



# SADHANA NITRO CHEM LIMITED



**Date:** September 02, 2024

**To**

**BSE Limited**

1<sup>st</sup> Floor, P.J. Towers,  
Dalal Street, Mumbai - 400001  
Scrip Code: 506642

**To**

**National Stock Exchange of India Limited**

Exchange plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai - 400051, India  
Symbol: SADHNANIQ

**Subject: Notice of 51<sup>st</sup> Annual General Meeting**

Dear Sir/Madam,

We wish to inform you that 51<sup>st</sup> Annual General Meeting (“**AGM**”) of Sadhana Nitro Chem Limited (“**the Company**”) will be held on Wednesday, September 25, 2024, at 02:00 P.M. Indian Standard Time (“**IST**”) through Video Conferencing (“**VC**”)/ Other Audio-Visual Means (“**OAVM**”), to transact the business set as out in the Notice of the AGM.

In view of the Ministry of Corporate Affairs (“**MCA**”) & Securities and Exchange Board of India (“**SEBI**”) and vide their Regulations, circulars and Notifications, has permitted the convening the AGM through VC/OAVM, without the physical presence of the Members at a common venue, and has also granted the relaxation in respect of sending physical copies of the annual report to shareholders.

Pursuant to relevant provision of Companies Act, 2013 read with rules made thereunder and applicable provisions of SEBI Listing Regulations, the Company is providing facility to its Members to attend the AGM through VC/ OVAM and to exercise their right to vote in respect of the business to be transacted at the AGM by electronic means (remote e-voting / e-voting at the AGM). The details related to Book closure, Cut off for E-voting, commencement and end dates of E-voting are enclosed as:

<b>Events</b>	<b>Date</b>
Cut-off date for determining the eligibility for casting the votes through e-voting	Wednesday, September 18, 2024
Record date for taking record of the Members of the Company for the purpose of payment of dividend	Wednesday, September 18, 2024
Commencement of e-voting period	Sunday, September 22, 2024, 09:00 A.M.
End of e-voting period	Tuesday, September 24, 2024, 05:00 P.M.
Book Closure date for the purpose of AGM & Declaration of Final Dividend for the Financial Year 2023-24	From Thursday, September 19, 2024 To Wednesday, September 25, 2024 (Both days inclusive)

**Corporate Office**

10, Bruce Street, 1st Floor,  
8/12, Homi Mody Street, Fort,  
Mumbai - 400001

**Factory Address**

47, MIDC, Roha - 402116.  
Dist. Raigad (M.S.)  
Dhatav, Maharashtra

**Registered Office**

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



## SADHANA NITRO CHEM LIMITED



The detailed procedure for attending the AGM through VC / OVAM and exercising the right to vote in respect of the business to be transacted at the AGM by electronic means (remote e-voting / e-voting at the AGM) are provided in the Notice of AGM.

The Notice of AGM along with Annual Report for Financial Year 2023-24 is also available on the Company's website at [www.sncl.com](http://www.sncl.com).

Further, pursuant to Regulations 30 and 34 of the SEBI Listing Regulations, please find enclosed copy of the Notice of the AGM and the Annual Report of the Company for the Financial Year 2023-24 including the Audited Financial Statements for the financial year ended March 31, 2024 which is being sent only through electronic mode to the Members of the Company whose email addresses are registered with the Company /Company's Registrar and Share Transfer Agent/ Depository Participants).

Kindly take the same on your records.

**For SADHANA NITRO CHEM LIMITED**

**Nitin Rameshchandra Jani**  
**Company Secretary & Compliance Officer**  
**Membership No.: A4757**

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**Corporate Office**

10, Bruce Street, 1st Floor,  
8/12, Homi Mody Street, Fort,  
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## **SADHANA NITRO CHEM LIMITED**



### **CORPORATE DETAILS**

<b>BOARD OF DIRECTORS</b>	<b>Shri. Asit D. Javeri</b>	Executive Chairman
	<b>Shri. Priyam S. Jhaveri</b>	Independent Director
	<b>Shri. Pradeep N. Desai</b>	Independent Director
	<b>Shri. Abhishek A. Javeri</b>	Managing Director
	<b>Smt. Seema A. Javeri</b>	Executive Director-Administration
	<b>Shri. Amit M. Mehta</b>	Independent Director (upto 19th Oct. 2023)
	<b>Smt. Ayesha S. Patel</b>	Independent Director

<b>KEY MANAGERIAL PERSONNEL</b>	<b>Shri. Nitin R. Jani</b>	Company Secretary
	<b>Shri. Rakesh R. Kothari</b>	Chief Financial Officer

<b>BANKERS</b>	CITI BANK, Mumbai ICICI BANK LTD., Mumbai HDFC BANK LTD., Mumbai BANK OF MAHARASHTRA, Mumbai STATE BANK OF INDIA, Mumbai RBL BANK, Mumbai
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<b>AUDITORS</b>	Jayesh Dadia & Associates LLP Chartered Accountants 422, Arun Chambers, Tardeo, Mumbai-400034.
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<b>REGISTERED OFFICE</b>	Hirabaug, 1 <sup>st</sup> Floor, Kasturba Chowk (C.P.Tank), Mumbai-400 004. Phone: 022-23865629 <b>E-mail : <a href="mailto:sadhananitro@sncl.com">sadhananitro@sncl.com</a></b> <b>Website : <a href="http://www.sncl.com">www.sncl.com</a></b>
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<b>CIN</b>	L24110MH1973PLC016698
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<b>FACTORY</b>	47, M.I.D.C. Industrial Area, Roha, Dist. Raigad, Maharashtra- 402 116.
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<b>REGISTRAR AND TRANSFER AGENT (RTA)</b>	LINK INTIME INDIA PRIVATE LIMITED (Formerly known as Intime Spectrum Registry Limited) C101, 247 Park, LBS Marg, Vikhroli West, Mumbai-400 083. Phones : 022-49186000 E-mail : <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>
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**NOTICE OF THE MEMBERS**

NOTICE IS HEREBY GIVEN THAT THE 51<sup>ST</sup> ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF SADHANANITRO CHEM LIMITED ("THE COMPANY") WILL BE HELD ON WEDNESDAY, 25<sup>TH</sup> SEPTEMBER, 2024 AT 02:00 (IST) THROUGH VIDEO CONFERENCING ("VC/OAVM") TO TRANSACT THE FOLLOWING BUSINESS:

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

To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the Financial Year ended on March 31, 2024 and the Reports of the Board of Directors and the Auditor's thereon.

**2. Declaration of Final Dividend**

To declare a dividend @ 15% (i.e Rs. 0.15 /- per equity share of Rs. 1/- each) on Equity Shares for the financial year ended on March 31, 2024.

**3. Appointment of Mr. Abhishek A. Javeri (DIN:00273030) as a director who is liable to retire by rotation and being eligible, offers himself for re-appointment.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Abhishek A. Javeri (DIN:00273030), who retires by rotation, be and hereby re-appointed as a Director liable to retire by rotation."

**4. Re-appointment of M/s. Jayesh Dadia & Associates LLP (Firm Registration No.121142W/W100122), Chartered Accountants as Statutory Auditors of the Company for a second term of five years.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board, M/s. Jayesh Dadia & Associates LLP, Chartered Accountant (F.R. No.121142W/W100122) be and is hereby re-appointed as statutory Auditors of the Company for a second term of five years to hold office from the conclusion of 51<sup>st</sup> Annual General Meeting till the conclusion of the 56<sup>th</sup> Annual General Meeting of the Company at remuneration of Rs. 12,00,000/- (Rupees Twelve Lakhs only) plus applicable Tax & re-imbursalment of out-of-pocket expenses as may be incurred by them in connection with audit of accounts of the Company, as may be mutually agreed upon between the Board of Directors and the Statutory Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to settle any question, difficulty or doubt that may arise and to do all such acts, deeds and things as may be necessary, proper or expedient for the purpose of giving effect to this Resolution."

**SPECIAL BUSINESS:****5. Re-Appointment of Mr. Priyam Shantilal Jhaveri from Non-Executive Independent Director to Non-Executive Non-Independent Director of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 152(6) and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR / Listing Regulations**") and based on the recommendation of Nomination and Remuneration Committee and Board, Mr. Priyam Shantilal Jhaveri (DIN: 00045038), be and is



Independent Director i.e. of September 09, 2024 and shall be entitled to applicable sitting fees but shall liable to retire by rotation.

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

#### 6. Ratification of remuneration of Cost Auditors

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

“**RESOLVED THAT** pursuant to the provisions of the Companies Act, 2013 (hereinafter called as “the Act”) read with the Companies (Audit and Auditors) Rules 2014 as amended from time to time, the payment of the remuneration of Rs.1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) plus reimbursement of out of pocket expenses at actual plus applicable taxes payable to M/s. Vinay Mulay & Co., Cost Accountants ( Reg No: M/8791), who were appointed as Cost Auditors by Board of Directors of the Company on the recommendation of Audit Committee, to conduct the audit of Cost Records maintained by the Company for Financial Year ending March 31, 2025, be and is hereby ratified and approved.

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

**Registered Office:**

Hira Baug, 1" Floor  
Kasturba Chowk, (C.P. Tank),  
Mumbai - 400004  
**CIN:** L24110MH1973PLC016698  
**E-mail:** sadhananitro@sncl.com  
**Date:** 08th August, 2024

**By the order of Board of Directors**

Nitin R. Jani  
Company Secretary  
Membership No: A4757

**NOTES:**

1. Pursuant to the General Circular No.14/2020 dated April 8 2020, and General Circular No. 17/2020 dated April 13, 2020, General Circular No.22/2020 dated June 15,2020, General Circular No. 33/2020 dated September 28 2020, General Circular No.39/2020 dated December 31,2020, General Circular No.10/2021 dated June 23,2021, General Circular No.20/2021 dated December 8, 2021, General Circular No.03/2022 dated May 05,2022, General Circular No 11/2022 dated December 28, 2022, General Circular No 09/2023 dated September 25, 2023 and all other applicable circulars prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM along with Circular number SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2020/ 79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/ CFD-PoD-2/P/CIR/2023/167 dated October 07, 2024 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as (“the Circulars”). Hence, in compliance with the Circulars, the AGM of the Company is being held through Video Conferencing (“VC”) or through Other Audio Visual Means (“OAVM”) upto 30<sup>th</sup> September, 2024, which does not require physical presence of Members at a common venue.
2. The AGM shall be deemed to be held at the Registered Office of the Company at Hira Baug, 1<sup>st</sup> Floor, Kasturba Chowk (C. P. Tank), Mumbai, Maharashtra, 400004.
3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the members will not be available.
4. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 (“the Act”).
5. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company or upload on the VC portal/e-voting portal.
6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 19, 2024 to Wednesday, September 25, 2024 (both days inclusive).
8. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
9. An Explanatory Statement pursuant to section 102 of the Act, 2013 relating to the special Business to be transacted at the AGM is annexed hereto.
10. NSDL will be providing facility for voting through remote e-Voting, for participation in the 51<sup>st</sup> AGM through VC/OAVM facility and e-Voting during the 51<sup>st</sup> AGM.
11. The Company has fixed Wednesday, September 18, 2024 as the “Record date” for determining entitlement of Members to final dividend for the financial year ended March 31, 2024, if approved at the AGM.
12. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend, subject to deduction of tax at source (“TDS”), will be made on or before Friday, October 25, 2024 as under:
  - i) To all beneficial Owners in respect of shares held in electronic form as per the data as may be made available by National Depository Services Limited NSDL and Central Depository Services (India) Limited (“CDSL”) (both collectively referred to as “Depositories”) as of the close of business hours on Wednesday, September 18, 2024;
  - ii) To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition requests lodged with the Company on or before the close of business hours on Wednesday, September 18, 2024.
13. Pursuant to the amendments in the Income Tax Act, 1961 (“the IT Act”), dividend income is taxable in the hands of the shareholders from 1<sup>st</sup> April 2020 and the Company is required to deduct tax at source (“TDS”) from dividend paid to the



Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements. Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address at [sadhananitro@sncl.com](mailto:sadhananitro@sncl.com). For the detailed process, please visit website of the Company [www.sncl.com](http://www.sncl.com).

14. Members who wish to claim dividends that remain unclaimed/unpaid are requested to write to the Company at [sadhananitro@sncl.com](mailto:sadhananitro@sncl.com). or Company's RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
15. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.com.in](mailto:evoting@nsdl.com.in) / 022 - 4886 7000 or contact Ms. Rimpa Bag, Assistant Manager - NSDL at [rimpab@nsdl.com](mailto:rimpab@nsdl.com)/022 - 4886 7000
16. The Company has appointed Link Intime India Private Limited, (RTA), C101, 247 Park, LBS Marg Vikhroli West, Mumbai 400083 as Registrars and Share Transfer Agents for Physical Shares. The said RTA is also the Depository interface of the Company with both NSDL and CDSL. Information of RTA is as follows:

Telephone No. 022- 49186000,  
E-mail address: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Fax No. 022-49186060.

