

Description	Gross carrying amount				Accumulated Amortisation				Net carrying amount
	As at April 01, 2019 (Restated)	Addition during the year	Disposal during the year	As at March 31, 2020	As at April 01, 2019 (Restated)	Amortisation for the year	Disposal during the year	As at March 31, 2020	As at March 31, 2020
Land	1,934.48	1,437.36	–	3,371.84	94.65	196.27	–	290.92	3,080.92
Building	–	180.38	–	180.38	–	74.64	–	74.64	105.74
Plant and Machinery	67.00	–	–	67.00	46.16	6.95	–	53.11	13.89
	2,001.48	1,617.74	–	3,619.22	140.81	277.86	–	418.67	3,200.55

* Addition includes transition adjustment on account of implementation of Ind AS 116 from April 01, 2019.

The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The Group has not recognised any impairment loss during the current year (March 31, 2019 - Nil).

i) The Group has taken land for non-cancellable period ranging from 3 year to 99 years, Building ranging from 3 years to 99 years and plant and machinery for 10 years.

The Group leases with contract term of less than 1 year. These leases are short term and/or leases of low value items. The Group has elected not to recognise right of use assets and lease liabilities of these assets.

ii) Lease Expenses recognized in Profit and Loss statement not included in the measurement of lease liabilities:

Particulars	**Year Ended March 31, 2021**	Year Ended March 31, 2020 (Restated)
Variable lease payments	**–**	–
Expenses relating to short-term leases	**16.22**	19.98
Interest cost lease liability	**72.24**	70.72
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	**–**	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

iii) Maturity analysis of lease liabilities– contractual undiscounted cash flows:

Particulars	**As at March 31, 2021**	As at March 31, 2020 (Restated)
Less than one year	**250.98**	145.12
One to five years	**468.00**	743.32
More than five years	**–**	–
Total undiscounted lease liabilities	**718.98**	888.44
Discounted Lease liabilities included in the statement of financial position	**587.70**	699.06
Current lease liability	**156.45**	79.63
Non-Current lease liability	**431.25**	619.43

iv) The Weighted average incremental borrowing rate of 9.40% p.a. for borrowings has been applied for measuring the lease liability at the date of initial application.

v) The total cash outflow for leases for year ended March 31, 2021 Rs. 254.73 lakhs (March 31, 2020 is Rs. 220.25 lakhs.)

vi) Income from sub leasing of Right to use assets is Rs. NIL.

4 b Intangible assets

Description	Gross carrying amount				Accumulated Amortisation				Net carrying amount
	As at April 01, 2020 (Restated)	Addition during the year	Disposal during the year	As at March 31, 2021	As at April 01, 2020 (Restated)	Amortisation for the year	Disposal during the year	As at March 31, 2021	As at March 31, 2021
Computer software	480.69	0.98	–	481.67	438.12	9.98	–	448.10	33.57
Rights of sale of products	1,057.15	183.27	–	1,240.42	505.56	174.15	–	679.71	560.71
Development rights	331.44	35.44	–	366.88	224.36	23.82	–	248.18	118.70
Total intangible assets	1,869.28	219.69	–	2,088.97	1,168.04	207.95	–	1,375.99	712.98
Intangible assets under development	84.36	29.86	36.42	77.80	63.89	–	–	63.89	13.91
	1,953.64	249.55	36.42	2,166.77	1,231.93	207.95	–	1,439.88	726.89

Description	Gross carrying amount				Accumulated Amortisation				Net carrying amount
	As at April 01, 2019 (Restated)	Addition during the year	Disposal during the year	As at March 31, 2020 (Restated)	As at April 01, 2019 (Restated)	Amortisation for the year	Disposal during the year	As at March 31, 2020 (Restated)	As at March 31, 2020 (Restated)
Computer software	476.42	4.27	–	480.69	427.95	10.17	–	438.12	42.57
Rights of sale of products	1,021.70	35.45	–	1,057.15	343.41	162.15	–	505.56	551.59
Development rights	331.44	–	–	331.44	201.47	22.89	–	224.36	107.08
Total intangible assets	1,829.56	39.72	–	1,869.28	972.83	195.21	–	1,168.04	701.24
Intangible assets under development	76.66	7.70	–	84.36	63.89	–	–	63.89	20.47
	1,906.22	47.42	–	1,953.64	1,036.72	195.21	–	1,231.93	721.71

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

5 Loans
(Secured, considered good)

Particulars	Non-Current Portion		Current Portion	
	As at March 31, 2021	As at March 31, 2020 (Restated)	**As at March 31, 2021**	As at March 31, 2020 (Restated)
Security deposits *	**993.27**	817.34	**–**	–
	993.27	817.34	**–**	–

* An amount of Rs. 351 lakhs (March 31, 2020 Rs. 300 lakhs) due from director, other officer of the Holding Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period. (refer note 31 and below table)

Particulars	**As at March 31, 2021**	As at March 31, 2020 (Restated)
Moneymart Securities Pvt. Ltd.	**–**	300.00
MM Infra & Leasing Private Limited	**351.00**	–
Total	**351.00**	300.00

6 Other financial assets

Particulars	Non-Current Portion		Current Portion	
	As at March 31, 2021	As at March 31, 2020 (Restated)	**As at March 31, 2021**	As at March 31, 2020 (Restated)
Investments in term deposits (with remaining maturity of more than twelve months) (refer note 12)	**92.95**	135.14	**–**	–
Insurance claim receivable	**–**	–	**809.26**	–
	92.95	135.14	**809.26**	–

7 Other non-current assets

Particulars	Non-Current Portion		Current Portion	
	As at March 31, 2021	As at March 31, 2020 (Restated)	**As at March 31, 2021**	As at March 31, 2020 (Restated)
Capital advances*				
Considered good	**4,365.56**	461.96	**–**	–
Considered doubtful	**36.15**	36.15	**–**	–
Less: Allowance for doubtful advances	**(36.15)**	(36.15)	**–**	–
	4,365.56	461.96	**–**	–
Advances other than Capital advances				
Deposits with custom authorities	**6.00**	6.00	**–**	–
Prepaid expenses	**1.85**	11.36	**845.01**	1,279.58
Receivable from government authorities	**106.24**	106.09	**5,474.30**	3,763.38
Vat/Sales Tax receivable	**38.13**	38.13	**–**	–
Loans and advances to employees	**–**	–	**26.26**	7.90
Advance for supply of goods and services	**–**	–	**2,890.46**	3,179.94
Less: Allowance for doubtful advances	**–**	–	**(160.00)**	(160.00)
	4,517.78	623.54	**9,076.03**	8,070.80

* An amount of Rs. 400 lakhs (March 31, 2020 Rs. Nil) due from director, other officer of the Holding Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period. (refer note 31 and below table)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

7 Other non-current assets (continued)

Particulars	Nature of Transaction	As at March 31, 2021	As at March 31, 2020 (Restated)
Minar Organics Pvt. Ltd.	**Capital Advances**	**225.00**	–
Vivira Chemicals Pvt. Ltd.	**Capital Advances**	**175.00**	–
Total		**400.00**	–

8 Inventories
(valued at lower of cost and net realisable value)

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Raw materials including goods in transit Rs. 5,559.88 lakhs (March 31, 2020: Rs. 7,294.74 lakhs)	**9,591.30**	11,921.62
Finished goods including goods in transit Rs. 6,392.50 lakhs (March 31, 2020: Rs. 4,042.70 lakhs)	**14,364.54**	12,651.00
Work-in-progress	**9,306.99**	7,639.14
Stores and spares	**576.49**	411.57
Packing material	**86.91**	61.28
Fuel	**326.57**	186.80
	34,252.80	32,871.41

(i) The cost of inventories recognised as an expense during the year was Rs. 75,109.30 lakhs (March 31, 2020: Rs. 80,313.04 lakhs).
(ii) The mode of valuation of inventories has been stated in note 2 xiii
(iii) Bank overdrafts, cash credit and short-term loan from bank facility are secured by first paripassu charge on inventories (including raw material, finished goods and work-in-progress) and book debts (refer note 10 and 15).