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

Telephone No.022-23865629  
Email:[sadhananitro@sncl.com](mailto:sadhananitro@sncl.com)

17. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.
18. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [sadhananitro@sncl.com](mailto:sadhananitro@sncl.com).
19. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number ('PAN'), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.
  - a. For shares held in electronic form: to their Depository Participants ('Dps'); and
  - b. For shares held in physical form: submit Form ISR-1 and other forms as prescribed by SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16<sup>th</sup> March, 2023 to the Company by sending an email to [sadhananitro@sncl.com](mailto:sadhananitro@sncl.com) or to Company's RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). The folios wherein document/details mentioned above are not available on or after 1<sup>st</sup> October, 2023, shall be frozen by the RTA. The Company has dispatched reminder letters along with Business Reply Envelopes, providing instructions for submitting the required documents.
20. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at [www.sncl.com](http://www.sncl.com) and on the website of the Company's RTA, M/s. Link Intime India Private Limited at <https://web.linkintime.co.in/KYC-downloads.html>.

However, as per above SEBI circular, the Company/Company's RTA will issue Letter of Confirmation (LOC) in lieu of share certificate, which should be dematerialised within 120 days from the date of issue of LOC.





It may be noted that any service request can be processed only after the folio is KYC Compliant.

21. SEBI, vide its circular dated 3rd November, 2021 (subsequently amended by circulars dated 14<sup>th</sup> December, 2021, 16<sup>th</sup> March, 2023 and 17<sup>th</sup> November, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any dividend payment in respect of such folios, only through electronic mode with effect from 1st April, 2024, only upon furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.

Further, relevant FAQs published by SEBI on its website can be viewed at the following link : [https://www.sebi.gov.in/sebi\\_data/faqfiles/jan-2024/1704433843359.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf).

22. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company at their Corporate office address at 10, Bruce Street, 1st Floor, 8/12, Homi Mody Street, Fort, Mumbai-400001, Maharashtra (Contacts: Mr. Nitin R. Jani,), Telephone: +912268663300, Email: [jani@sncl.com](mailto:jani@sncl.com) or the Company's Registrar and Transfer Agent, M/s. Link Intime India Private Limited (RTA), at their Registered office at C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083, Telephone: +91 2249186000, Email: [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in) or refer FAQs available on RTAs website for assistance in this regard.
23. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or the RTA, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
24. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website at [www.sncl.com](http://www.sncl.com) or from the website of the Company's RTA, M/s. Link Intime India Private Limited at <https://web.linkintime.co.in/KYC-downloads.html>
25. SEBI vide Circular no. SEBI/HO/OIAE/OIAE\_IAD-1/P/ CIR/2023/131 dated 31<sup>st</sup> July, 2023 (updated as on 4<sup>th</sup> August, 2023) has specified that a shareholder shall first take up his/her/their grievance with the listed entity by lodging a complaint directly with the concerned listed entity and if the grievance is not redressed satisfactorily, the shareholder may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. Only after exhausting all available options for resolution of the grievance, if the shareholder is not satisfied with the outcome, he/she/ they can initiate dispute resolution through the Online Dispute Resolution ("ODR") Portal. Shareholders are requested to take note of the same.
26. Members desiring any information are requested to write to the Company 10 days in advance.
27. In compliance with the Circulars, the Annual Report 2023-24, the Notice of the 51<sup>st</sup> AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s). Members who have not registered their e-mail addresses so far are requested to register their e-mail address with RTA/ Depositories for receiving all communication including Annual reports, Notices, Circulars, etc. from the Company electronically.

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

28. Pursuant to the provisions of Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations") and Secretarial Standards issued by the Institute of Company Secretaries of India, a brief note on the background and the functional expertise of the Director of the Company seeking re-appointment along with the details of other Directorships, memberships, chairmanships of Board Committees, shareholding and relationships amongst directors inter-se is set out in the Brief Resume appended to the Notice.
29. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
30. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
31. person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM facilitated by NSDL.
32. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by the National Securities Depository Limited (NSDL). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice. The Board has appointed Mr. Saurabh Agarwal (Certificate of Practice No.20907), failing him, Mr. Omkar Dindorkar (Certificate of Practice No. 43029), Partners of M/s. MMJB & Associates LLP, Practicing Company Secretaries (e-mail: [scrutinisers@mmjc.in](mailto:scrutinisers@mmjc.in)), as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
33. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer for all those members who are participating in the AGM through Video Conferencing but have not cast their votes by availing the remote e-voting facility.
34. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
35. The Result declared along with the report of the scrutinizer shall be placed on the website of the Company and on the website of NSDL and the results shall simultaneously be communicated to the Stock Exchanges (BSE & NSE), Mumbai.
36. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
37. The AGM Notice is also disseminated on the website of Agency i.e. at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
38. **Instructions for Members for participating in the AGM through VC/OAVM**
- I. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) under member's login by using the remote e-voting



credentials. The link for VC/OAVM will be available in Members login where the EVSN of Company will be displayed.

- II. The Members can start joining in 30 (thirty) minutes before the scheduled time of AGM and it will be kept open for 15 (fifteen) minutes after the start of AGM.
- III. The facility of participation at the AGM through VC/ OAVM will be made available to at least 1000 Members on first come first served basis.
- IV. User Guidelines/Compatibility for viewing of AGM:
  - ✓ All you need is a computer with an Internet connection (high speed service such as DSL or cable works best) and speakers Compatible Browser list: Google Chrome 50 | Microsoft Edge | Internet Explorer 10 & above | Firefox | Safari | Opera
  - ✓ Video Buffering/Video Stuck but not audible: Check on the Internet Connection, Check whether you have sufficient bandwidth for viewing the Same, To check whether if you have sufficient bandwidth for viewing the same, click on the system check tab or visit speed test.net Minimum Internet Speed should be 10 MBPS with the Upload and Download Ratio of 1:1.
  - ✓ Allow third party cookies.
  - ✓ You may also use a headset instead of speakers.
  - ✓ Please refresh your browser (for laptop / desktop kindly press CTRL+F5)

**39. Procedure to raise questions / seek clarifications with respect to Agenda of AGM:**

- As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, Demat account number / folio number, email id, mobile number to sadhananitra@sncl.com Questions / queries received by the Company till 5:00 p.m. IST on Wednesday, September 18, 2024 shall only be considered and responded during the AGM.

As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, Demat account number / folio number, email id, mobile number to sadhananitra@sncl.com Questions / queries received by the Company till 5:00 p.m. IST on Wednesday, September 18, 2024 shall only be considered and responded during the AGM.

- Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending an email to sadhananitra@sncl.com any time before 5:00 p.m. IST on Wednesday, September 18, 2024 mentioning their name, Demat account number/ folio number, email id, mobile number. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM, depending on availability of time.

**Voting through electronic means**

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

In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (LODR) Regulations, the Company is pleased to provide its members, as on the cut-off date, the facility to exercise their right to vote by electronic means on any or all of the businesses specified in the Notice, at the AGM by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).



- II. The facility for voting shall be made available at the AGM and the members attending the meeting through VC who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- III. The remote e-voting period commences on Sunday, September 22, 2024 at (09:00 A.M. IST) and ends on Tuesday, September 24, 2024, at (05:00 P.M. IST). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote by remote e-voting. The remote E-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- IV. **General Instructions for accessing and participating in the AGM through VC/OAVM. Facility and voting through electronic means including remote e-voting:**
  1. In view of the Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars the latest being General Circular No. 9/2023 dated 25<sup>th</sup> September, 2023 issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
  2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
  3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
  5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 and General Circular No 11/2022 dated December 28, 2022 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
  6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.sncl.com](http://www.sncl.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsd.com](http://www.evoting.nsd.com).

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

- a) The remote e-voting period begins on Sunday, September 22, 2024, at (09:00 A.M. IST) and ends on Tuesday, September 24, 2024, at (05:00 P.M. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter.
- b) The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., Wednesday, September 18, 2024 may cast their vote electronically.

**How do I vote electronically using NSDL e-Voting system?**



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

#### Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> </ol>



	<p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

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

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



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

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

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

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

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

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

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

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

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

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

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



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

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail [scrutinisers@mmjc.in](mailto:scrutinisers@mmjc.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on : 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Tejas Chaturvedi at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

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

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

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [scrutinisers@mmjc.in](mailto:scrutinisers@mmjc.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User





Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

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

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [sadhananitro@sncl.com](mailto:sadhananitro@sncl.com). The same will be replied by the company suitably.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at [sadhananitro@sncl.com](mailto:sadhananitro@sncl.com) latest by Wednesday, 18<sup>th</sup> September, 2024 by 05:00 P.M. IST.

**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE ACT**

**Item No. 4:**

On the recommendation of Audit Committee, the Board of Directors of the Company in its meeting held on May 17, 2024 re-appointed M/s. Jayesh Dadia & Associates LLP (Firm Registration No:121142W/W100122) as Statutory Auditor of the Company for the period of consecutive 5 years from conclusion of ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2029 subject to the approval of shareholders in this Annual General Meeting. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.4 of the Notice.

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

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

**In accordance with provisions of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 following are the brief details pertaining to re appointment of M/s. Jayesh Dadia & Associates LLP, Chartered Accountant F.R. No.121142W/W100122 as statutory Auditors of the Company:**



Sr. No	Particulars	Details
1.	Name of the Firm	M/s. Jayesh Dadia & Associates LLP
2.	Terms and Conditions of Appointment	As per Appointment Letter
3.	Proposed Fees to be payable	Rs.12,00,000/- (Rupees Twelve Lakhs Only)
4.	Date of Registration	11-05-2011
5.	Address	422, Arun Chambers, Tardeo, Mumbai 400034
6.	PAN No	AADFJ3735C
7.	Registration No	121142W/W100122
8.	Contact details	Mr. Jayesh Dadia - 098200 36868
9.	Email Address	jayesh@jdaca.com/info@jdaca.com
10.	Whether any regulatory action has been faced	No

**Item No.5:**

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee re-appointed Mr. Priyam Shantilal Jhaveri as Non-Executive Non-Independent Director of the Company with effect from the cessation of his office as Non-Executive Independent Director i.e. from the closure of business hours on September 09, 2024.

Brief profile covering the details of his qualification, experience etc., as required pursuant to Secretarial Standards on General Meeting, is annexed to this Notice.

The Board considers that on account of the vast knowledge and experience of Mr. Priyam Shantilal Jhaveri, his re-appointment will be in the interest of the Company.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise except to the extent of their shareholding, if any.

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

**Item No.6:**

The Board on the recommendation of the Audit Committee, has approved the appointment and payment of remuneration of Rs.1,25,000/- per annum (Rupees One Lakh and Twenty Five Thousand only) plus applicable taxes and out of pocket expenses to M/s Vinay Mulay & Co., Cost Accountants (Reg No: M/8791) as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2025.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise except to the extent of their shareholding, if any.

The Board recommends the Ordinary Resolution as set out at Item No. 6 of the Notice for approval by the shareholders.