9 Current investments

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Investments mandatorily measured at Fair value through Profit and Loss:		
Trade (unquoted)		
Investments in mutual funds		
(Previous year Invesco India Overnight Fund - Regular Plan Growth) (10,407 units and 0.026 fractions of face value of Rs. 1,000)	–	105.11
	–	105.11
Aggregate amount of unquoted investments	–	105.11
Investments mandatorily measured at Fair value through Profit and Loss	–	105.11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
10	**Trade receivables**		
	Considered good- Secured		
	Dues from Related party (Refer Note 31)	**845.17**	115.86
	Dues from others (Other than related party)	**23,058.68**	22,774.20
	Credit impaired (Other than related party)	**26.44**	26.44
	Less: Allowance for expected credit loss and credit impairment	**(26.44)**	(26.44)
		23,903.85	22,890.06
	Refer Note 34 for information about credit risk and market risk of trade receivables)		
	The movement in Allowance for expected credit loss and credit impairment of receivable is as follows:		
	Balance as at beginning of the year	**26.44**	10.86
	Charge/(release) during the year (Refer Note 29)	**–**	15.58
	Balance as at the end of the year	**26.44**	26.44
11	**Cash and cash equivalents**		
	Balances with banks:-		
	In current accounts	**1,179.55**	4,700.77
	In Earner exchange foreign currency account	**341.79**	747.61
	Term deposits (with original maturity of less than three months, Refer Note 12)	**7.49**	3,006.00
	Cash on hand	**16.49**	17.43
		1,545.32	8,471.81
12	**Bank balances other than cash and cash equivalents**		
	Margin money deposits (with original maturity of more than three months but less than twelve months)	**428.63**	359.76
		428.63	359.76
	Note : Margin money deposit amounting to Rs. 62.39 lakhs (March 31, 2020: Rs. 225.88 lakhs) are pledged with banks for non cash limits and term deposit Rs. 290.49 lakhs (March 31, 2020: Rs. 183.33 lakhs) are pledged as cash security with banks for the loans taken by the Group and Rs. 142.91 lakhs (March 31, 2020 Rs. 3091.69 lakhs) other deposits with no lien.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

13 a) Share capital

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Authorised Share Capital		
50,010,000 equity shares of Rs. 10 each (March 31, 2020: 50,010,000 equity shares of Rs. 10 each)	**5,001.00**	5,001.00
5,000,000 Preference shares of Rs. 10 each (March 31, 2020: 5,000,000 Preference shares of Rs. 10 each)	**500.00**	500.00
Issued, subscribed and fully paid up:		
39,062,706 equity shares of Rs. 10 each (March 31, 2020: 39,062,706 equity shares of Rs. 10 each)	**3,906.27**	3,906.27
	3,906.27	3,906.27

A Reconciliation of the number of shares:

Description	As at March 31, 2021		As at March 31, 2020 (Restated)	
	Number	**Amount**	Number	Amount
Shares outstanding at the beginning of the year	**3,90,62,700**	**3,906.27**	3,90,62,700	3,906.27
Add: Shares issued during the year	**–**	**–**	–	–
Shares outstanding at the end of the year	**3,90,62,700**	**3,906.27**	3,90,62,700	3,906.27

B Rights, preferences and restrictions attached to equity shares:

The Holding company has a single class of equity shares. Accordingly, all equity shares rank equally with regards to dividends and share in the Holding company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Holding company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Holding company, the holders of equity shares will be entitled to receive the residual assets of the Holding company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

C Details of shareholders holding more than 5% of shares:

Particulars	As at March 31, 2021		As at March 31, 2020 (Restated)	
	Number	**%**	Number	%
FIH Mauritius Investments Limited	**1,90,42,828**	**48.75%**	1,90,42,828	48.75%
Mr. Mahesh P Babani	**25,86,348**	**6.62%**	25,86,348	6.62%
Banbridge Limited	**24,61,914**	**6.30%**	24,61,914	6.30%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

13 a) Share capital (continued)

The Group was informed by Promotors about the inter-se transaction between the Promoter/ Promoter Group on April 29, 2021, April 30, 2021, May 04, 2021, whereby entire holding of FIH Mauritius Investments Limited, Mr. Utkarsh Shah, M/s. Jariwala Trade Link LLP and M/s. Nahoosh Trade Link LLP (collectively called as "Sellers") were acquired by Mr. Mahesh Babani, Mr. .B. Rao and Promoter group (collectively called as "Acquirers"). The aggregate promoter shareholding pre and post the inter-se transfers remains the same at the 74.06%. The necessary compliances as required under SEBI (Prohibition of insider Trading) Regulations, 2015 and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 has been complied with by the Acquirers, Sellers and Company.

D Aggerate number of shares allotted as fully paid up by way of bonus shares (during 5 years immediately preceding March 31, 2021) :

Equity shares allotted as fully paid up Bonus shares - Nil (March 31, 2020 - Nil)

E Shares allotted as fully paid up pursuant to scheme of arrangement without payment being received in cash (during 5 years immediately preceding March 31, 2021) :

During Financial year ended March 31, 2017 -Equity shares of Rs. 10 each - 12,634,353 shares.

13 b) Other equity

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
General reserve	**35,573.76**	35,573.76
Capital reserve	**1.00**	1.00
Retained earnings	**32,631.57**	21,540.71
Exchange difference on translating the financial statement	**139.30**	183.60
Total Other Equity	**68,345.63**	57,299.07

The description of the nature and purpose of each reserve within equity is as follows:

A General reserve

As per the approved scheme of arrangement (Demerger) between the Privi Organics India Limited, Fairchem Specialty Limited and Privi Organics Limited during the period ended March 31, 2017 the excess of book value of assets over liabilities is treated as general reserve.

B Retained earnings

Retained earnings represent the amount of accumulated earnings/ (losses) at each Balance Sheet date of the Group, prepared in accordance with the basis of preparation section.

C Capital Reserve

As per the approved Scheme of Arrangement and Amalgamation amongst Fairchem Speciality Limited (Demerged / Transferee Company) and Privi Organics India Limited (Transferor Company). vide NCLT Mumbai order dated June 30, 2020 all the assets, liabilities and reserve pursuant to the scheme, have been recognised at carrying amount and the difference being the excess is treated as capital reserve.

D Exchange difference on translating the financial statement

These comprises of all exchange differences arising from translation of financial statements of foreign subsidiaries.

E The Capital management objective of the Group is to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Group's capital management, capital includes issued equity share capital, share premium and all other equity.

The Group monitors capital using debt-equity ratio, which is total debt less liquid investments and bank deposits divided by total equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

13 b) Other equity (continued)

The Group's debt equity ratio as at March 31, 2021 was as follows:

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Total Debt	**53,063.97**	50,258.27
Less: Cash and cash equivalents and short term investments	**1,973.95**	8,831.57
Net Liabilities (A)	**51,090.02**	41,426.70
Equity (B)	**72,251.90**	61,205.34
Debt - Equity Ratio	**0.71**	0.68

In addition, the Group has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc.

14 a) Non-current borrowings

Description	Non-current portion		Current portion (*)	
	As at March 31, 2021	As at March 31, 2020 (Restated)	As at March 31, 2021	As at March 31, 2020 (Restated)
Secured:				
Term Loans from banks				
Term loan in Indian currency (refer note (b) below)	**30,586.99**	19,360.78	**2,720.00**	1,441.50
Term loans in foreign currency	**2,582.97**	3,116.01	**645.74**	621.22
Term Loans from financial institutions				
Vehicle loan (hypothecated with the lender)	**11.86**	85.97	**74.11**	75.93
Unsecured:				
Term Loan from Others				
Loan from Department of biotechnology (Refer Note (d) below)	**3.00**	9.00	**6.00**	9.00
	33,184.82	22,571.76	**3,445.85**	2,147.65

(*) Amount disclosed under the head 'Other financials liabilities' Refer Note 19

i) Term loan are secured by a first mortgage on the Holding company's immovable properties both present and future ranking paripassu interest and a first charge by way of hypothecation of all the Holding company's assets (save and except book debts and inventories) including movable machinery (save and except spares tools and accessories) both present and future subject to charges created in favour of the Holding company's bankers for inventories, book debts and other specified movable assets for securing the borrowings of Working Capital.

ii) Currency swap on IDFC Rupee loan of Rs. 4,000 lakhs and ICICI bank rupee loan of Rs. 4,000 lakhs are taken @ 64.42 per USD and @ 68.13 per USD respectively and other currency swap on HDFC Bank Rupee loan of Rs. 5,600 lakhs and Rs. 7,400 lakhs are taken @ 76.78 per USD and @ 75.83 per USD respectively, The Currency swap represents derivative instruments which has been mark to market at the year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

14 a) Non-current borrowings (continued)

iii) Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

Name of the Bank/ Financial Institutions	Currency	Interest Rate	Year of Maturity	Installments	Carrying amount as at March 31, 2021	Carrying amount as at March 31, 2020 (Restated)
Foreign Currency						
Ratnakar Bank - ECB	EUR	**2.75%**	2026	The term loan is repayable in 24 quarterly installments of EURO 187,500.00 each starting from Apr 2020.	**3,228.71**	3,737.23
Foreign Currency - Total-A					**3,228.71**	3,737.23
Indian Currency						
Bank of Baroda	INR	**11.20% - 12.89%**	2020	The term loan is repayable in 20 quarterly installments of Rs. 41.50 lakhs Starting from June 2015	–	41.50
ICICI Bank	INR	**7.90%**	2024	The term loan is repayable in 20 quarterly installments of Rs. 200 lakhs Starting from Sep 2020	**3,395.49**	3,993.41
IDFC Bank	INR	**8.60%**	2025	The term loan is repayable in 20 quarterly installments of Rs. 200 lakhs Starting from Mar 2020	**3,000.00**	3,800.00
HDFC Bank	INR	**7.90%**	2026	The term loan is repayable in 20 quarterly installments of Rs. 280 lakhs Starting from Apr 2021	**5,575.99**	5,567.37
HDFC Bank	INR	**8.38%**	2027	The term loan is repayable in 20 quarterly installments of Rs. 370 lakhs Starting from Jun 2022	**7,400.00**	7,400.00
Kotak Mahindra Bank	INR	**6.25%**	2027	The term loan is repayable in 20 quarterly installments of Rs. 250 lakhs Starting from Mar 2023	**4,963.63**	–
CITI Bank	INR	**5.70%**	2025	The term loan is repayable in 12 quarterly installments of Rs. 750 lakhs Starting from Mar 2023	**8,971.88**	–
Toyota Financial services India Limited (Vehicle loan)	INR	**9.14%**	2022	The term loan is repayable in 36 monthly installments of Rs. 8.36 lakhs Starting from Jan 2019	**70.44**	143.01
Yes Bank (Vehicle loan)	INR	**8.97%**	2024	The term loan is repayable in 60 monthly installments of Rs. 0.41 lakhs Starting from Jan 2020	**15.53**	18.89
Indian Currency Total-B					**33,392.96**	20,964.18
Total Term Loan (A+B)					**36,621.67**	24,701.41

iv) This is towards Grant-in–aid loan taken by Privi Biotechnologies Private limited (Wholly owned subsidiary company) from Indo-German Science and Technology Centre (for the project on design of selective nanoporous membrane bioreactor for efficient production of bio-butanol from lignocellulosic sugars.) amounting Rs. 30 lakhs which is repayable in ten equal half yearly installments starting from March 2018. This is soft Loan and rate of interest of this Loan is 2% p.a.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

14 b) Lease liabilities

Particulars	Non-Current portion		Current portion	
	As at March 31, 2021	As at March 31, 2020 (Restated)	**As at March 31, 2021**	As at March 31, 2020 (Restated)
Lease liabilities	**431.25**	**619.43**	**156.45**	**79.63**
	431.25	**619.43**	**156.45**	**79.63**

15 Current borrowings (secured)

Particulars	**As at March 31, 2021**	As at March 31, 2020 (Restated)
From Banks:		
Cash credit	**14.81**	–
Working capital demand loan	**9,705.14**	15,397.82
Packing credit from bank	**6,713.35**	8,862.73
Buyers credit	**–**	1,278.31
Total	**16,433.30**	25,538.86

a) All the above loans are secured by first pari passu charge on all current assets of the Holding company both present and future.

b) Working capital loans from banks are secured by way of hypothecation of inventories both on hand and in transit and book debts and other receivables both present and future and also secured by way of second charge on fixed assets. Working capital loans carry interest rate @ 5.15% to 6.40%.

c) Post shipment and packing credit from bank carry interest rate @ 0.70% to 6.75% and are due for payment within 180 days.

d) Cash Credit loan from bank carry interest rate @ 6.50% to 7.00%.

16 Provisions

Particulars	Non-Current portion		Current portion	
	As at March 31, 2021	As at March 31, 2020 (Restated)	**As at March 31, 2021**	As at March 31, 2020 (Restated)
Provisions for employee benefits				
Compensated absences (refer note 32)	**372.93**	337.83	**52.12**	38.56
Gratuity (refer note 32)	**1,095.16**	953.72	**83.45**	62.81
Other provision				
Provision for wealth tax	**–**	–	**–**	0.20
	1,468.09	1,291.55	**135.57**	101.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

17 Income tax

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Amounts recognised in profit or loss		
The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:		
Current income tax:		
Current income tax expenses	**4,146.97**	4,952.27
Tax Adjustment of earlier years	**–**	(14.15)
Deferred income tax:		
Relating to origination and reversal of temporary differences	**(14.79)**	(277.77)
Income tax expense reported in the statement of profit or loss for the year	**4,132.18**	4,660.35
Income tax recognised in other comprehensive income for the year		
Tax expense related to items recognised in OCI during the year:		
Remeasurements of defined benefit (asset)	**(2.42)**	(23.34)
Income tax charged to OCI for the year	**(2.42)**	(23.34)
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:		
Accounting profit before income tax	**15,822.24**	19,263.29
At India's statutory income tax rate of 25.17% (March 31, 2020 : 25.17%)	**3,982.46**	4,848.57
Impact of Ind AS 116	**–**	11.95
Impact of change in tax rate	**–**	(529.49)
Reversal of DTA	**–**	15.29
Non-deductible expenses for tax purposes	**85.60**	174.10
Foreign tax impact	**8.66**	10.81
Others (Due to loss in subsidiary)	**55.46**	129.12
	4,132.18	4,660.35
Income tax expense reported in the statement of profit and loss	**4,132.18**	4,660.35

The group has chosen to exercise the option of lower tax rate of 25.17% (inclusive of surcharge and cess) under Section 115BAA of the Income tax act,1961 as introduced by the Taxation laws (Amendment) Ordinance 2019. The impact of this change has been recognised in tax expenses for the year ended March 31, 2021 and March 31, 2020 respectively at the effective tax rate.

Deferred Tax movement

Particulars	As at April 01, 2020 (Restated)	Credit/(charge) in the statement of Profit and Loss	Credit/(charge) in other comprehensive income	Adjustments due to transition impact of Ind AS 116	As at March 31, 2021
Deferred tax (assets)/liabilities					
Difference between WDV as per books and income tax	**2,175.45**	**130.21**	**–**	**–**	**2,305.66**
Deferred asset on ROU impact	**(20.64)**	**(3.66)**	**–**	**–**	**(24.30)**
Provision for doubtful debts and advances	**(42.08)**	**–**	**–**	**–**	**(42.08)**
Expenses allowable for tax purposes when paid	**(365.64)**	**(57.65)**	**(2.42)**	**–**	**(425.71)**
Forex loss unrealised Impact (Derivative instrument)	**(402.05)**	**(28.78)**	**–**	**–**	**(430.83)**
Unrealised profit on stock	**8.18**	**(54.91)**	**–**	**–**	**(46.73)**
Others	**(9.77)**	**–**	**–**	**–**	**(9.77)**
	1,343.45	**(14.79)**	**(2.42)**	**–**	**1,326.24**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

17 Income tax (continued)

Particulars	As at April 01, 2019 (Restated)	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	Adjustments due to transition impact of Ind AS 116	As at 31 March, 2020 (Restated)
Deferred tax (assets)/liabilities					
Difference between WDV as per books and income tax	2,325.26	(149.81)	–	–	2,175.45
Deferred asset on ROU impact	–	(13.69)	–	(6.95)	(20.64)
Provision for doubtful debts and advances	(7.46)	(34.62)	–	–	(42.08)
Expenses allowable for tax purposes when paid	(392.84)	50.54	(23.34)	–	(365.64)
Forex loss unrealised Impact (Derivative instrument)	(182.06)	(219.99)	–	–	(402.05)
Unrealised profit on stock	(81.62)	89.80	–	–	8.18
Others	(9.77)	–	–	–	(9.77)
	1,651.51	(277.77)	(23.34)	(6.95)	1,343.45

In respect of deferred taxes, all items are attributable to origination and reversal of temporary differences.

Deferred tax benefits are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which, those deductible temporary differences can be realized.

18 Trade payables

Particulars	**As at March 31, 2021**	As at March 31, 2020 (Restated)
a) Total outstanding dues of micro and small enterprises	**–**	–
b) Total outstanding dues of creditors other than micro and small enterprises		
i) Payable to Related parties: (refer note 31)	**435.66**	2.25
ii) Payable to Others	**16,303.75**	14,970.15
	16,739.41	14,972.40
The Group's exposure to credit and currency and liquidity risk related to trade payables are disclosed in note 34		
Information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006		
Particulars		
a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	**–**	–
(ii) The interest due on above	**–**	–
The total of (i) & (ii)	**–**	–
b) The amount of interest paid by the buyer in terms of Section 16 of the Act	**–**	–
c) The amount of the payment made to the supplier beyond the appointed day during the accounting year	**–**	–
d) The amounts of interest accrued and remaining unpaid at the end of financial year	**–**	–
e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act.	**–**	–
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	**–**	–
The above information has been determined to the extent such parties have been identified on the basis of information available with the Group and the same has been relied upon by the auditors.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
19 Other financial liabilities		
Interest accrued but not due on borrowings	**131.69**	128.15
Payable for capital expenditure	**5,518.41**	4,595.70
Deposits	**0.25**	0.25
Salaries, wages and bonus payable	**791.68**	881.46
Derivative instruments (refer note 14 a)	**637.03**	1,615.18
Current maturities of long term debt (refer note 14 a)	**3,445.85**	2,147.65
Interest on delayed payable of income tax	**13.15**	126.92
	10,538.06	9,495.31
The Groups' exposure to credit and currency and liquidity risk related to the above financial liabilities are disclosed in note 34		
20 Other current liabilities		
Statutory dues (including provident fund, tax deducted at source and others)	**258.81**	216.02
Advance from customers (refer note 40)	**171.93**	160.50
Provision for stamp duty on account of demerger	**–**	29.90
	430.74	406.42