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



Sr. No.	Particulars	Details
1.	Name of the firm	M/s. Vinay Mulay & Co.
2.	Brief Profile or Credentials of the firm	Mr. Vinay Mulay: CEO: Age 64 Years having Qualification of M.Com., FCMA, CMA (USA), PGDMS, CSCP, (APICA, USA) and having Experience of More than 43 Years in Cost Audit, Internal Audit, Forensic Audit, Inventory Management and Valuation, Project Management, Strategic Planning, Indirect taxation, Project Report for Financial Institutions and Banks in diverse Industries, working with MNCs etc.
3.	Terms and Conditions of Appointment	As per Appointment Letter
4.	Proposed Fees to be payable subject to the ratification of Members in AGM	Rs. 1,25,000/- per annum (Rupees One Lakh Twenty Five Thousand only)
5.	Date of Registration	29 <sup>th</sup> August, 2011
6.	Address	17B Laxminagar Maratha CHS Ltd Near RTO, Opposite Teacher's Colony, Andheri Mumbai-400053
7.	PAN No.	AADPM3648M
8.	Registration No.	M/8791
9.	Contact details	Tel: 26324918 / Mobile : 9819864918
10.	Email Address	mulayvb@hotmail.com
11.	Whether any regulatory action has been faced	No

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

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

Name	Mr. Abhishek A. Javeri	Mr. Priyam Shantilal Jhaveri
DIN	00273030	00045038
Date of Birth/ Age	18/12/1984 (39 years)	09/03/1955 (69 years)
PAN	ADDPJ5676M	AAAPJ7656B
Nationality	Indian	Indian
Date of First Appointment	24/01/2007	11/03/1996
Brief resume & Expertise in Specific Functional Areas	Sourcing, control effective utilization, negotiation strategic planning and finance	Commerce graduate and having rich experience in Chemical Industry
Qualifications	Graduate in Economics from North Western University USA	Commerce graduate
Directorship held in other entities	<ul style="list-style-type: none"> <li>• Manekchand Panachand Trading Investment co Pvt Limited</li> <li>• Lifestyle Networks Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Phthalo Colours And Chemicals (India) Limited</li> <li>• Sunshine Care And Wellness Foundation</li> <li>• Nanavati Enterprises Private Limited</li> <li>• Phthalo Pigments Private Limited</li> <li>• Nanavati Sons Private Limited</li> </ul>



		<ul style="list-style-type: none"> <li>• Sonega Trades &amp; Investments Private Limited</li> <li>• Nanavati Speciality Chemicals Private Limited</li> <li>• Excel Industries Limited</li> </ul>
Names of listed entities from which the Director has resigned in the past three years	NIL	NIL
Membership / Chairmanship of Committees	Risk Management Committee Corporate Social Responsibility Committee	<ol style="list-style-type: none"> <li>1. Audit Committee</li> <li>2. Nomination and Remuneration Committee</li> <li>3. Stakeholders Relationship Committee</li> <li>4. Risk Management Committee</li> <li>5. Corporate Social Responsibility Committee</li> </ol>
The skills and capabilities required for the Independent Director role and the manner in which the proposed person meets such requirements	NA	NA
Number of shares held in the Company	20,14,729 Equity Shares	-
Disclosure of relationship	Shri. Asit D. Javeri is father and Smt. Seema A. Javeri is Mother	No Relation
Terms and Conditions of Appointment/re-appointment	As per draft agreement	Being appointed as a Non-Executive Director, liable to retire by rotation, for a period of 5 (Five) consecutive years commencing from September 09, 2024 upto September 08, 2029. A Copy of the draft letter for appointment of Mr. Priyam Shantilal Jhaveri setting out terms and conditions would be available for inspection at the 'Investor Relations' section of the website of the Company.
Remuneration proposed	Upto 5% of the Net profit for the financial year computed u/s 198 subject to minimum of Rs. 2,40,00,000 under Schedule V	NIL except sitting fees
Remuneration last drawn	As mentioned in the Board Report	As mentioned in the Board Report
Number of Board meetings attended during the year	5	4

**Registered Office:**

Hira Baug, 1<sup>st</sup> Floor  
Kasturba Chowk, (C.P. Tank),  
Mumbai - 400004  
**CIN:** L24110MH1973PLC016698  
**E-mail:** sadhananitro@sncl.com  
**Date:** 08<sup>th</sup> August, 2024

**By the order of Board of Directors**

Nitin R. Jani  
Company Secretary  
Membership No: A4757



## BOARD'S REPORT

To  
The Members of  
SADHANA NITRO CHEM LIMITED

The Board of Directors hereby submits the report of the Business and operations of the Company for the Financial Year ended 31<sup>st</sup> March, 2024. The Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### 1. FINANCIAL RESULTS AND HIGHLIGHTS OF PERFORMANCE

(Rs. In Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2023-24	2022-23	2023-24	2022-23
Revenue from operations (Net) & Other Income	19,286	14,757	19,401	14,512
Total Expense	17,674	14,051	18,118	13,949
Profit before Taxation	1,612	706	1,283	564
Tax Expense	(871)	(247)	(875)	(247)
Profit/after tax	741	459	408	316
Other Comprehensive Income	4	34	4	34
Total Comprehensive Income	745	493	412	638

### 2. REVIEW OF OPERATIONS / STATE OF AFFAIRS OF THE COMPANY / KEY HIGHLIGHTS:

The total revenue of your company for the Financial Year ending 31<sup>st</sup> March, 2024 has been Rs. 19,286 Lakhs as compared to Rs. 14,757 Lakhs in the previous years, registering an increase of about 30.69%.

The EBIDTA from normal operation for 2023-24 was Rs.4829 Lakhs (P.Y. EBIDTA OF Rs.2441 Lakhs) registering an increase of about 97.83%

The company maintains a satisfactory order book position, and there have been no alterations in the nature of the company's business.

### 3. CHANGES IN SHARE CAPITAL/ ISSUE OF SECURITIES:

#### a) Right Issue of Shares:

During the year under review, the Company proposed to offer right issue of equity shares of face value of Re.1/- each at such premium and in such ratio as may be decided hereafter to the eligible members subject to that aggregate amount of right issue not exceeding Rs.49.95/- Crores. The proceeds of the right issue will be utilised for the object of financing the acquisition of a 126 acre plot of land is located at Village Humbarne, Taluka ,Patan, Dist - Satara.

The draft letter of offer for the aforesaid right issue has been submitted to the Stock Exchanges for their in principal approval. The said draft letter of offer is submitted to SEBI for their information.

#### b) Increase in Authorised Share Capital

The Board at its meeting held on 02<sup>nd</sup> December, 2023 approved increase in Authorised Share capital of the Company and consequential amendment in Memorandum of Association of the company which was further approved by the members of the Company through postal ballot from existing Authorised Share Capital of the Company of Rs. 30,00,00,000 (Rupees Thirty Crores Only) divided into 30,00,00,000 (Thirty Crores Only) equity shares of Re.1/- each to Rs. 60,00,00,000 (Rupees Sixty Crores Only) divided into 60,00,00,000 (Sixty Crores Only) equity shares of Re.1/- each.



**c) Listing on National Stock Exchange of India Limited (“NSE”)**

We are delighted to announce that as of May 5th, 2023, your company's equity shares have been listed on the National Stock Exchange of India (NSE). This significant milestone will provide enhanced trading opportunities and improve liquidity for our valued shareholders.

**d) Bonus Shares**

Your director in its meeting held on 24th May, 2023, considering the reserves and surplus as on 31st March 2023 recommended issue of bonus shares which has been approved by shareholders on 25<sup>th</sup> June, 2023 by way of postal ballot in the ratio of 2 (two) bonus shares for every 9 (nine) existing equity shares held on the record date by capitalisation of reserves pursuant to this 4,49,19,717 equity shares of face value of Re. 1/- each were issued and allotted to the eligible members on 6th July, 2023.

**4. DIVIDEND:**

Your Director are pleased to propose a 15% dividend (subject to tax on the expanded capital) on equity shares for the financial year 2023-24. This proposal is subject to the approval of shareholders at the upcoming 51<sup>st</sup> Annual General Meeting.

Members registered as Beneficial Owners at the close of business hours of the Record Date will qualify for the dividend receipt. Upon approval by the Members, the dividend will be distributed within 30 days following the Annual General Meeting.

**5. EXPANSION/FUTURE PLANS:**

**ODB2**

Over the past year, the company has successfully expanded its ODB2 facility, increasing its capacity from 550 TPA to 2200 TPA. This expansion has significantly enhanced our production capabilities, with 50% of the newly added capacity being regularly utilized and continuing to grow at a steady rate. This strategic enhancement has positioned us more competitively in the market, enabling us to offer competitive pricing and reinforcing our status as a leading global supplier of ODB2 to major paper manufacturers.

**PAP**

In addition, we have made significant strides in improving the quality of our Para-Amino Phenol (PAP) production. By eliminating impurities, we have not only enhanced the product quality but also increased the plant's capacity. Our facility has now transitioned to a fully continuous production process, covering both the synthesis of the product and the downstream separation, ensuring greater efficiency and output consistency.

**Pharmaceuticals**

Looking ahead, we anticipate significant growth in the pharmaceutical sector, particularly with the introduction of new products like Paracetamol. This initiative aligns with our strategic focus on diversifying our portfolio and strengthening our foothold in high-demand markets.

**MAP and legacy products**

Furthermore, our legacy products, such as m-Aminophenol, are finding new applications in advanced materials sciences. Through close collaboration with our customers, we are actively exploring and expanding these applications, fostering innovation and opening new avenues for growth.

**Environment and Sustainability**

As part of our commitment to sustainability, we are diligently working towards achieving zero discharge across all operations. Our internal target is to reach zero effluent discharge for all products, including legacy ones, by September 2025. This goal is supported by our substantial investments in renewable energy sources such as solar power and green hydrogen. Moreover, we are actively transitioning from conventional reduction technologies to those powered by green hydrogen, underscoring our dedication to environmentally responsible practices.

**ERP Implementation**

To further enhance operational efficiency and facilitate data-driven decision-making, the company has initiated the implementation of a comprehensive Enterprise Resource Planning (ERP) system. This ERP system will integrate all facets of our operations, from inventory management and procurement to production planning and financial management. The implementation is currently underway, with a dedicated team already in place to ensure a smooth transition and alignment with our strategic objectives. Once fully operational, the ERP system is expected to streamline processes, improve resource allocation, and reduce operational costs.

**Plant Automation and IoT Integration**

In parallel with the ERP implementation, the company is actively exploring the use of Internet of Things (IoT) technologies for enhanced plant monitoring and automation. By leveraging IoT, we aim to achieve real-time monitoring of equipment, predictive maintenance, and automated control systems, which will significantly improve operational efficiency and minimize downtime. The data generated from IoT-enabled devices will eventually be integrated with the ERP system, providing a seamless flow of information across the organization and further optimizing our manufacturing processes. To support these initiatives, we have expanded our team to focus on both ERP implementation and the exploration of IoT solutions.

**6. EXPORTS:**

As your company has grown more competitive globally, we have successfully established stable export relationships across various continents, including Belgium, Netherlands, Thailand, USA, UK, Switzerland, UAE, South Korea, Spain, Hong Kong, China, Japan, Canada, Taiwan, Czech Republic, Italy. This global exposure is a testament to company's robust quality and competitive pricing.

In the evolving global trade scenario, your company is well- positioned to leverage these shifts and expands its footprint. The diversification in sourcing coupled with our unique value proposition through vertical integration sets us apart as we strive to be the supplier of choice.

While our local market is growing steadily Company's turnover is still focused on the export market. This year's export s being total of Rs. 7,170.44 Lakhs compared to last year's Rs.7968.63 Lakhs registering decline of about 10.015 %.

Exports constituted about 37.17% of the overall revenue from operation including other income. Company's Exports are well diversified in terms of product range as well as the Countries of Export.

**7. OUTLOOK:**

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

**8. DEPOSITS:**

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

**9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Pursuant to the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable rules, Loans, guarantees and investments has been furnished in the Notes No. 37 to Audited financial statement.

**10. UNPAID DIVIDEND & IEPF:**

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

**11. TRANSFER TO RESERVES:**

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

**12. CONSOLIDATED FINANCIAL STATEMENTS:**

As on 31<sup>st</sup> March, 2024, the Company has one wholly owned Foreign Subsidiary viz. Anuchem B.V.B.A. Belgium Financial Statement of the said subsidiary is considered for the purpose of preparing Consolidated Financial Statements.



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

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

AnuChem B.V.B.A continue to be engaged in their respective nature of business. The performance and financial position/salient features of the subsidiary for the year ended 31<sup>st</sup> March, 2024 is given in Form AOC-I which is annexed hereto and marked as **Annexure-I**.

### 14. RELATED PARTY TRANSACTION:

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

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

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

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

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

The Company has entered into loan transaction of Rs. 1,548.55 Lakhs with Manekchand Panachand Trading Investment Co Private Limited, (Being Holding Company) an Entity belonging to Promoter or Promoter Group that holds 10% or more shareholding of the Company. Further company has availed loan of Rs. 5,305 Lakhs & 2,755 Lakhs from Mr. Asit D. Javeri, Executive Chairman & Mr. Abhishek A. Javeri, Managing Director respectively for which the requisite shareholders' approval through postal ballot is in process.

#### c) Not given loan to any subsidiary.

### 15. INSURANCE:

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

### 16. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

### 17. MATTERS RELATED TO DIRECTORS:

#### a) Declaration by Independent Directors:

All Independent Directors have given their declarations that they meet the criteria of independence as laid down





under the Act and pursuant to the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors are registered with MCA Independent Director's Bank.

**b) Board Evaluation:**

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, considering the views of executive director.

The same was discussed in the Board meeting held subsequently to the meeting of the independent directors, at which the performance of the Board, its Committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

**c) Remuneration Policy:**

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

The Nomination and Remuneration Policy of company is being placed on website of company and same can be assessed at <https://www.sncl.com/policies>.

**d) Number of Board Meetings:**

The Meetings of the Board and its Committees are held at regular intervals to discuss, deliberate and decide on various business policies, strategies, governance, financial matters and other businesses.

The Board met 5 times during the financial year ended 31<sup>st</sup> March, 2024 in accordance with the provisions of the Act, the details of which are given in the Corporate Governance Report.

The gap between two Board Meetings did not exceed 120 days as per Section 173 of the Act.