21 Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
Revenue from contracts with customers disaggregated based on nature of product or services		
Sale of products (refer note 30 and 40)		
a) Manufactured Goods	**1,26,797.20**	1,30,381.13
b) Traded Goods	**13.20**	–
	1,26,810.40	1,30,381.13
Other operating revenues		
a) Export incentives	**698.50**	1,854.94
b) Scrap Sales	**147.37**	175.23
	845.87	2,030.17
	1,27,656.27	1,32,411.30
22 Other income		
Interest income from fixed deposits carried at amortised cost	**48.10**	77.01
Gain on write-back of Financial liabilities measured at amortised cost	**1.72**	7.78
Profit on disposal of property, plant and equipment (net)	**0.30**	–
Profit on sale of investments (net) at FVTPL	**18.59**	0.45
Dividend on current investment in mutual fund carried at FVTPL	**–**	0.08
Net Gain on Foreign currency Transactions and Translation	**1,856.73**	2,004.12
Miscellaneous income	**70.51**	546.46
	1,995.95	2,635.90

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
23	**Cost of materials consumed**		
	Raw material consumed		
	Opening Stock	**11,921.62**	14,154.48
	Add: Purchases	**74,129.66**	78,344.91
	Less: Closing Stock	**9,591.30**	11,921.62
	Consumption	**76,459.98**	80,577.77
	Packing material consumed		
	Opening Stock	**61.28**	82.16
	Add: Purchases	**1,739.57**	1,320.33
	Less: Closing Stock	**86.91**	61.28
	Consumption	**1,713.94**	1,341.21
		78,173.92	81,918.98
24	**Purchase of stock in trade**		
	Purchase of stock in trade	**316.77**	270.37
		316.77	270.37
25	**Changes in inventories of finished goods and work in progress**		
	Closing stock:		
	Finished goods	**14,364.54**	12,651.00
	Work in progress	**9,306.99**	7,639.14
		23,671.53	20,290.14
	Opening stock:		
	Finished goods	**12,651.00**	12,227.28
	Work in progress	**7,639.14**	6,186.55
		20,290.14	18,413.83
	(Increase) in inventories	**(3,381.39)**	(1,876.31)
26	**Employee benefits expense**		
	Salaries, wages and bonus	**6,175.08**	5,778.07
	Contribution to provident and other funds	**321.72**	306.51
	Staff welfare expenses	**489.93**	418.85
		6,986.73	6,503.43

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
27	**Finance cost**		
	Interest on term loans using effective interest rate measured at amortised cost	**1,287.54**	1,098.26
	Add - Exchange difference regarded as an adjustment as per para 6E to borrowing costs	**189.35**	372.77
	Less: Exchange loss capitalised as per para 6E from borrowing Cost	**(162.35)**	(108.73)
	Less: Interest capitalised	**(532.94)**	(500.98)
	Net interest on term loans	**781.60**	861.32
	Interest on working capital loans using effective interest rate measured at amortised cost	**1,247.42**	2,323.80
	Interest on vehicle loans using effective interest rate measured at amortised cost	**11.89**	18.05
	Loan arrangement fees amortised using effective rate of interest basis	**14.72**	10.10
	Interest cost lease liability using effective interest rate measured at amortised cost	**72.24**	70.72
	Interest on delayed payment of income tax	**13.15**	126.92
		2,141.02	3,410.91
28	**Depreciation and amortisation**		
	Depreciation on property, plant and equipment	**6,584.02**	5,204.09
	Amortisation of intangible assets	**207.95**	195.21
	Amortisation right to use assets	**307.99**	277.86
		7,099.96	5,677.16
29	**Other expenses**		
	Consumption of stores and spares	**1,254.96**	1,064.86
	Power and fuel	**7,039.02**	6,139.07
	Job work charges	**2,160.03**	2,748.61
	Repairs and maintenance of:		
	Buildings	**423.86**	378.42
	Plant and machinery	**839.12**	901.90
	Others	**211.45**	153.41
	Contract labour charges	**1,132.21**	944.62
	Lease expense (refer note 4a)	**16.22**	19.98
	Research and development	**615.38**	682.83
	Pollution control expenses	**309.55**	225.87
	Other factory expenses	**560.00**	440.52
	Insurance	**1,366.06**	1,942.60
	Postage and telephone expense	**88.93**	79.07
	Rates and taxes	**92.66**	186.89
	Training expenses	**9.99**	24.32
	Auditors remuneration:		
	For audit (including paid to other auditors Rs. 1.05 lakhs (March 31, 2020 - Rs. 0.75 lakhs)	**44.30**	38.00
	For limited review	**27.00**	27.00
	Other services	**3.90**	3.50
	Out of pocket expenses	**2.06**	2.23
	Brokerage and Commission	**182.76**	111.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

29 Other expenses (continued)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
Printing and stationery	**68.27**	100.86
Freight outward	**3,833.30**	2,837.86
Selling and distribution	**1,251.72**	1,120.72
Legal and professional fees	**1,265.36**	1,216.14
Travelling and conveyance	**406.47**	763.53
Bank charges	**226.37**	344.98
CSR expenses*	**240.08**	113.97
Allowance for doubtful advances	**–**	160.00
Sundry balances w/off	**117.45**	29.53
Allowance for expected credit loss and credit impairment	**–**	15.58
Miscellaneous expenses (net)	**1,013.75**	1,060.90
	24,802.23	23,879.37

* **Corporate Social Responsibility**

The Gross amount required to be spent by Group during the year towards Corporate Social responsibility (CSR) as per provision of Section 135 of Companies act 2013 amounts to Rs. 162.87 lakhs (March 31, 2020 : Rs. 125.67 lakhs). Amount spent during the year on CSR activities in note 29 of the Consolidated statement of Profit and loss as under :

Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
Amount spend for the year		
Employee benefit expenses	**–**	–
Expenses yet to incurred	**–**	–
Other Expenses (Education, Environment, Health & Hygiene & Model village, water tank etc.)	**240.08**	113.97
	240.08	113.97
In cash	**240.08**	113.97
Yet to be paid in cash	**–**	–
	240.08	113.97

30 Segment information

A. Factors used to identify the entity's reportable segments, including the basis of organisation

For management purpose, the Company has determined its reportable segment as "Aromatic chemicals" since the chief operating decision maker (CODM) evaluates the Company's performance as a single segment.

B. Information about reportable segments

Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
Revenue	**1,26,810.40**	1,30,381.13
	1,26,810.40	1,30,381.13

C. Geographic information

The geographic information analyses the Group`s revenue and non-current assets by the Groups' country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segments assets were based on the geographic location of the respective non-current assets.

The product offerings which are part of the speciality chemicals portfolio of the Group`s are managed on a worldwide basis from India. (refer note 40)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

30 Segment information (continued)

The amount of the Group's revenue is shown in the table below :

Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
India	**31,363.27**	31,809.88
Outside India #	**95,447.13**	98,571.25
Total	**1,26,810.40**	1,30,381.13

\# Includes deemed exports of Rs. 2,490.55 lakhs for the year (March 31, 2020 : Rs. 3,491.81 lakhs)

All the non-current assets of Company are located within India.

D. Information about Major Customers

No single customer contributed more than 10% to the Group's revenue in Financial Year 2020-21 and 2019-20.

31 Related party disclosures

Details of transactions between the Company and other related party are disclosed below.

a) List of Related Parties

Promoter Group

FIH Mauritius Investments Limited, Republic of Mauritius (FMIL)

FIH Private Investments Limited, Mauritius

(FMIL is wholly owned and controlled by Fairfax India Holdings Corporation, Canada)

Enterprises owned by key management personnel or their relatives

Vivira Chemical Industries
Minar Organics Private Limited
Vivira Chemicals Private Limited
Privi Life Science Private Limited
Moneymart Securities Private Limited
Babani Investment and Trading Private Limited
Satellite Technologies Private Limited
Vivira Investment and Trading Private Limited
Prasad Organics Private Limited
MM Infra & Leasing Private Limited
Babani Bros. LLP
Fairchem Organics Limited
Privi Organics Limited
Jariwala Tradelink LLP
Nahoosh Tradelink LLP

Key Management Personnel (KMP)

Mr. Mahesh P. Babani	Chairman & Managing Director
Mr. D. B. Rao	Executive Director
Mr. Nahoosh Jariwala	Managing Director upto closing hours of August 12, 2020
Mr. Utkarsh Shah	Non Executive Director upto closing hours of August 12, 2020

(Currency: Indian Rupees in lakhs)

31 Related party disclosures (continued)

Relatives of Key Management Personnel

Mahesh Purshottam Babani HUF
Mrs. Seema Mahesh Babani
Ms. Snehal Mahesh Babani
Ms. Jyoti Mahesh Babani
Mr. D. Vijay Kumar
Mr. D. Vinay Kumar
Mrs. Grace Vinaykumar
Mrs. Sharon Doppalapudi
Mrs. Premaleela Doppalapudi
Mr. Rajkumar Doppalapudi
Mrs. Prasanna Raj
Mr. Rameshbabu Gokameswararao Guduru

b) During the year, following transactions were carried out with the related parties :

Particulars	Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2021	March 31, 2020 (Restated)	**March 31, 2021**	March 31, 2020 (Restated)
Purchase of raw materials				
Privi Life Science Pvt. Ltd.	**31.29**	24.86	**–**	–
Prasad Organics Pvt. Ltd.	**1,710.94**	–	**–**	–
Sale of finished goods				
Privi Life Science Pvt. Ltd.	**20.38**	21.08	**–**	–
Prasad Organics Pvt. Ltd.	**1,054.35**	–	**–**	–
Sale of Property plant & equipment				
Privi Organics Ltd	**1.46**	–	**–**	–
Lease expense				
Minar Organics Pvt. Ltd.	**15.00**	15.00	**–**	–
Vivira Chemicals Pvt. Ltd.	**12.00**	12.00	**–**	–
Moneymart Securities Pvt. Ltd.	**120.00**	180.00	**–**	–
MM Infra & Leasing Private Limited	**96.00**	–	**–**	–
Lease income				–
Minar Organics Pvt. Ltd.	**0.30**	**0.30**		
Privi Life Sciences Pvt. Ltd.	**12.00**	12.00	**–**	–
Vivira Chemicals Pvt. Ltd.	**0.30**	0.30	**–**	–
Security Deposit				
MM Infra & Leasing Private Limited	**351.00**	–	**–**	–
Reimbursement of Expense Received				
Fairchem Organics Limited	**411.95**	–	**–**	–
Loan and Advances				
Minar Organics Pvt. Ltd.	**225.00**	–	**–**	–
Vivira Chemicals Pvt. Ltd.	**175.00**	–	**–**	–
Managerial remuneration				
Mr. D. B. Rao (*)	**–**	–	**210.00**	210.00
Mr. Mahesh P Babani (*)	**–**	–	**500.00**	360.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

31 Related party disclosures (continued)

Particulars	Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2021	March 31, 2020 (Restated)	**March 31, 2021**	March 31, 2020 (Restated)
Salary paid				
Mr. D. Vinaykumar	–	–	**54.73**	21.78
Dividend Paid				
Mr. Mahesh P Babani	–	–	**38.80**	–
Mr. D. B. Rao	–	–	**10.85**	–
Mr. Utkarsh Shah	–	–	**0.38**	–
FIH Mauritius Investments Ltd	**285.64**	–	–	–
FIH Private Investments Ltd	**0.05**	–	–	–
Moneymart Securities Pvt. Ltd.	**3.10**	–	–	–
Vivira Investment And Trading Pvt. Ltd.	**2.85**	–	–	–
Jariwala Tradelink Llp	**5.05**	–	–	–
Nahoosh Tradelink Llp	**9.95**	–	–	–
Vivira Chemicals Pvt. Ltd.	**1.20**	–	–	–
Mahesh Purshottam Babani HUF	–	–	**26.88**	–
Ms. Seema Mahesh Babani	–	–	**5.85**	–
Ms. Jyoti Mahesh Babani	–	–	**5.85**	–
Ms. Snehal Mahesh Babani	–	–	**5.85**	–
Ms. Premaleela Doppalapudi	–	–	**2.66**	–
Mr. Vinaykumar Doppalapudi Rao	–	–	**7.17**	–
Ms. Grace Vinaykumar	–	–	**2.25**	–
Mr. Vijay Kumar Doppalapudi	–	–	**6.82**	–
Ms. Sharon Doppalapudi	–	–	**2.38**	–
Mr. Rajkumar Doppalapudi	–	–	**6.69**	–
Ms. Prasanna Raj	–	–	**2.78**	–
Mr. Rameshbabu Gokarneswararao Guduru	–	–	**0.90**	–

* Remuneration does not include charge for gratuity and leave encashment as employee-wise break up is not available.

c) Outstanding balances:

Particulars	Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2021	March 31, 2020 (Restated)	**March 31, 2021**	March 31, 2020 (Restated)
Receivables /Other assets				
Vivira chemicals Industries	**0.51**	0.51	–	–
MM Infra & Leasing Private Limited	**351.00**	–	–	–
Privi Life Sciences Private Limited	**52.51**	115.35	–	–
Minar Organics Private Limited	**225.09**	–	–	–
Moneymart Securities Private Limited	–	300.00	–	–
Prasad Organics Private Limited	**792.15**	–	–	–
Vivira Chemicals Private Limited	**175.06**	–	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

31 Related party disclosures (continued)

Particulars	Enterprises owned by key management personnel or their relatives		Key Management Personnel and their relatives	
	March 31, 2021	March 31, 2020 (Restated)	**March 31, 2021**	March 31, 2020 (Restated)
Trade Payables				
Privi Life Science Private Limited	**21.06**	2.25	**–**	–
Prasad Organics Pvt. Ltd.	**412.51**	–	**–**	–
Vivira Chemicals Pvt. Limited	**0.93**	–	**–**	–
Minar Organics Pvt. Ltd.	**1.16**	–	**–**	–
Payable to Key Management Personal				
Mahesh P Babani (*)	**–**	–	**24.83**	18.54
D. B. Rao (*)	**–**	–	**7.05**	12.26
Relatives of Key Management Personnel	**–**	–		
D. Vinaykumar (**)	**–**	–	**0.54**	0.54

* Remuneration Net of Tax Deducted at Source and it includes short term benefits.

** Remuneration Net of Tax Deducted at Source and it includes short term benefits and post employee benefits.

32 Employee benefits - Post-employment benefit plans

a) Defined contribution plans

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, and ESIC which are defined contribution plans. The Group`s has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue.

The Group has recognised the following amount as an expense and included in the Note 26 under "Contribution to provident & other funds":

Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
Contribution to employees provident fund	**315.96**	297.74
Contribution to ESIC	**5.40**	8.39

b) Defined benefit plans

The Group operates one post-employment defined benefit plan that provides gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement. In case of employees completing longer service periods, the Group's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Amount recognised in the Balance Sheet in respect of Gratuity		
Present value of the defined benefit obligation at the end of the year	**1,178.61**	1,016.53
Fair value of the plan assets	**–**	–
	1,178.61	1,016.53

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

32 Employee benefits - Post-employment benefit plans (continued)

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Movement in present value of defined benefit obligation		
Opening Liability	**1,016.53**	789.99
Current service cost	**106.57**	85.77
Interest cost	**69.80**	59.01
Actuarial /loss	**15.68**	92.33
Benefits paid	**(29.97)**	(10.57)
Closing defined benefit obligation	**1,178.61**	1,016.53
Expense recognised in statement of profit and loss		
Current service cost	**106.57**	85.77
Interest on defined benefit obligations	**69.80**	59.01
Total	**176.37**	144.78
Remeasurements recognised in Other comprehensive income		
Change in financial assumptions	**(1.98)**	53.42
Change in demographic assumptions	**–**	(4.81)
Experience adjustments	**17.66**	43.72
Total	**15.68**	92.33
Total expense recognised	**192.05**	237.11

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Principal actuarial assumptions at the balance sheet date		
For Holding Company (Privi Speciality Chemicals Limited)		
Discount rate (p.a.)	**6.86%**	6.84%
Expected rate of Salary increase (p.a.)	**8.25%**	8.25%
Attrition Rate	**For service 2 years and below : 20% For service 3 to 4 Years : 10% For service 5 Years and above: 5%**	For service 2 years and below : 20% For service 3 to 4 Years : 10% For service 5 Years and above: 5%
Mortality Tables	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)

At March 31, 2021 the weighted average duration of the defined benefit obligation was 10 years (March 31, 2020 - 10 years)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

32 Employee benefits - Post-employment benefit plans (continued)

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
For Wholly owned subsidiary company (Privi Biotechnologies Private Limited)		
Discount rate (p.a.)	**6.44%**	N.A.
Expected rate of Salary increase (p.a.)	**8.25%**	N.A.
Attrition Rate	**For service 2 years and below : 20% For service 3 to 4 Years : 10% For service 5 Years and above: 5%**	N.A.
Mortality Tables	**Indian Assured Lives Mortality (2006-08)**	N.A.

At March 31, 2021 the weighted average duration of the defined benefit obligation was 14 years (March 31, 2020 - Nil years)

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Discount rate		Future salary increase	
	March 31, 2021	March 31, 2020 (Restated)	**March 31, 2021**	March 31, 2020 (Restated)
Impact on defined benefit obligation due to:				
a. 1% increase	**(93.55)**	(82.62)	**105.68**	93.37
b. 1% decrease	**108.23**	95.64	**(93.23)**	(82.33)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period, as calculated by Actuary.

Experience adjustment for last five years

Particulars	March 31, 2021	March 31, 2020 (Restated)	March 31, 2019 (Restated)	March 31, 2018 (Restated)	March 31, 2017 (Restated)
Defined benefit obligation	**1,178.61**	1,016.53	789.99	627.56	522.23
Surplus/(deficit)	**(1,178.61)**	(1,016.53)	(789.99)	(627.56)	(522.23)
Experience adjustment on plan liabilities	**17.66**	43.72	54.61	23.63	31.42

Compensatory absences

The Group provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Amount of Rs. 96.16 lakhs (March 31, 2020 Rs. 147.42 lakhs) has been recognised in the Consolidated Statement of profit and loss on account of provision for long-term employment benefit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

33 Financial instruments

a. Accounting classification and fair values

The Group is exposed to the risks of changes in fair value of its financial assets and liabilities. The following table summarises the fair values and carrying amounts of financial instruments.