**e) Board of Directors and Key Managerial Persons:**

**i) Appointment/Re-appointment**

The members of the company at the Postal Ballot Meeting deemed to be held on 22<sup>nd</sup> March, 2024 had approved the re-appointment of Shri. Asit D. Javeri as an Executive Chairman of the Company, Shri. Abhishek A. Javeri, Managing Director and Smt. Seema A. Javeri as an Executive Director (Administration) for the further period of 3 years w.e.f. 1<sup>st</sup> May, 2024 on such remuneration and such other terms and conditions as mentioned in the Postal Ballot notice.

The members of the company at the Ongoing Postal Ballot Meeting proposed the appointment of Mr. Mukul Sunilkumar Mehra and Mr. Nayan Patel as Independent Directors of the Company w.e.f. 09<sup>th</sup> September, 2024.

The Board of Directors in their meeting held on 08<sup>th</sup> August, 2024 have approved the redesignation/continuation of Mr. Priyam Shantilal Javeri from Non-Executive Independent Director to Non-Executive Non-Independent Director from the end of his current term i.e. from 09<sup>th</sup> September, 2024 subject to the approval of the Members in the ensuing Annual General Meeting.

**ii) Resignation:**

Mr. Amit M Mehta has resigned from the position of Independent Director of the company on 19<sup>th</sup> October, 2023. Shri. Priyam S. Jhaveri & Shri. Pradeep N. Desai, Independent Directors are retiring on 10<sup>th</sup> September, for their second term. The Company appreciates and take on record their valuable advice and contribution during their tenure.

**iii) Retirement by Rotation:**

In accordance with the provisions of the Act, none of the Independent Directors is liable to retire by rotation. As per the provisions of Section 152 of the Companies Act, 2013, Mr. Abhishek A. Javeri, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.



The Board recommends his re-appointment and the agenda seeking the approval of Members is included in the Notice convening the 51<sup>st</sup> Annual Meeting. The necessary resolution recommending his re-appointment forms part of the AGM Notice.

**iv) Appointment criteria and qualifications and their remuneration:**

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

**v) Separate Meeting of Independent Directors:**

In terms of requirements of Schedule IV of the Act, the Independent Directors of the Company met separately on 30<sup>th</sup> January, 2024, inter alia to review the performance of Non- Independent Directors (including the Chairman), the entire Board and the quality, quantity and timeliness of the flow of information between the Management and the Board.

**18. LOANS FROM DIRECTORS**

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

(Rs. in Lakhs)	
Name of Director giving loan	Amount borrowed during 2023-24
Shri Asit D. Javeri	5305.00
Shri Abhishek A. Javeri	2755.00

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

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

**20. COMMITTEES OF BOARD OF DIRECTORS OF THE COMPANY:**

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

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

The Composition of all above Committees, number of Meetings held during the year under review, brief terms of reference and other details have been provided in the Corporate Governance Report which forms part of this Annual Report. All the recommendations made by the Committees were accepted by the Board. The same is annexed hereto and marked as **Annexure-II**.

**21. NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee was constituted pursuant to the provision of section 178 of the Act. The Committee has in accordance with the provisions of sub-section (3) of Section 178 of the Act formulated and uploaded on <https://drive.google.com/file/d/1huXaAo6ZVCzwROcTZz6Dz7ZC1zh6cCcf/view>, the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.



Sr.No.	Name	Designation
1.	Mr. Asit D. Javeri	Chairman
2.	Mr. Priyam S. Jhaveri	Member
3.	Mrs. Ayesha S. Patel	Member
4.	Mr. Abhishek A. Javeri	Member

## 22. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

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

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

## 23. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Regulation 34(2) of the SEBI Listing Regulations, inter alia, provides that the Annual Report of the top 1000 listed entities based on market capitalization, should mandatorily include a Business Responsibility & Sustainability Report ("BRSR") from financial year 2023-24 onwards. The same is annexed hereto and marked as **Annexure-IV**, describing the initiatives taken by the Company from an environmental, social and governance perspective.

The BRSR for the financial year 2023-2024 has also been hosted on the Company's website.

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

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

Sr.No.	Name	Designation	Date of appointment / Cessation
a)	Mrs. Seema Asit Javeri	Chairperson/Presiding Officer	28 <sup>th</sup> March, 2019
d)	Mrs. Mamta Jatin Shah	Member	28 <sup>th</sup> March, 2019
e)	Ms. S. M. Rao	External Member	Appointed w.e.f 14 <sup>th</sup> November, 2022
f)	Ms. Smita Singh	Member	Resigned w.e.f 14 <sup>th</sup> June, 2024
g)	Mr. V. Ramakrishnan	Member	Appointed w.e.f 14 <sup>th</sup> November, 2022
h)	Mr. V. N. Bedekar	Member	Appointed w.e.f 14 <sup>th</sup> November, 2022
i)	Mr. R. M. Gandhi	Member	Appointed w.e.f 14 <sup>th</sup> November, 2022

(\*) Resigned w.e.f from close of business hours on 15<sup>th</sup> June, 2024.

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

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

## 25. VIGIL MECHANISM / WHISTLE BLOWER AND RISK MANAGEMENT POLICY:

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

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit



Committee. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Company also adopted Risk Assessment Procedure. The details of the same are mentioned in the Corporate Governance Report.

## 26. AUDITORS & REPORTS:

### a) Statutory Auditors of the Company and their observations on accounts for the year ended 31<sup>st</sup> March, 2024:

M/s. Jayesh Dadia & Associates LLP, Chartered Accountants (Firm registration No: 121142W /W100122) retires on the conclusion of the 51<sup>st</sup> Annual General Meeting to be held for the financial year 2024 and it is proposed to re-appoint them for the period of 5 years .

The requisite resolution in this regard is proposed in the ensuing annual general meeting.

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

### b) Internal Auditors of the Company:

The Board of Directors in their meeting held on 17th May, 2024 re-appointed M/s Chandrashekhar Iyer & Co., Chartered Accountant as the Internal Auditor of the Company for the financial year 2023-24.

### c) Cost Auditors of the Company:

The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s Vinay Mulay & Co., Cost Accountants (Reg No: M/8791) as the cost auditors of the Company for the year ending March 31, 2024 subject to approval of members in the ensuing Annual General Meeting.

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

### d) Secretarial Auditors of the Company:

The Board on the recommendation of the Audit Committee appointed M/s. Makarand M. Joshi & Co., Company Secretaries in Practice, Mumbai, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2023-24 and their report is annexed hereto and marked as **Annexure - V**. Observations made by Secretarial Auditor as per said report along with explanation made by Board is given below:

Sr.No.	Particular of Observation	Explanation by Board
1.	The Company had entered into material Related party transactions for which prior approval of Shareholders were not obtained under Regulation 23 of the Listing Regulations. Consequently, details captured in Corporate Governance Report for the respective quarters were erroneous.	The Company is in the process of obtaining shareholder's approval to ratify the material related party transaction by way of ongoing postal ballot.
2.	The Company has not made prior intimation of Board Meeting to Stock Exchange for approval for raising of funds through right issue in XBRL Format as per Regulation 29 of the Listing Regulations.	The Company had attempted to file the XBRL Utility however due to technical glitch we were unable to file the same. However, e-mails addressing the same were duly sent to the Stock Exchanges.
3.	The Company had made delay in submitting the outcome of Board Meeting dated 24/05/2023, 07/08/2023, 26/10/2023, 02/12/2023 and 30/01/2024 as per Regulation 30 read with Schedule III of Listing Regulations.	The delays have occurred due to unavoidable circumstances and the Company will strive to avoid such delays in future.
4.	The Company has updated details of designated persons with the designated depository beyond the time specified under SEBI Circular SEBI/HO/ISD/CIR/P/202 dated September 09, 2020.	The Company did not update the SDD for one designated Person inadvertently. The Company shall ensure that changes in the Designated Persons are updated on the same day.
5.	The Company had transferred the dividend amount in the separate bank account beyond the time specified under Section 123 of the Act.	The Delay have occurred inadvertently and the Company will strive to avoid such error in the future.
6.	Form AOC-1 annexed in the financial statement of the FY 2022-23 is not signed in accordance with Section 134(1) of the Act.	The Error have occurred inadvertently and the Company will strive to avoid such error in the future.



The Board has also appointed M/s. MMJB & Associates LLP, Company Secretaries in Practice, Mumbai as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2024-25.

**e) Reporting of frauds by statutory auditors:**

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

**f) Code for prevention of Insider Trading:**

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

**27. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Pursuant to Regulations 17 to 27 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the corporate governance report together with Auditor report on the compliance on the same is annexed hereto and marked as **Annexure-II** and the Management Discussion and Analysis report is annexed hereto and marked as **Annexure -VI**.

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

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

**29. ANNUAL RETURN:**

Pursuant to the provisions of Section 92(3) and 134 (3) (a) of the Act, 2013, the Annual Return for the financial year ended 31<sup>st</sup> March 2023 will be uploaded on the website of the Company at [www.sncl.com](http://www.sncl.com).

**30. SECRETARIAL STANDARDS OF ICSI:**

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

**31. INDUSTRIAL RELATIONS:**

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

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

The productivity linked long term wage settlement with the workmen has been signed during the year.

**32. PARTICULARS OF EMPLOYEES AND REMUNERATION:**

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

**33. SIGNIFICANT OR MATERIAL ORDERS PASSED AGAINST THE COMPANY:**

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

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

There have been no other material changes and commitments affecting the financial position of your Company since the close of Financial Year i.e. 31<sup>st</sup> March, 2024 and the date of this Report except those mentioned in this report.

**35. LEGAL AND REGULATORY:**

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

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

**36. SYSTEM AND INFORMATION:**

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

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

**37. GENERAL DISCLOSURES:**

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

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

**38. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- (a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;



- (b) The Director 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 your Company at the end of the Financial Year and of the profit of your Company for that period.
- (c) The Director have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of (The Act) for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (d) The Director have prepared the Annual Accounts on a going concern basis;
- (e) The Director have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and are operating effectively;
- (f) The Director have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 39. CAUTIONARY STATEMENT:

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

#### 40. ACKNOWLEDGEMENT:

The Board of Directors extends its deepest gratitude to all employees across various levels of our organisation whose hard work, dedication, and unwavering commitment have been the pillars of our success, and for that, we are profoundly thankful.

We would also like to express our sincere appreciation for the enduring cooperation and support we have received from our shareholders, investors, bankers, financial institutions, customers, and business partners. Their trust and encouragement have been invaluable in our journey.

Our heartfelt thanks also go out to all regulatory authorities and other stakeholders who have consistently provided guidance and support, contributing to our ongoing growth and success. We look forward to strengthening these relationships as we continue to navigate the path to progress together.

**For and On Behalf of the Board of Directors**

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

Place: Mumbai  
Date: 08<sup>th</sup> August, 2024

**ANNEXURE - I****AOC-1**

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

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

**Part "A": Subsidiaries**

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

Sr. No	Particulars	Name of Subsidiary
1)	Name of the subsidiary / Joint Venture / Associates Companies	Anuchem B.V.B.A., Belgium
2)	Date on which the subsidiary company was associated or acquired	01/04/1998
3)	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	January to December 2023
4)	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	Euro 1 Euro = INR 92.0049 Date: 31.12.2023
5)	Paid up Share capital	Rs. 7,71,550
6)	Reserves and Surplus	Rs. 75,26,655
7)	Total Assets	Rs. 32,37,37,850
8)	Total Liabilities	Rs. 32,37,37,850
9)	Investments	-
10)	Turnover	Rs. 25,21,25,276
11)	Profit before taxation	Rs. 3,51,092
12)	Provision for taxation / Def. Tax	Rs. 4,18,568
13)	Profit after taxation	(Rs. 67,476)
14)	Proposed Dividend	0
15)	% of shareholding	100 %

(\*) The above figures are taken as per the audited financials of the subsidiary for the year ended 31<sup>st</sup> December, 2023 and converted as per the exchange rate as on 31<sup>st</sup> March, 2024 (Except for Paid up share capital which is converted at the historical rate on the date of acquisition)

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

Names of Subsidiaries which have been liquidated or merged or sold during the year: Spidigo net Private Limited has been merged with the company pursuant to the Scheme of Merger (by Absorption) sanctioned by the Honorable National Company Law Tribunal, Mumbai & Ahmedabad Bench vide their orders dated 8th February, 2023 & 24th November, 2021 respectively.



**Part "B": Associates and Joint Ventures**

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

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

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

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

**For Jayesh Dadia & Associates LLP**  
Chartered Accountants  
Firm Registration Number :121142W/W100122

**Jayesh Dadia**  
Partner  
Membership Number : 033973

Place : Mumbai  
Date : 17th May, 2024

**For and on behalf of the Board of Directors**

**Asit D Javeri**  
Executive Chairman

**Priyam S Jhaveri**  
Director

**Abhishek A Javeri**  
Managing Director

**Rakesh Kothari**  
Chief Financial Officer

**Smt. Seema A Javeri**  
Executive Director  
Administration

**Nitin R Jani**  
Company Secretary



## ANNEXURE - II TO DIRECTORS REPORT 2023-2024

### REPORT ON CORPORATE GOVERNANCE

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The essence of Corporate Governance is about maintaining the right balance between economic, social, individual and community goals. At **Sadhana Nitro Chem Limited ("Sadhana/Company")** good corporate governance is a way of life and the way we do our business, encompassing every day's activities and is enshrined as a part of our way of working. Company believes that transparent accounting policies, appropriate disclosures norms, best-in-class Board practices and consistently high standards of corporate conduct towards its stakeholders are essential for sustained corporate growth.

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

Our Governance philosophy is based on the following: -

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

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

In virtue of the best corporate governance practices company has gained a good reputation as an employer, business partner and a member of the community. The Board of the company and the Management team remain committed to this culture of integrity and transparency in the conduct of the business.

#### 2. BOARD OF DIRECTORS:

The Board of Directors as on March 31, 2024 comprised of Six (6) Directors. The Three (3) Directors of the Board is an Executive Director. Three (3) Directors are Non – Executive Independent Directors (50%).

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

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

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

The Composition of the Board and Directorship held in other Companies as on 31<sup>st</sup> March, 2024 :

Sr. No.	Name of the Director(s)	Category of Directorship	No. of outside Directorship	No. of other outside Committee positions held (*)	
				Chairman	Member
1.	Mr. Asit D. Javeri	Promoter - Executive Chairman	5	0	1
2.	Mr. Abhishek. A. Javeri	Promoter group - Managing Director	4	0	0
3.	Smt. Seema A. Javeri	Promoter group - Executive Director	5	0	0
4.	Mr. Pradeep. N. Desai	Independent - Non-Executive	5	1	2
5.	Mr. Priyam. S. Jhaveri	Independent - Non-Executive	13	2	3
6.	Mrs. Ayesha Patel	Independent - Non-Executive	3	0	0

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



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

### 3. BRIEF PROFILE OF DIRECTORS OF THE COMPANY:

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

Shri Asit D. Javeri (DIN: 00268114) aged 68 years, is a Science graduate from Mumbai University. He is S/o (Late) Shri Dhankumar T. Javeri, founder Chairman of the Company.

He joined Company in December 1984 as a Director of the company and in January 1985, he was appointed as the Managing Director. Prior to joining the Company, he had experience of 11 years of operational expertise for the operation of chemical company. He has been associated with the company for more than 38 years.

At present Shri Asit D. Javeri is Executive Chairman of the Company. He is also promoter of the company and holds 46,05,811 (1.86 %) Equity Shares of the company as on 31<sup>st</sup> March, 2024.

Directorship and committee membership of Shri Asit D. Javeri:

Sr. No	Name of the Company	Listed/ Unlisted Company	Category of Directorship	Membership in Committee
1.	**Phthalo Colors & Chemicals (India) Limited.	Unlisted	Director	Nil
2.	Manekchand Panachand Trading Investment Company Private Limited.	Unlisted	Director	Nil
3.	Lifestyle Networks Limited.	Unlisted	Director	Nil
4.	Sadhana Nitro Chem Limited	Listed	Executive Director	<ul style="list-style-type: none"> <li>• Corporate Social Responsibility Committee (Chairman &amp; Member)</li> <li>• Finance and Admin Committee (Member)</li> <li>• Risk Management Committee (Chairman &amp; Member)</li> </ul>
5.	Mirosa Marine Private Limited	Unlisted	Director	NIL
6.	Sunshine Care and Wellness Foundation	Unlisted	Director	NIL
7.	*Fun Gateway Arena Private Limited	Unlisted	Additional Director	NIL
8.	**HG Partners LLP	Unlisted	Designated Partner	NIL

(\*) Resigned with effect from October 19, 2023.

(\*\*) Resigned with effect from August 13, 2024.

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

Shri Abhishek A. Javeri (DIN: 00273030) aged 41 years. He is son of Mr. Asit D. Javeri, Chairman & Executive Director of the Company and Smt. Seema A. Javeri, Executive Director – Administration, of the Company. He is BA in Economics from North Western University, USA. He joined the company as a Director from 24<sup>th</sup> January, 2007.

At present Shri Abhishek A. Javeri is Managing Director of the Company. He is also a member of promoter group of the Company and holding 20,14,729 (0.82%) Equity Shares of the company as on 31<sup>st</sup> March, 2024.

Sr. No	Name of the Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee
1.	Manekchand Panachand Trading Investment Company Private Limited	Unlisted	Director	Nil
2.	Life Style Networks Limited	Unlisted	Director	Nil
3.	Sadhana Nitro Chem Limited	Listed	Managing Director	• Finance and Admin committee - Chairman



Sr. No	Name of the Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee
4	*Fun Gateway Arena Private Limited	Unlisted	Director	<ul style="list-style-type: none"> <li>Risk Management Committee - Member</li> <li>Corporate Social Responsibility Committee - Member</li> </ul>
				Nil

(\*) Resigned with effect from December 18, 2023.

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

Smt. Seema A. Javeri (DIN:01768936) aged 65 years. She is a B.Sc. She has an experience of 14 years in Administration. She joined the company as a Director from 13<sup>th</sup> February, 2014.

At present Smt. Seema A. Javeri is Executive Director - Administration of the Company. She is also a member of the promoter group of the Company and holding 4,70,393 (0.19%) Equity Shares of the Company as on 31<sup>st</sup> March, 2024.

Directorship and committee membership Smt. Seema A. Javeri:

Sr.No.	Name of the Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee
1.	Manekch and Panachand Trading Investment Company Private Limited	Unlisted	Director	Nil
2.	Life Style Networks Limited	Unlisted	Director	Nil
3.	Sadhana Nitro Chem Limited	Listed	Whole-time Director	Internal Complaint Committee - Chairperson
4.	Mirosa Marine Private Limited	Unlisted	Director	Nil
5.	*HG Partners LLP	Unlisted	Designated Partner	Nil

(\*) Appointed with effect from October 19, 2023.

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

Shri. Priyam S. Jhaveri (DIN: 00045038) aged 69 years. He is a Commerce graduate and having rich experience in Chemical Industry. He is associated with Nanavati Group of Companies and joined Company as a Director from 11<sup>th</sup> March, 1996.

At present Shri. Priyam S. Jhaveri is Non-Executive Independent Director of the Company. He is holding 2,100 (0.0010%) Equity Shares of the company as on 31<sup>st</sup> March, 2024.

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

Sr. No	Name of the Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee
1.	(*)PHTHALO Colours and Chemicals (India) Limited	Unlisted	Chairman & Managing Director	Nil
2.	PHTHALO Pigments Private Limited	Unlisted	Director	Nil
3.	Sonega Trades & Investments Private Limited	Unlisted	Director	Nil
4.	Nanavati Sons Private Limited	Unlisted	Director	Nil
5.	Nanavati Speciality Chemicals Private Limited	Unlisted	Director	Nil
6.	Sadhana Nitro Chem Limited	Listed	Non-Executive - Independent Director	<ul style="list-style-type: none"> <li>Stakeholders Relationship Committee - (Chairman &amp; Member)</li> </ul>



Sr. No	Name of the Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee
				<ul style="list-style-type: none"> <li>Nomination &amp; Remuneration Committee - (Chairman &amp; Member)</li> <li>Audit Committee - (Chairman &amp; Member)</li> <li>Corporate Social Responsibility Committee - (Member)</li> <li>Risk Management Committee - (Member)</li> </ul>
7.	Excel Industries Limited	Listed	Non-Executive - Independent Director	<ul style="list-style-type: none"> <li>Audit Committee - (Member)</li> <li>Nomination &amp; Remuneration Committee - (Member)</li> </ul>
8.	Nanavati Enterprises Private Limited	Unlisted	Director	Nil
9.	(**) Sunshine Care and Wellness Foundation	Unlisted	Additional Director	Nil
10.	Nanavati Chemex Private Limited	Unlisted	Director	Nil
11.	Nanavati Electronics Pvt Ltd	Unlisted	Director	Nil
12.	Arya Automotive Private Limited	Unlisted	Director	Nil
13.	Sonera Investments Pvt Ltd	Unlisted	Director	Nil
14.	Medchem Technologies Pvt Ltd	Unlisted	Director	Nil

(\*) Resigned with effect from August 13, 2024.

(\*\*) Appointed with effect from February 17, 2024.

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

Shri Pradeep N Desai (DIN:01602942) aged 62 years. He is Chemical Engineer. He joined the company as a director from 12<sup>th</sup> February, 2013.

At present Shri. Pradeep N. Desai is Non- Executive Independent Director of the Company. He is holding 4,200 (0.0021%) Equity Shares of the Company as on 31<sup>st</sup> March, 2024.

Directorship and committee membership of Shri Pradeep N. Desai:

Sr. No	Name of the Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee
1.	Tanishka Micro Encapsulation Private Limited	Unlisted	Director	<ul style="list-style-type: none"> <li>Stakeholders Relationship Committee - (Chairman &amp; Member)</li> <li>Nomination &amp; Remuneration Committee - (Member)</li> <li>Audit Committee - (Chairman &amp; Member)</li> </ul>
2.	Aayan Nanotech Private Limited	Unlisted	Director	Nil
3.	Life Style Networks Limited	Unlisted	Director	Nil
4.	Sadhana Nitro Chem Limited	Listed	Non-Executive - Independent Director	<ul style="list-style-type: none"> <li>Audit Committee - (Member)</li> <li>Nomination &amp; Remuneration Committee - (Member)</li> <li>Stakeholder's Relationship Committee - (Member)</li> </ul>
5.	Nano additive Technology Private Limited	Unlisted	Director	Nil
6.	Avedia E-Tech Private Limited	Unlisted	Director	Nil

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

Smt. Ayesha Sunil Patel (DIN: 02074115) aged 64 years is B. Com, M.S. University, Baroda, Professional Management Education Programme, IIM, Ahmedabad.



At present Smt. Ayesha Sunil Patel is Non-Executive Woman Independent Director of the Company.

Directorship and committee membership of Smt. Ayesha Sunil Patel:

Sr. No	Name of the Company	Listed / Unlisted Company	Category of Directorship	Membership in Committee
1.	Sampatti Education and Welfare Foundation	Unlisted	Director	Nil
2.	Sadhana Nitro Chem Limited	Listed	Non - Executive - Independent Director	<ul style="list-style-type: none"> <li>• Stakeholders Relationship Committee - (Member)</li> <li>• Nomination &amp; Remuneration Committee (Member)</li> <li>• Audit Committee- (Member)</li> <li>• Corporate Social Responsibility Committee - (Member)</li> </ul>
3.	Capacitor Specialist Private	Unlisted	Director	Nil
4.	Motion Metriks Components Private Limited	Unlisted	Director	Nil

#### 4. ATTENDANCE RECORD OF THE DIRECTORS:

During the Financial Year 2022-23:

- (a) Five meetings of Board of Directors were held on May 24, 2023, August 07, 2023, October 26, 2023, December 02, 2023 and January 30, 2024.
- (b) Last Annual General Meeting (AGM) of the Company was held on 26<sup>th</sup> September, 2023.

The Attendance of Directors at the Board Meetings and last AGM were as under:-

Attendance of Directors	Dates on which the Meetings were held					AGM
	May 24, 2023	August 7, 2023	October 26, 2023	December 02, 2023	January 30, 2024	September 26, 2023
Mr. Asit D. Javeri	P	P	P	P	P	P
Mr. Abhishek A. Javeri	P	P	P	P	P	P
Smt. Seema A. Javeri	P	P	P	P	P	A
Mr. Priyam S. Javeri	P	P	P	P	P	P
Mr. Pradeep N. Desai	A	P	P	P	A	A
Mr. Amit M Mehta	P	A	Cease to be Independent Director with effect from 19 <sup>th</sup> October, 2023			A
Mrs Ayesha	P	P	P	P	A	A

*\*P denotes Present and A denotes Absent.*

#### 5. DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE:

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

**Note:**

The Board meets at least once in quarter wherein they review quarterly performance and financial results. The Board meetings are generally scheduled well in advance and the notice of each meeting is given in writing to each Director. All the items on the agenda are accompanied by a note giving comprehensive information on the related subject. The agenda and relevant notes are sent in advance separately to each of directors and only in exceptional cases the same is tabled at the meeting. The Board is also free to recommend the inclusion of any method for discussion in consultation with the Chairman. The information as specified in Part A of Schedule of SEBI ( Listing Obligation and Disclosure Requirements) Regulations, 2015 (“ Listing Regulations”) is regularly made available to the Board.