As on March 31, 2021	Note	Carrying value				Fair value measurement using		
		Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial assets:								
Trade receivables	10	**23,903.85**	–	–	**23,903.85**	–	–	–
Cash and cash equivalents	11	**1,545.32**	–	–	**1,545.32**	–	–	–
Bank balances other than cash and cash equivalents	12	**428.63**	–	–	**428.63**	–	–	–
Loans	5	**993.27**	–	–	**993.27**	–	–	–
Other financial assets	6	**92.95**	–	–	**92.95**	–	–	–
Financial liabilities:								
Non Current borrowings	14 a)	**33,184.82**	–	–	**33,184.82**	–	–	**33,184.82**
Current borrowings	15	**16,433.30**	–	–	**16,433.30**	–	–	–
Trade payables	18	**16,739.41**	–	–	**16,739.41**	–	–	–
Derivatives	19	–	**637.03**	–	**637.03**	–	**637.03**	–
Lease liabilities	14 b)	**587.70**	–	–	**587.70**	–		**587.70**
Other financial liabilities (other than lease liabilities)	19	**9,901.03**	–	–	**9,901.03**	–	–	–

* Investment in mutual funds and derivatives are mandatorily measured at FVTPL

As on March 31, 2020 (Restated)	Note	Carrying value				Fair value measurement using		
		Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial assets:								
Investment in mutual funds	9	–	105.11	–	105.11		105.11	
Trade receivables	10	22,890.06	–	–	22,890.06	–	–	–
Cash and cash equivalents	11	8,471.81	–	–	8,471.81	–	–	–
Bank balances other than cash and cash equivalents	12	359.76	–	–	359.76	–	–	–
Loans	5	817.34	–	–	817.34	–	–	–
Other financial assets	6	135.14	–	–	135.14	–	–	–
		–						
Financial liabilities:								
Non Current borrowings	14 a)	22,571.76	–	–	22,571.76	–	–	22,571.76
Current borrowings	15	25,538.86	–	–	25,538.86	–	–	–
Trade payables	18	14,972.40	–	–	14,972.40	–	–	–
Derivatives	19	–	1,615.18	–	1,615.18		1,615.18	
Lease liabilities	14 b)	699.06	–	–	699.06	–	–	699.06
Other financial liabilities (other than lease liabilities)	19	7,880.13	–	–	7,880.13	–	–	

* Investment in mutual funds and derivatives are mandatorily measured at FVTPL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

33 Financial instruments (continued)

b. The fair value of financial instruments as referred to in note (a) above have been classified into a three categories depending on the inputs used in the valuation technique.

The categories used are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There were no significant changes in classification of fair value of financial assets and financial liabilities. There were also no significant movements between the fair value hierarchy classifications.

c. Calculation of fair values

The fair values of the financial assets and liabilities are defined as 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. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2020.

(i) The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates. In case the forwards are taken from banks and financial institutions, the fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies by the bankers.

(ii) The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

(iii) Loans, lease liabilities and borrowings have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

(iv) Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.

34 Financial risk management

"The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of Directors on its activities.

The Group's risk management are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities.

The Audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit committee is assisted in its oversight role by internal audit by external party.

The Group has exposure to the following risks arising from the financial instruments:

a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations and arises principally from the Group's receivables from customers. The carrying amount of financial assets represent the maximum credit exposure.

The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer. However, management also consider the factors that may influence the credit risk of its customer base. including the default risk associated with the industry and country in which Group operates.

The Group analyses credit worthiness of each new customer individually before standard payment and delivery terms are offered. The Group is monitoring economic environment in countries where it operates and is taking actions to limit its exposure to customers in those countries experiencing particular economic volatility.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

34 Financial risk management (continued)

Impairment of Trade receivables

At March 31, 2021, the ageing of trade and other receivables that were not impaired was as follows.

Particulars	Carrying amount	
	March 31, 2021	March 31, 2020 (Restated)
Neither past due nor impaired	**19,076.98**	17,185.14
Past due 0-90 days	**3,910.20**	4,446.67
Past due 90-180 days	**547.81**	701.29
Past due 180-270 days	**294.95**	40.34
Past due 270-360 days	**8.34**	–
More than 360 days	**65.57**	516.62
	23,903.85	22,890.06

Movement in Loss allowance measured at amount equal to life time expected credit losses for trade receivables.

Particulars	Amount
Opening balance as at April 01, 2019 (Restated)	10.86
Impairment loss recognised	15.58
Amounts written off	–
Balance as at March 31, 2020 (Restated)	26.44
Impairment loss recognised	–
Amounts written off	–
Balance as at March 31, 2021	**26.44**

The Group uses an allowance matrix to measure the expected credit loss of trade receivables. Based on the industry practices and the business environment in which the entity operates, Management considers that the trade receivables are in default (credit impaired) if the payments are more than 365 days past due.

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk and the current provision for the bad debts represents the impacted credit loss it foresees in its receivables.

Financial assets other than trade receivables are not impaired and further, there are no amounts that are past due. Management believes that the amounts are collectible in full, based on historical payment behaviour.

b) Liquidity risk

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

The Group maintains the level of its cash and cash equivalents at an amount in excess of expected cash outflow on financial liabilities. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash inflows on trade and other payables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

34 Financial risk management (continued)

Exposure to liquidity risk:

The following are 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.

March 31, 2021	Contractual cash flows					
	Carrying amount	**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Term loans from banks	**36,630.67**	**36,630.67**	**3,445.85**	**5,847.70**	**24,184.10**	**3,153.02**
Other borrowings	**16,433.30**	**16,433.30**	**16,433.30**	**–**	**–**	**–**
Trade payables	**16,739.41**	**16,739.41**	**16,739.41**	**–**	**–**	**–**
Other financial liabilities	**6,455.18**	**6,455.18**	**6,455.18**	**–**	**–**	**–**
Lease liabilities	**431.25**	**431.25**	**156.45**	**153.98**	**120.82**	**–**
Derivative financial liabilities						
Interest rate swaps	**637.03**	**637.03**	**637.03**	**–**	**–**	**–**
Total	**77,326.84**	**77,326.84**	**43,867.22**	**6,001.68**	**24,304.92**	**3,153.02**

March 31, 2020 (Restated)	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	24,719.41	24,719.41	2,147.65	3,423.74	14,282.70	4,865.32
Other borrowings	25,538.86	25,538.86	25,538.86	–	–	–
Trade payables	14,972.40	14,972.40	14,972.40	–	–	–
Other financial liabilities	5,732.48	5,732.48	5,732.48	–	–	–
Lease liabilities	619.43	619.43	79.63	136.32	483.11	–
Derivative financial liabilities						
Interest rate swaps	1,615.18	1,615.18	1,615.18	–	–	–
	73,197.76	73,197.76	50,086.20	3,560.06	14,765.81	4,865.32

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

c) Currency Risk

The Group is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

34 Financial risk management (continued)

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2021 and March 31, 2020 are as below :

Particulars	March 31, 2021	March 31, 2021	March 31, 2020 (Restated)	March 31, 2020 (Restated)
	USD	EURO	USD	EURO
Financial assets				
Cash and cash equivalents	9.14	1.93	10.64	0.42
Trade Receivables	198.72	6.90	184.82	10.35
	207.86	8.83	195.46	10.77
Financial liabilities				
Borrowings	–	37.50	–	45.00
Buyers Credit	–	–	17.06	–
PCFC	41.39	–	76.43	–
Working capital demand Loan	–	–	–	–
Trade payables and other financial liabilities	98.26	0.37	128.65	0.54
Other Current financial liabilities - Derivative Instruments Interest rate swap*	7.30	1.07	19.95	1.34
	146.95	38.94	242.09	46.88
Net exposure	60.91	(30.11)	(46.63)	(36.11)

* **The exposure disclosed here is net of currency swap taken by the Group**

Currency exposure for borrowings is exclusive of Currency swap on IDFC Rupee loan of Rs. 4,000 lakhs and ICICI bank Rupee loan of Rs. 4,000 lakhs are taken @ 64.42 per USD and @ 68.13 per USD respectively and other currency swap on HDFC Bank Rupee loan of Rs. 5,600 lakhs and Rs. 7,400 lakhs are taken @ 76.78 per USD and @ 75.83 per USD respectively which are classified as Indian currency loan.

The Group's corporate treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, and liquidity risk.

The Group`s treasury function reports quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

34 Financial risk management (continued)

d) Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currencies against INR at March 31 would have affected the measurement of financial instruments denominated in US dollars 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.