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

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

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

**7. NUMBER OF SHARES & CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS AS ON 31<sup>ST</sup> MARCH, 2024 ARE AS UNDER:**

Name of Director	Director Category	Number of Shares/convertible instruments held
Mr. Priyam S. Jhaveri	Non-Executive, Independent	2,566 Equity Shares
Mr. Pradeep N. Desai	Non-Executive, Independent	4,200 Equity Shares
Mrs. Ayesha Sunil Patel	Non-Executive, Independent	NIL

**8. CONFIRMATION PERTAINING TO INDEPENDENT DIRECTORS OF THE COMPANY:**

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

**9. REASONS FOR THE RESIGNATION OF AN INDEPENDENT DIRECTOR:**

During the year 2023-24, Mr. Amit M Mehta aged 70 years has resigned as an Independent Directors of the Company on 19<sup>th</sup> October, 2023 due to preoccupation and personal commitments. Mr. Amit M Mehta in his resignation letter has confirmed that there is no other material reason for his resignation other than what was mentioned in his resignation letter.

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

The corporate structure can work more efficiently when skill, expertise and hardwork goes hand in hand, multiple businesses fail because translating passion into a successful business model is a difficult task. Developing a small business into a successful enterprise demands more than passion. Unfortunately, facts speak for themselves.

Over half of new businesses fail mainly because the entrepreneur is unable to translate their passion into practical business skills. Success demands more than hard work, resilience, and expertise in one's own field. To succeed, you need to understand and to become proficient in a set of fundamental business skills. Following are the essential skills that you are required to run the business of the Company:



#### **Financial Management Skill:**

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

#### **Marketing, Sales and Customer Service Skill:**

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

#### **Communication and Negotiation Skill:**

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

#### **Management Skill:**

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

#### **Strategic Planning Skill:**

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

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

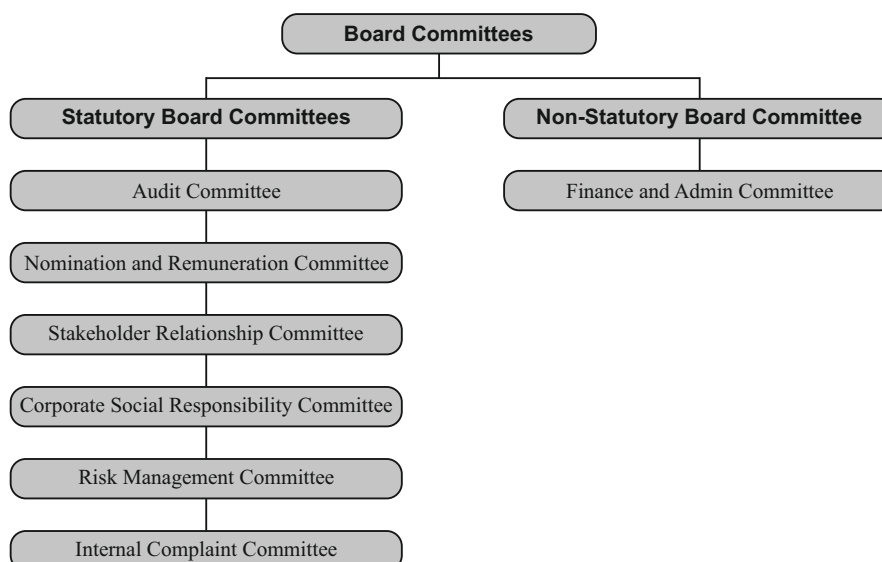
Skills And Its Description	Shri. Asit Dhankumar Javeri	Shri. Abhishek Asit Javeri	Smt. Seema Asit Javeri	Shri. Priyam Shantilal Javeri	Shri Pradeep Nanasaheb Desai	Smt. Ayesha Sunil Patel
Leadership experience of running large enterprise	Yes	Yes	Yes	Yes	Yes	Yes
Experience of crafting Business Strategies	Yes	Yes	Yes	Yes	Yes	Yes
Understanding of Consumer and Customer Insights in diverse environments and conditions	Yes	Yes	Yes	Yes	Yes	Yes
Finance and Accounting Experience	Yes	Yes	Yes	Yes	Yes	Yes
Experience in overseeing large and complex Supply Chain	Yes	Yes	Yes	Yes	Yes	Yes
Understanding use of Digital / Information Technology	Yes	Yes	Yes	Yes	Yes	Yes
Experience of large companies & understanding of the changing regulatory landscape	Yes	Yes	Yes	Yes	Yes	Yes
Communication and Negotiation Skill	Yes	Yes	Yes	Yes	Yes	Yes





## 10. BOARD COMMITTEE:

The Company has constituted Board Committees for enabling smooth decision-making process in the Company. As on 31<sup>st</sup> March, 2024, the Company had Six statutory board committees and One non-statutory board committee:



### ● **AUDIT COMMITTEE (AC) :**

#### a) **Preamble:**

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

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

#### b) **Terms of reference of the Audit Committee:**

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with management the annual financial statements before submission to the Board, for approval with particular reference to:



- i. Matters required being included in the Director's Responsibility Statement.
  - ii. Changes, if any, in accounting policies and practices and reasons for the same.
  - iii. Major accounting entries involving estimates based on exercise of judgment by management.
  - iv. Significant adjustments made in the financial statements arising out of audit findings.
  - v. Compliance with Listing and other legal requirements relating to financial statements.
  - vi. Disclosure of any related party transactions.
  - vii. Qualifications in draft audit report.
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- f) Reviewing the management performance of statutory and internal auditors, adequacy of the internal control systems.
- g) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- h) Discussions with internal auditors about any significant findings and follow up thereon.
- i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- j) Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- k) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- l) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.
- m) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- n) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- o) The Audit Committee shall mandatorily review the following information.
- i. Management discussion and analysis of financial condition and results of operations;
  - ii. Statement of significant related party transactions (as defined by the audit committee), submitted by Management;
  - iii. Management letters/letters of internal control weaknesses issued by the statutory auditors;
  - iv. Internal audit reports relating to internal control weakness; and
  - v. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
  - vi. Supervise the implementation of Company's Code of Conduct to regulate, monitor and report trading by designated persons. The Committee is also responsible for reviewing and verifying the internal control systems in the Company for the purpose of monitoring insider trading in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. Accordingly, the committee is entrusted with the responsibility of reviewing instances of non-compliances with the Insider Trading Regulation, if any.
  - vii. The Committee scrutinizes the inter-corporate loans and investments granted/accepted by the Company including loans and investment to subsidiary companies which are material in accordance with the provision of law and valuation of undertakings or assets of the Company. The committee reviews with the management, the statement of uses/application of funds raised by the Company through an issue and monitor the utilization of the proceeds, if any.

Mr. Jayesh Dadia - Partner of the firm named Jayesh Dadia & Associates LLP, the Statutory Auditor of the Company and Mr. Chandrashekar Iyer – Chandrashekar Iyer & Co., Partner of the firm - Internal Auditor have been permanent



invitees to the Audit Committee Meetings besides Executive Chairman, Managing Director and Chief Financial Officer as the Invitees. The Company Secretary attended most of the meeting of the Audit Committee as invitee as well.

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

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

The Chairman of the Audit Committee has briefed the Board of Directors about the Audit Committees observations on various issues discussed at its meetings. Minutes of the Audit Committee Meetings are also circulated to all the Board Members along with agenda of the subsequent meeting.

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

**c) Attendance record of the Members:**

The attendance record of each member of the Audit Committee at the Meeting held on May 24, 2023, August 07, 2023, October 26, 2023 and January 30, 2024 are as follows:

Attendance of	Dates on which the Audit Committee Meetings were held			
	May 24, 2023	August 07, 2023	October 26, 2023	January 30, 2024
Mr. Priyam S. Jhaveri	P	P	P	P
Mr. Pradeep N. Desai	A	P	P	A
Mrs Ayesha Sunil Patel	P	P	P	P

The previous Annual General Meeting was held on 26<sup>th</sup> September, 2023, Priyam Shantilal Jhaveri, Chairman of the Audit Committee has attended the Annual General Meeting of the Company.

● **RISK MANAGEMENT COMMITTEE (RMC):**

**a) Preamble:**

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

Further the company has also established Risk Management Committee (RMC) as per SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (amended). The composition of the Committee as on 31<sup>st</sup> March 2024 stands as follows:

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



**b) Terms of reference of the Risk Management Committee**

- a) Formulating a detailed risk management policy which shall include
  - i. A framework for identification of internal and external risks specifically faced by the listed entity, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - ii. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - iii. Business continuity plan
- b) Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- c) Monitoring and overseeing the implementation of the risk management policy including evaluating adequacy of risk management systems;
- d) Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- e) Reviewing the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk management including the risk management plan.
- f) Monitor the Company's risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, cyber security risk, forex risk, commodity risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.
- g) Ensuring compliance with regulatory requirements and best practices with respect to risk management.
- h) Oversee Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels.
- i) Review compliance with risk policies, monitor breaches / trigger trips of risk tolerance limits and direct action.
- j) Review and analyze risk exposure related to specific issues, concentrations and limit excesses, and provide oversight of risk across organization.
- k) Regularly reporting to the Board about the nature and content of its discussions, recommendations and actions to be taken;
- l) Co-ordinate its activities with the other Committees in instances where there is any overlap with activities of such other committee, as per the framework laid down by the Board.
- m) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- n) Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

**c) Attendance record of the Members:**

The attendance record of each member of the Risk Management Committee at the Meeting held on August 07, 2023 and January 30, 2024 are as follows:

Attendance of Directors	Dates on which Risk Management Committee Meetings were held	
	August 07, 2023	January 30, 2024
Mr. Asit D. Javeri	P	P
Mr. Abhishek A. Javeri	P	P
Mr. Priyam S. Jhaveri	P	P
Mr. Rakesh R. Kothari	P	P
Mr. Nitin R. Jani	P	P



● **STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC):**

a) **Preamble:**

The primary objective of Stakeholders Relationship Committee is to consider and resolve the grievances of stakeholders including complaints relating to non-receipt of annual report, transfer or transmission of securities, non-receipt of dividend/interest, issuance of share certificates etc. As on 31st March, 2023, the Company's Stakeholder's Relationship Committee comprised of three Non-Executive Independent Directors. The Company Secretary of the Company acts as the Secretary to the Stakeholder's Relationship Committee. The Stakeholder Relationship Committee comprises of the following Directors:-

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

The Committee specifically discharges duties of servicing and protecting the various aspects of interest of shareholders, debenture holders and other security holders.

b) **Terms of Reference:**

- i. Review the existing Investors Redressal System and suggest measures for improvement.
- i. Review the existing Investors Redressal System and suggest measures for improvement.
- ii. Review the report of Registrars and Share Transfer Agents about investor's grievances and follow up for the necessary action taken for redressal thereof.
- iii. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities.
- iv. Issue of duplicate certificates and new certificates on split/consolidation/renewal.
- v. Suggest improvement in investor's relations.
- vi. Consider and take on record the Certificate from Practicing Company Secretary certifying that the aggregate number of equity shares held in depositories and in physical form tally with the total number of shares issued, listed and admitted share capital.
- vii. Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends, and ensure timely receipt of dividend, warrants, and statutory notices by the shareholders.

c) **Attendance record of the Members:**

The attendance record of each member of the Stakeholder Relationship Committee at the Meetings held on 30<sup>th</sup> January, 2024 is as follows:

Attendance of Directors	Dates on which Stakeholder Relationship Committee Meetings were held
	January 30, 2024
Mr. Priyam S. Jhaveri	P
Mr. Pradeep N. Desai	A
Mrs. Ayesha S. Patel	P

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

d) **Name and Designation of Compliance Officer:**

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



Sr. No	Particulars	No. of Complaints
a.	Opening as on April 1, 2023	0
b.	Complaints received during the year	2
c.	Complaints resolved during the year	2
d.	Closing as on March 31, 2024	0

● **NOMINATION & REMUNERATION COMMITTEE (NRC):**

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

This policy ensures that-

- i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. Remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

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

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

- i. Attendance of Board Meetings and Board Committee Meetings.
- ii. Quality of contribution to Board deliberations.
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance.
- iv. Providing perspectives and feedback going beyond information provided by the management.
- v. Commitment to shareholder and other stakeholder interests.
- vi. The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her evaluation.

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

The Nomination & Remuneration Committee consists of the following Directors.

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

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

Pursuant to section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations read with Part D of Schedule II thereto the Company has constituted the Nomination & Remuneration Committee ("NRC").

The NRC is having a authority to investigate into any matter that may be prescribed under Company Law for the time being in force and shall also comply with the terms of reference as specified herein as under:

1. The Nomination & Remuneration Committee shall have meetings periodically as it may deem fit.
2. The Nomination & Remuneration Committee shall invite such of the executives to be present at the meetings of the Committee required by it.



3. The Nomination & Remuneration Committee shall have the following powers and functions:
- To recommend to the Board, the terms and conditions of appointment of and remuneration payable to key Management personnel.
  - To seek information from any employee.
  - To obtain outside legal or other professional advice.
  - To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to remuneration of the Directors, Key Managerial Personnel and other employees.
  - To formulate criteria forevaluation of performance of Independent Directors and the Board of Directors.
  - To recommend Board any appointment or change in remuneration or removal of Directors, Key Managerial Personnel and persons in Senior Management.
  - To determine whether to extend or continue the term of appointment of Independent Director on the basis of the report of performance evaluation of Independent Directors.
  - To review and recommend the structure, size and composition including skills, knowledge, experience and diversity of Board.
  - To identify the skills /expertise /competencies required for the Board.

**c) Attendance record of the Members:**

The attendance record of each member of the Nomination & Remuneration Committee at the Meeting held on, 24<sup>th</sup> May, 2023, and 30<sup>th</sup> January, 2024 are as follows:

Attendance of Directors	Dates on which Nomination & Remuneration Committee Meetings were held	
	May 24, 2023	January 30, 2024
Mr. Priyam S. Jhaveri	P	P
Mr. Pradeep N. Desai	A	A
Mr. Ayesha S. Patel	P	P

● **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):**

**a) Preamble:**

Pursuant to the provisions of section 135 of the Companies Act, 2013 the Company has constituted a Corporate Social Responsibility Committee ("CSR Committee") for the purpose of formulating and recommending a Corporate Social Responsibility Policy to the Board and indicating activities to be undertaken by the Company as per Schedule VII of the Companies Act, 2013, the pivotal function of the committee is recommending the budget and monitoring the activities.

The composition of the Committee is as under:

Name of Director	Nature of Membership and Date of Appointment	Director Category / Designation
Mr. Asit D. Javeri	Chairman (from 19/10/2018)	Executive Chairman
Mr. Priyam S. Jhaveri	Member (from 19/10/2018)	Non-Executive, Independent
Mrs. Ayesha S. Patel	Member (from 03/06/2021)	Non-Executive, Independent
Mr. Abhishek A. Javeri	Member (From 14/02/2023)	Managing Director

**b) Terms of reference of the Corporate Social Responsibility Committee:**

- Formulate and recommend to the Board of Directors, the CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and the applicable Rules;
- Formulate/amend/alter the annual action plan in pursuance of the CSR policy of the Company every financial year;
- Determine the CSR projects to be undertaken by the Company and determine the mode of execution i.e. either itself or through any implementing agency or any in collaboration with any other company;
- Formulate the CSR budget based on the CSR activities planned for the year;
- Ensure unspent funds, if any, are transferred to specified accounts/funds within the time stipulated in law;



- vi. Ensure that any profit incurred from CSR activities are not treated as business profits and are either ploughed back in the same project or transferred to specified account/funds;
- vii. Create an effective due diligence and monitoring mechanism for implementation of the approved CSR activities;
- viii. Any other activity as may be required for executing CSR obligation in the Company or as may be required by law.

**c) Attendance record of the Members:**

The attendance record of each member of the Corporate Social Responsibility Committee at the Meeting held on 24<sup>th</sup> May, 2023 are as follows:

Attendance of Directors	Dates on which Corporate Social Responsibility Committee Meetings were held	
	May 24, 2023	
Mr. Asit D. Javeri		P
Mr. Priyam S. Jhaveri		P
Mrs. Ayesha S. Patel		P
Mr. Abhishek A. Javeri		P

● **INTERNAL COMPLAINT COMMITTEE FOR PREVENTION AND PROHIBITION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

**a) Preamble:**

The Company has Zero tolerance for sexual harassment and has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the aforesaid Act, and the rules framed thereunder, including constitution of the Internal Complaint Committee ("ICC"), ICC is committed for redressal of sexual harassment complaints (made by the victims) and for ensuring time bound treatment of such complaints. Initially, and till further notice, the Complaints Committee will comprise of the following Seven members including an external member.

The composition of the Committee is as under:

Name of Member	Nature of Membership and Date of Appointment	Director Category/Designation
Mrs. Seema Asit Javeri	Chairperson and Presiding Officer (from 28-03-2019)	Executive Director-Administration
Ms. S. M. Rao	External Member (from 14-11-2022)	NA
Ms. Smita Singh	(*) Member (from 14-11-2022)	Compliance Officer
Mrs. Mamta Jatin Shah	Member (From 28-03-2019)	Manager (HR & Administration)
Mr. V. Ramakrishnan	Member (from 14-11-2022)	DGM-Administration
Mr. V. N. Bedekar	Member (from 14-11-2022)	Manager (Personnel & Administration)
Mr. R. M. Gandhi	Member (from 14-11-2022)	DGM-Accounts

(\*) Resigned with effect from the end of business hours on June 15, 2024.

**b) Terms of reference of the Internal Compliant Committee:**

The Complaints Committee is responsible for:

- i. Investigating every formal written complaint of sexual harassment
- ii. Taking appropriate remedial measures to respond to any substantiated allegations of sexual harassment.
- iii. Creating and ensuring the awareness of various forms of harassments.
- iv. Discouraging and preventing employment-related sexual harassment
- v. To ensure the prompt and thorough investigation of a sexual harassment complaint, the complainant should provide as much of the following information as possible:
  - The name, department and position of the person or persons allegedly causing the harassment.
  - A description of the incident(s), including the date(s), location(s) and the presence of any witnesses.





- The effect of the incident(s) on the complainant's ability to perform his or her job, or on other terms or conditions of his or her employment.
- The names of other individuals who might have been subject to the same or similar harassment.
- Steps the complainant has taken to try to stop the harassment, if any and action taken for the same.
- Any other information the complainant believes to be relevant to the harassment complaint. The names of other individuals who might have been subject to the same or similar harassment.

**b) Attendance record of the Members:**

The attendance record of each member of the Internal Compliant Committee at the Meeting held on \_\_\_\_\_ are as follows:

Attendance of	Dates on which Internal Compliant Committee Meetings were held
	January 30, 2024
Mrs. Seema Asit Javeri	P
Ms. S. M. Rao	P
(*)Ms. Smita Singh	P
Mrs. Mamta Jatin Shah	P
Mr. V. Ramakrishnan	P
Mr. V. N. Bedekar	P
Mr. R. M. Gandhi	P

(\*) Smita S Singh resigned w.e.f. end of business hours on June 15, 2024

● **CONSTITUTION OF FINANCE & ADMIN COMMITTEE (FAC):**

**a) Preamble:**

The Board constituted the "Finance and Admin Committee" in pursuance of the provisions of Section 179 of the Companies Act, 2013 on November 09, 2020 for the purpose of Financial Management and administration.

The committee vested with the following roles and responsibilities –

- To borrows monies up Rs.250 crores over and above net worth of the company as approved by shareholders vide their resolution dated 28<sup>th</sup> September, 2021.
- To invests the funds of the company;
- To grant loans or give guarantee or provide security in respect of loans
- Treasury management and organizational procedures
- To prepare budgets
- Insurance
- Financial Management
- Administration

Accordingly, considering the recent proposal for the raising of funds, it is proposed to confer upon the committee the following additional terms of reference/ functions/ powers in addition to the existing terms of reference/ functions/ powers:

- To manage fund raising and other activities on the authorization of the Board of Directors.
- To issue and allot Right equity shares in terms of the Board resolution whether in or outside India.
- To do any other act and/or deed, to negotiate and execute any document(s), application(s), agreement(s), undertaking(s), deed(s), affidavits, declarations, and certificates, and/or to give such direction as it deems fit or as may be necessary or desirable with regard to the Rights Issue.

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



## 12. REMUNERATION OF DIRECTORS:

### a) Preamble:

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

Details of remuneration of the Directors during Financial Year 2023-24:

Name of the Director	Fixed Salary			Bonus / performance linked incentives	Sitting Fees	Comm-ission	Total
	Base Salary	Benefits	Total fixed salary				
Mr. Asit D. Javeri (*)	8400000	8400000	16800000	--	--	--	16800000
Mr. Abhishek A. Javeri (*)	8400000	8400000	16800000	--	--	--	16800000
Smt. Seema A. Javeri (*)	8400000	8400000	16800000	--	--	--	16800000
Mr. Priyam S. Jhaveri	--	--	--	--	98000	--	98000
Mr. Amit M.	--	--	--	--	--	--	--Mehta
Mr. Pradeep N. Desai	--	--	--	--	42000	--	42000
Mrs. Ayesha S. Patel	--	--	--	--	92000	--	92000
<b>Total</b>	<b>25200000</b>	<b>25200000</b>	<b>50400000</b>	--	<b>232000</b>	--	<b>50632000</b>

(\*) They are not eligible for sitting fees.

(\*\*) Amit M Mehta Resigned w.e.f. October 19, 2023

### b) Service Contracts:

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

### c) Notice Period:

The terms of our employment arrangements with Shri. Asit D. Javeri, Shri. Abhishek Asit Javeri and Smt. Seema Asit Javeri Provided or upto six (6) months' notice period or any shorter period as may be mutually agreed between both the parties.

### d) Severance/ Compensation fees:

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

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

#### ★ Sitting Fee:

Each Non-Executive Director ("NEDs") is paid per meeting attended a sitting fee of Rs. 10,000/- for attending Board



Meeting and Rs.6,000/-for attending Committee Meeting.

★ **Commission:**

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

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

★ **Reimbursement of actual expenses incurred:**

Non-Executive Director may also be paid / reimbursed such sums either as fixed allowance and /or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such member for attending Board/Committee Meetings or for Company's work.

★ **Payment and other consideration to independent directors:**

An independent director shall not be entitled to any **stock option** and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or committee thereof and profit related commission up to a certain percentage of net profits in such proportion, as may be permissible under the applicable law.

### 13. SENIOR MANAGEMENT TEAM OF THE COMPANY:

The Senior Management Team comprises of the following personnel:

Sr. No.	Name of the Senior Management Personnel	Designation as on March 31, 2024	Change during the FY 2023-24 if any
1.	Ramakrishnan Nair	DGM - (Administration)	No Change
2.	Mamita J Shah	HR & Admin Manager	No Change
3.	Vilas B Pawar	Manager Accounts & Taxation	No Change
4.	Bharat M Shelar	Manager. Accounts	No Change
5.	Achutha R Prabhu	Manager- Accounts & Finance	No Change
6.	Vadilal J Modi	DGM - (Sales)	No Change
7.	Sitaram A Salian	DGM - Exports	No Change
8.	Jyatsna T Parab	Manager-import	No Change
9.	Moreshwar M Bhate	DGM Projects	No Change
10.	Pankaj M Lanjewar	Manager (IT)	No Change
11.	Ranjit K Pradhan	Dy. General Manager (Q & C)	No Change
12.	Ravikant M Gandhi	DGM-Accounts	No Change
13.	GK Kutly	DGM-Production	No Change
14.	Vidhyadhar N Bedekar	Manager (P&A)	No Change
15.	K Premkumar	Assi Manager (S&FD)	No Change
16.	(*)Smita S Singh	Compliance Officer	No Change
17.	Shirish D Mokal	Production Manager	No Change
18.	Ratnakar R Nemedede	Production Manager	No Change
19.	Nitin P Barkate	Production Manager	No Change
20.	Pranav S Shah	CEO (SBU)	General Manager
21.	Rushabh Doshi	Manager Operational and Customer Support	No Change



#### 14. GENERAL BODY MEETING:

##### A. Details of the last three Annual General Meetings:

AGM For Financial Year Ended	Venue	Date	Time	No of Special Resolution Passed
2020-21	at 10, Bruce Street, 1st Floor, 8/12, Sir Homi Modi Street, Fort, Mumbai-400001 / Through Video Conferencing(VC) Other Audio-Visual Means (OAVM)	28.09.2021	03.00 p.m.	5
2021-22	at 10, Bruce Street, 1st Floor, 8/12, Sir Homi Modi Street, Fort, Mumbai - 400001 / Through Video Conferencing(VC) Other Audio-Visual Means (OAVM)	22.09.2022	04.00 p.m.	1
2022-23	at 10, Bruce Street, 1st Floor, 8/12, Sir Homi Modi Street, Fort, Mumbai-400001 / Through Video Conferencing (VC) Other Audio-Visual Means (OAVM)	26.09.2023	02.00 p.m.	0

##### B. Extra-Ordinary General Meetings:

No Extra Ordinary General Meeting has been held during the year.