Effect in INR	Profit before tax		Equity, net of tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
March 31, 2021				
USD (3% movement)	**134.32**	**(134.32)**	**100.51**	**(100.51)**
EUR (3% movement)	**(77.77)**	**77.77**	**(58.20)**	**58.20**
	56.55	**(56.55)**	**42.31**	**(42.31)**

Effect in INR	Profit before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2020 (Restated)				
USD (3% movement)	(102.83)	102.83	(76.95)	76.95
EUR (3% movement)	(93.27)	93.27	(69.79)	69.79

e) Interest risk

The group is exposed primarily to fluctuation in USD LIBOR rates. Interest rate risk on financial debt is managed through interest rate swaps.

The interest rate profile of the Group`s interest-bearing financial instruments is as follows :

Particulars	**March 31, 2021**	March 31, 2020 (Restated)
Fixed-rate instruments *	**53,054.97**	50,198.77
Variable-rate instruments	–	41.50
Total borrowings	**53,054.97**	50,240.27

* Effect of interest rate swaps is disclosed in Note 14 a.

Financial assets classified at amortized cost have fixed interest rate. Hence, the group is not subject to interest rate risk on such financial assets.

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.

Particulars	**Profit or loss**		**Equity, net of tax**	
	100 bp increase	100 bp decrease	**100 bp increase**	100 bp decrease
March 31, 2021				
Variable-rate instruments	–	–	–	–
March 31, 2020 (Restated)				
Variable-rate instruments	0.42	(0.42)	0.31	(0.31)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

35 Contingent Liabilities:

Claims against the group not acknowledged as debts are as below :

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Nature of tax		
Income tax	**1,515.22**	1,518.55
Custom duty*	**15.52**	15.52

* Demand of Rs. 15.52 lakhs (out of which Rs. 6.00 lakhs paid) raised by Customs, Excise and Service Tax Appellate Tribunal West Zonal Bench, Mumbai for clearance of imported goods under DEPB scheme. (Contravention of the provisions of Section 111 (o) of the Customs Act, 1962)

The claims against the Group comprise of pending litigations / proceedings pertaining to demands raised by Excise, Custom, Sales/ VAT tax and other authorities / bodies. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/ authorities.

The Group does not expect any reimbursements in respect of the above contingent liabilities.

36 Commitments

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of Rs. 3,290.41 lakhs, March 31, 2020 : Rs. 495.26 lakhs)	**11,374.66**	4,520.01
LC's issued in favour of suppliers, but the material not dispatched	**1,531.81**	1,486.14

37 Earnings per share

Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
Profit after tax attributable to equity shareholders [A]	**11,690.06**	14,602.94
Number of equity shares at the beginning of the year [B]	**3,90,62,700**	3,90,62,700
Number of equity shares outstanding at the end of the year [C]	**3,90,62,700**	3,90,62,700
Weighted average number of equity shares outstanding during the year [D]	**3,90,62,700**	3,90,62,700
Basic and diluted earnings per share of face value Rs. 10 [A]/[D]	**29.93**	37.38

38 Transfer Pricing

Transactions with related parties are governed by transfer pricing regulations of the Indian Income-tax Act, 1961. The Holding Company's international and domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended March 31, 2020. Management believes that the Company's international and domestic transactions with related parties post March 2020 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 tax expense and that of provision for taxation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

39 Dividend on equity shares

Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
Final dividend for the year ended March 31, 2020 - Rs. 1.50 (March 31, 2019 Rs.: 2.00) per fully paid up share (Amount of Cash-out flow of dividend is inclusive of dividend distribution tax)	**585.94**	753.47
	585.94	753.47
Dividends not recognized at the end of reporting period		
Final dividend of Rs. 2.00 per fully paid up equity shares (March 31, 2020 Rs. 1.50 per fully paid up share). This proposed dividend is subject to the approval of share holders in the ensuing annual general meeting. (Amount of Cash-out flow of dividend is inclusive of dividend distribution tax)	**781.25**	585.94
	781.25	585.94

40 Revenue from Contracts with Customers

(a) The Group is primarily in the Business of manufacture and sale of Aroma chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give significant credit period resulting in no significant financing component.

(b) Reconciliation of revenue recognised from Contract liability:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
Opening Contract liability	**160.50**	219.17
Less: Recognised as revenue during the year (includes contract liabilities at the beginning of the period)	**2,887.33**	1,438.24
Add: Addition to contract liability during the year	**2,898.76**	1,379.57
Closing Contract liability	**171.93**	160.50

Contract liability primarily relates to advance consideration received from customers for sale of products in case of few contracts based on terms agreed. The contract liability is expected to be recognised within 12 months.

There is no contract asset as at March 31, 2021(March 31, 2020 : Nil)

(c) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Restated)
Revenue from contract with customer as per Contract price	**1,26,982.11**	1,30,592.04
Less: Discounts and other adjustments	**171.71**	210.91
Revenue from contract with customer as per statement of profit and loss	**1,26,810.40**	1,30,381.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

40 Revenue from Contracts with Customers (continued)

(d) Disaggregation of revenue from contract with customers:

Particulars	Revenue from contracts with customers (IND AS 115) March 31, 2021	Revenue from contracts with customers (IND AS 115) March 31, 2020 (Restated)
India	33,853.82	35,301.69
Europe (excluding UK)	31,661.76	28,503.52
North America	28,013.18	27,651.20
Asia (excluding India)	12,643.72	16,547.26
Middle East	7,716.07	8,699.00
United Kingdom	6,198.93	6,360.97
South America	2,871.73	4,012.01
Africa	3,707.93	3,234.87
Australia and New Zealand	143.26	70.61
	1,26,810.40	1,30,381.13

(e) Unsatisfied Performance Obligations

The Group applies the practical expedient in Paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations.

41 Interests in Other Entities

(a) Subsidiaries

The group's subsidiaries at March 31, 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Principal activities	Place of business/country of incorporation	Ownership interest held by the Group	
			March 31, 2021	March 31, 2020 (Restated)
Privi Biotechnologies Private Limited	Chemicals	India	100	100
Privi organics USA Corporation	Chemicals	United States of America	100	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

41 Interests in Other Entities (continued)

(b) Additional information required by Schedule III:

Name of entity in group	Net assets (total assets minus total liabilities)		Share in profit and (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and (loss)	Amount	As % of consolidated other comprehensive income	Amount	as % of consolidated total comprehensive income	Amount
Parent								
Privi Speciality Chemicals Limited								
March 31, 2021	**98.81%**	**71,394.20**	**100.10%**	**11,702.15**	**12.13%**	**(6.98)**	**100.54%**	**11,695.17**
March 31, 2020	98.50%	60,284.97	98.62%	14,401.69	(109.39)%	(68.99)	0.00%	14,332.70
Subsidiaries								
Privi Biotechnologies Private Limited (Indian)								
March 31, 2021	**5.13%**	**3,703.84**	**-1.49%**	**(174.43)**	**0.00%**	**(6.28)**	**(1.55)%**	**(180.71)**
March 31, 2020	6.38%	3,903.51	-0.84%	(123.20)	0.00%	–	(0.84)%	(123.20)
Privi Organics USA, Corporation ('Foreign)								
March 31, 2021	**2.69%**	**1,941.36**	**2.97%**	**346.94**	**76.96%**	**(44.30)**	**2.60%**	**302.64**
March 31, 2020	2.68%	1,638.72	0.82%	120.12	209.39%	132.06	1.72%	252.18
Adjustments arising out of consolidation								
March 31, 2021	**(7.83)%**	**(4,787.50)**	**(1.58)%**	**(184.60)**	**0.00%**	**–**	**(1.59)%**	**(184.60)**
March 31, 2020	(7.56)%	(4,621.86)	1.40%	204.33	0.00%	–	1.39%	204.33
Total								
March 31, 2021	**100.00%**	**72,251.90**	**100.00%**	**11,690.06**	**100.00%**	**(57.56)**	**100.00%**	**11,632.50**
March 31, 2020	100.00%	61,205.34	100.00%	14,602.94	100.00%	63.07	2.27%	14,666.01

42 Insurance recoveries towards loss by fire

On April 26, 2018 a major fire broke out at the Holding Company's Unit 2 Plant located at MIDC Mahad. There was loss to the assets comprising of Inventories, Buildings, Plant and Machinery and other Fixed Assets, etc. which were adequately insured including coverage towards loss of profit and replacement cost of fixed assets. The Company received Rs. 2,309.26 lakhs and Rs. 4,000 lakhs during the years ended March 31, 2021 and March 31, 2020 respectively on account of Insurance claim which has been disclosed as an exceptional item. The entire Insurance Claim is now settled with the Insurance company, however, an amount of Rs. 809.26 lakhs (Out of Rs. 2309.26 lakhs) of current year is received on April 07, 2021 subsequent to the Year end. Since the final insurance claim is settled and a settlement letter is also issued by Insurance company on or before March 31, 2021 therefore this balance amount of Rs. 809.26 lakhs as above mentioned has been recognised as an exceptional Income in statement of Profit and Loss Account for the year ended March 2021 and shown as receivable from Insurance Company in Balance sheet as on March 31, 2021 as per requirement of the accounting standards.

43 Estimation of uncertainties related to global health pandemic from COVID-19

Government of India announced a Nationwide Lockdown due to Covid-19 Global Pandemic due to which the Holding Company shutdown few of its plants at Mahad & Jhagadia factories (except those involved in manufacture of chemicals used in essential goods) from March 24, 2020 which continued till April 07, 2020. Although sales were partially affected during the period of shutdown, however, impact is not significant. The Company does not foresee significant impact on net realizable value of its current assets. The production and sales is not currently impacted due to supply chain issues. However, given the uncertainty due to Covid-19, the Company would continue to monitor any material changes to future economic conditions and the consequential impact on the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

44 Composite Scheme of Arrangement and Amalgamation amongst Fairchem Speciality Limited (Demerged/Transferee Company) and Fairchem Organics Limited (Resulting Company) and Privi Organics India Limited (Transferor Company)

i) Pursuant to the scheme of Arrangement and Amalgamation ('the Scheme') approved by the National Company Law Tribunal ('the NCLT'), Special Bench, Mumbai vide its order dated June 30, 2020, Privi Organics India Limited (the Transferor Company), amalgamated with Fairchem Speciality Limited (Demerged / Transferee Company) with effect from April 01, 2019 ('the appointed date'), and the existing business of the transferee company of speciality oleo chemicals and nutraceuticals was transferred to Fairchem Organics Limited (appointed date March 31, 2019). Consequent to the effect of scheme, the name of Fairchem Speciality Limited changed to Privi Speciality Chemicals Limited vide certificate of incorporation pursuant to change of name issued by the Ministry of Corporate Affairs dated August 17, 2020. Accordingly, previous years numbers have been restated. Since the appointed date of demerger is March 31, 2019, the amounts relating for the year ended March 31, 2021 include the impact of the de-merger for the entire year and the corresponding amounts for the previous year ended March 31, 2020 have been restated after recognising the effect of the de-merger on the appointed date i.e. March 31, 2019 considering overriding effect of the Scheme.

ii) Accounting treatment of the arrangement in the books of Transferee company.

a) Inter Company balances and transactions between the Transferor Company and Transferee Company if any stand cancelled.

b) No adjustments are made to reflect fair values, or recognize any new assets or liabilities.

c) Accordingly, the Scheme has resulted in transfer of assets and liabilities at the following summarised values:

Particulars	March 31, 2019	Adjustment on account of demerger	March 31, 2019 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	48,897.83	(11,524.25)	37,373.58
Capital work-in-progress	9,465.72	(87.91)	9,377.81
Intangible assets	870.00	(0.50)	869.50
Financial assets			
Loans and advances	807.62	(1.51)	806.11
Other financial assets	339.80	(13.78)	326.02
Income tax assets (net)	1,216.31	(59.55)	1,156.76
Other non-current assets	867.28	(125.67)	741.61
Total Non-current assets	62,464.56	(11,813.17)	50,651.39
Current assets			
Inventories	36423.72	(3,400.62)	33,023.10
Financial assets			
Investments			–
Loans and advances	59.5	(1.98)	57.52
Trade receivables	33069.46	(3,213.13)	29,856.33
Cash and cash equivalents	1626.2	(2.64)	1,623.56
Bank balances other than cash and cash equivalents	687.11	(16.53)	670.58
Other current assets	8238.66	(324.04)	7,914.62
Total current assets	**80,104.65**	**(6,958.94)**	**73,145.71**
TOTAL ASSETS (A)	**142,569.21**	**(18,772.11)**	**123,797.10**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

44 Composite Scheme of Arrangement and Amalgamation amongst Fairchem Speciality Limited (Demerged/Transferee Company) and Fairchem Organics Limited (Resulting Company) and Privi Organics India Limited (Transferor Company) (continued)

Particulars	March 31, 2019	Adjustment on account of demerger	March 31, 2019 (Restated)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	18083.2	(829.14)	17,254.06
Provisions	1049.18	(89.54)	959.64
Deferred tax liabilities (net)	2867.25	(1,215.74)	1,651.51
Total non-current liabilities	**21,999.63**	**(2,134.42)**	**19,865.21**
Current liabilities			
Financial liabilities			
Borrowings	28047.84	(4,049.00)	23,998.84
Trade payables			
Micro and small enterprises	57.74	(57.74)	–
Others	21397.83	(3,012.57)	18,385.26
Other financial liabilities	10215.38	946.54	11,161.92
Other current liabilities	612.08	(83.19)	528.89
Provisions	151.79	(57.50)	94.29
Current tax liabilities (net)	2520.56	(63.59)	2,456.97
Total current liabilities	**63,003.22**	**(6,377.05)**	**56,626.17**
TOTAL EQUITY AND LIABILITIES (B)	**85,002.85**	**(8,511.47)**	**76,491.38**
Total net identifiable assets acquired C = (A-B)	57,566.36	(10,260.64)	47,305.72
Cost of investment in the Merged Undertaking (D)			3,906.27
Adjustment of Dividend Paid during the year (E)			625.00
Net impact transferred to other equity F = (C-D-E)			42,774.45
Balance in Other equity			43,399.45
Net impact after considering balances in Other equity			625.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2021

(Currency: Indian Rupees in lakhs)

44 Composite Scheme of Arrangement and Amalgamation amongst Fairchem Speciality Limited (Demerged/Transferee Company) and Fairchem Organics Limited (Resulting Company) and Privi Organics India Limited (Transferor Company) (continued)

Particulars	April to March 2020	Adjustment on account of demerger	April to March 2020 (Restated)
INCOME			
Revenue from operations	1,63,060.56	(30,649.26)	1,32,411.30
Other income	2,669.76	(33.86)	2,635.90
TOTAL INCOME (I)	**1,65,730.32**	**(30,683.12)**	**1,35,047.20**
EXPENSES			
Cost of materials consumed	1,01,751.22	(19,832.24)	81,918.98
Purchase of stock-in-trade (Traded goods)	270.37	–	270.37
Changes in inventories of finished goods and work-in-Progress	(1,242.31)	(634.00)	(1,876.31)
Employee benefits expense	8,053.59	(1,550.16)	6,503.43
Finance costs	4,068.81	(657.90)	3,410.91
Depreciation and amortisation expenses	6,273.11	(595.95)	5,677.16
Other expenses	27,428.97	(3,549.60)	23,879.37
TOTAL EXPENSES (II)	**1,46,603.76**	**(26,819.85)**	**1,19,783.91**
Profit before exceptional items and tax expense (I) - (II)	**19,126.56**	**(3,863.27)**	**15,263.29**
Exceptional Items			
Insurance recoveries towards loss by fire (refer note 42)	4,000.00	–	4,000.00
Profit before tax expense	**23,126.56**	**(3,863.27)**	**19,263.29**
Tax expenses:			
Current tax	5,831.16	(878.89)	4,952.27
Tax adjustment of earlier years	(10.04)	(4.11)	(14.15)
Deferred tax	(327.36)	49.59	(277.77)
Total tax expense	**5,493.76**	**(833.41)**	**4,660.35**
Profit for the year (III)	**17,632.80**	**(3,029.86)**	**14,602.94**

45 Specified Bank Note

The disclosures regarding details of specified bank notes during the period from November 08, 2016 to December 31, 2016 have not been made in these financial statements since the requirement does not pertain to the financial year ended March 31, 2021.

The notes referred to above form an integral part of the consolidated financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Mumbai
Date : May 14, 2021

For and on behalf of the Board of Directors

Mahesh Babani
Chairman & Managing Director
DIN: 00051162

D. B. Rao
Executive Director
DIN: 00356218

Narayan S Iyer
Chief Financial Officer
Membership No: 105320

Ramesh Kathuria
Company Secretary
Membership No: A-11214

Mumbai
Date : May 14, 2021

ANNEXURE I

FORM AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 of the Act read with Rule 5 of Companies (Accounts) Rules, 2014]

Sr. No.	Particulars	Name of Subsidiary	
		Privi Biotechnologies P Limited	Privi Organics USA Corporation
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Year ended March 31, 2021	Year ended March 31, 2021
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	(In ₹ Lakhs)	(In ₹ Lakhs)
3.	Share capital	3627.47	33.90
4.	Reserves and Surplus	76.37	1907.46
5.	Total Assets	3889.32	8508.50
6.	Total Liabilities	3889.32	8508.50
7.	Investments	–	–
8.	Turnover	420.00	30989.22
9.	Profit before taxation	(174.43)	482.73
10.	Provision for taxation	–	135.79
11.	Profit after taxation	(174.43)	346.94
12.	Other comprehensive income	(6.28)	(44.30)
13.	Total comprehensive income	(180.71)	302.64
14.	Proposed Dividend	–	–
15.	% of shareholding	100%	100%

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Concept, Content & Design
WYATT Prism
COMMUNICATIONS (info@wyatt.co.in)


PRIVI SPECIALITY CHEMICALS LIMITED
(Formerly known as Fairchem Speciality Limited)
www.privi.com
Cover Design and Printed by vakils