##### C. Details of special resolutions passed through postal ballot, the results of which were announced on March 23, 2024 the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

The Company had sought the approval of the shareholders by way of Special Resolution through notice of postal ballot dated January 30, 2024 for Re-appointment of Mr. Asit D. Javeri (DIN:00268114) as an Executive Chairman of the Company, Re-appointment of Mr. Abhishek A. Javeri (DIN: 00273030) as the Managing Director of the Company and Re-appointment of Mrs. Seema A. Javeri (DIN: 01768936) as an Executive Director (Administration) of the Company, which was duly passed and the results of which were announced on March 23, 2024. Mr. Saurabh Agarwal (Certificate of Practice No.20907), Partner of M/s. MMJB & Associates, Practicing Company Secretaries, was appointed as the Scrutinizer to scrutinise the postal ballot process only by voting through electronic means (remote e-voting) in a fair and transparent manner.

Description of the Resolution	Number of shares held	Number of Votes Polled	% of Votes Polled on outstanding shares	Number of votes in favour	Number of votes against	% of Votes in favour on votes polled	% of Votes against on votes polled
Re-appointment of Mr. Asit D. Javeri (DIN:00268114) as an Executive Chairman of the Company	24,70,58,452	16,41,53,814	66.44	16,41,50,164	3,650	99.99	0.0022
Re-appointment of Mr. Abhishek A. Javeri (DIN: 00273030) as the Managing Director of the Company	24,70,58,452	16,41,53,814	66.44	16,41,50,498	3,316	99.99	0.0020



Description of the Resolution	Number of shares held	Number of Votes Polled	% of Votes Polled on outstanding shares	Number of votes in favour	Number of votes against	% of Votes in favour on votes polled	% of Votes against on votes polled
Re-appointment of Mrs. Seema A. Javeri (DIN: 01768936) as an Executive Director (Administration) of the Company	24,70,58,452	16,415,3,814	66.44	16,41,01,598	52,216	99.96	0.0318

**Procedure for postal ballot:** The postal ballot was carried out as per the provisions of Section 110 read with Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder and read with the Circular No.14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No.22/2020 dated June 15, 2020, Circular No.33/2020 dated September 28, 2020, Circular No.39/2020 dated December 31, 2020, Circular No.10/2021 dated June 23, 2021, Circular No.20/2021 dated December 8, 2021, Circular No.2/2022 dated May 5, 2022, Circular No.3/2022 dated May 6, 2022, Circular No. 11/2022 dated December 30, 2022 & Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs.

**D. Details of special resolutions proposed to be passed through postal ballot:**

The Company has proposed to sought the approval of the shareholders by way of Special Resolution through notice of postal ballot dated August 06, 2024 for appointment of Mr. Mukul Sunilkumar Mehra (DIN: 01542984) as an Independent Director of the Company, appointment of Mr. Nayan Mohanbhai Patel (DIN: 00196727) as an Independent Director of the Company, Mr. Saurabh Agarwal (Certificate of Practice No.20907), Partner of M/s. MMJB & Associates, Practicing Company Secretaries, was appointed as the Scrutinizer to scrutinise the postal ballot process only by voting through electronic means (remote e-voting) in a fair and transparent manner.

**15. MEANS OF COMMUNICATION:**

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

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


**15. GENERAL SHAREHOLDER INFORMATION:**

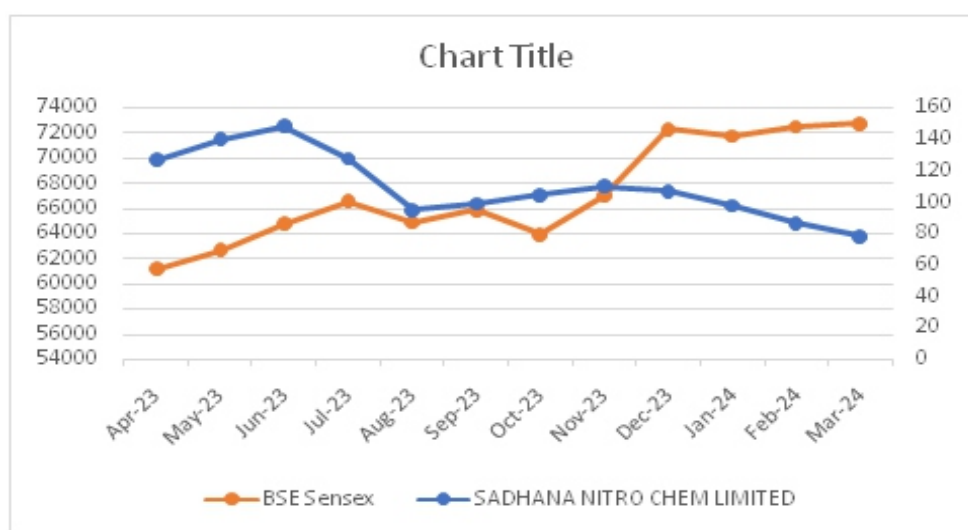
1.	Date, time and venue of Annual General Meeting	25 <sup>th</sup> September, 2024 at 2.00 P.M. to be conducted through video conferencing and other audio visual means. [Deemed venue of the Meeting: Registered Office of the Company i.e. Hira Baug, 1 <sup>st</sup> Floor, Kasturba Chowk (C.P. Tank), Mumbai-400004.]
2.	Financial Year	1st April, 2023 to 31st March, 2024 [FY: 2023-24]
3.	Dividend payment date	Dividend of Rs. 0.15 per equity share (15%) for the financial year 2023-24 has been recommended by the Board of Directors to Members subject to applicable taxes and their approval. If approved by the Members, payment will be made in accordance with the statutory requirements. For members who are unable to receive the dividend directly in their bank accounts, the Company shall dispatch the dividend warrant/DD to them.
4.	Listing of equity shares at stock exchanges	<ul style="list-style-type: none"> <li>• <b>Bombay Stock Exchange</b> Address-Phiroze Jeejeebhoy Towers, Dalal Street. Mumbai- 400001.</li> <li>• <b>National Stock Exchange w.e.f. May 05, 2023</b> Address-Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai-400051, India.</li> </ul>
5.	Annual Listing Fees	The listing fees has been paid till 31st March, 2024.
6.	Stock code/symbol	<ul style="list-style-type: none"> <li>• Bombay Stock Exchange - 506642</li> <li>• National Stock Exchange- SADHNANIQ</li> </ul>
7.	ISIN for Equity Shares	INE888C01040
8.	Registrar to an issue and share transfer agents	<p><b>Link In-time India Private Limited (LI IPL)</b> Address: C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083. Telephone No. : 022-49186000 E-mail address : rnt.helpdesk@linkintime.co.in Fax No. : 022-49186060.</p>
9.	Plant locations	<p>Sadhana Nitro Chem Limited, 47, MIDC Industrial Area, Roha, Dist. Raigad, Maharashtra - 402 116. Telephone : DhataV-02194-263801-2-3 Fax : (91) 02194-263522</p>
10.	Depositories	<p><b>National Securities Depository Limited</b> Trade World, 'A' Wing, 4th&amp; 5th Floor, Kamala Mills Compound, Lower Parel, Mumbai-400013.</p> <p><b>Central Depository Services (India) Limited</b> Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013.</p>
11.	Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity	Not Applicable
12.	Securities are suspended from trading the director's report shall explain the reason	Not Applicable

**a) Financial Calendar:**
**For the year ended March 31, 2024, results were announced on**

First quarter	August 07, 2023
Half year	October 26, 2023
Third quarter	January 30, 2024
Annual	May 17, 2024


**Results for financial year 2024-25 (Tentative) :**

June 30, 2024	August 08, 2024
September 30, 2024	Until 2nd week of November, 2024
December 31, 2024	Until 2nd week of February, 2025
March 31, 2025	Until 4th week of May, 2025
Annual General Meeting	Until September, 2025

**b) PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES (SUCH AS BSE SENSEX/ CRISIL**

**c) High/Low of Market Price of Company's Shares traded on the Bombay StockExchange(BSE)Up-to31<sup>st</sup> March, 2024:**
**Company : [SADHANANITROCHEMLTD\\_506642](#)**
**Period : Apr 2023 to March 2024**

Month	National Stock Exchange			Bombay StockExchange		
	High	Low	Close	High	Low	Close
Apr-23	-	-	-	126.40	114.50	122.45
May-23	144.45	122.10	134.45	139.75	121.00	135.20
Jun-23	148.40	120.55	123.90	148.20	122.00	123.80
Jul-23	127.50	85.25	89.45	127.35	85.25	89.70
Aug-23	95.00	67.80	79.15	94.90	66.00	79.10
Sep-23	99.90	73.80	83.60	99.00	74.00	83.57
Oct-23	105.00	76.85	100.85	104.80	77.00	100.82
Nov-23	110.00	87.15	89.00	110.20	87.20	88.90
Dec-23	106.95	83.45	86.65	106.79	83.43	86.78
Jan-24	95.80	84.70	85.65	97.90	85.05	85.90
Feb-24	86.85	73.35	74.75	86.75	73.95	74.82
Mar-24	78.25	60.80	62.40	78.31	61.02	62.49

\* Spread H-L : High-Low ; C-O : Close-Open  
(Source : BSE website and NSE Website)



d) During the financial year 2023-2024, none of the securities of the Company were suspended from trading on any Stock Exchanges.

**e) Investor Services :**

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

Details of LI IPL are as follows:

**Address** : C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083.

**Telephone No** : 022-49186000

**E-mail address** : rnt.helpdesk@linkintime.co.in,

**Fax No** : 022-49186060.

**f) Share Transfer System:**

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

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

Not Applicable

**h) Dematerialisation of Shares:**

The Company's shares are tradable compulsorily in electronic form. The Company has established through its Registrar and Share Transfer Agents, connectivity with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) 98.95% of the equity shares of the company have been dematerialized as on 31st March, 2024.

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

	Particular	No. of shareholders	No. of equity shares
Opening Balance	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying as on April 01 <sup>st</sup> , 2023.	Nil	Nil
Less	Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year.	Nil	Nil
Less	Number of shareholders whose shares got transferred from suspense account to IEPF during the year	Nil	Nil
Closing Balance	Aggregate number of shareholders and outstanding shares lying in the suspense account as on 31 <sup>st</sup> March, 2024.	Nil	Nil





j) Distribution of shareholding as on 31<sup>ST</sup> MARCH, 2024:  
By Size

Distribution Of Shareholding (Shares) Report Type : ALL (NSDL+CDSL+Physical)					
Sr. No	Shareholding of Shares	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1	1 to 500	32887	73.8851	4175484	1.6901
2	501 to 1000	4291	9.6403	3270136	1.3236
3	1001 to 2000	3156	7.0904	4608842	1.8655
4	2001 to 3000	1261	2.8330	3193160	1.2925
5	3001 to 4000	643	1.4446	2253549	0.9122
6	4001 to 5000	443	0.9953	2045607	0.8280
7	5001 to 10000	846	1.9007	5919086	2.3958
8	10001 to 9999999999	984	2.21007	221592588	89.6924
	<b>TOTAL :</b>	<b>44511</b>	<b>100</b>	<b>247058452</b>	<b>100</b>

By Category

Sr. No	Category	Total Securities	Percent
1	Body Corporate - Ltd Liability Partnership	157558	0.0638
2	Clearing Members	483	0.0002
3	Corporate Bodies (Promoter Co)	152958615	61.9119
4	Directors	7899	0.0032
5	Escrow Account	592510	0.2398
6	FPI (Corporate) - I	113159	0.0458
7	Hindu Undivided Family	1795260	0.7267
8	Mutual Funds	13440	0.0054
9	Nationalised Banks	13663	0.0055
10	NBFCs registered with with RBI	30400	0.0123
11	Non Nationalised Banks	1533	0.0006
12	Non-Resident (Non Repatriable)	407469	0.1649
13	Promoters	9226626	3.7346
14	Public	76250027	30.8632
15	Trusts	641	0.0003
16	Non-Resident Indians	1413714	0.5722
17	Other Bodies Corporate	4075455	1.6496
	<b>TOTAL :</b>	<b>247058452</b>	<b>100</b>

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

k) DEMATERIALIZATION OF SHARES:

Trading in the Company's shares is permitted only in dematerialised form. The Company has established connectivity with both the Depositories viz. NSDL and CDSL through its Registrar and Share Transfer Agents, whereby the investors have the option to dematerialise their shares with either of the depositories.



The Company obtains a certificate from a Practising Company Secretary every quarter, which confirms that total issued capital of the Company is in agreement with total number of shares in dematerialised form with NSDL and CDSL and shares in physical form.

Shares held in dematerialised and physical form as on March 31, 2024:

	Share Capital	
	No. of shares	% of total share capital
Dematerialised Form		
NSDL	20,94,90,555	84.79
CDSL	3,49,86,031	14.16
Total in dematerialised Form	<b>24,44,76,586</b>	<b>98.95</b>
Physical Form	25,81,866	1.05
<b>Total</b>	<b>24,70,58,452</b>	<b>100.00</b>

**l) UNCLAIMED DIVIDEND:**

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

**m) SUBSIDIARIES:**

The Company does not have any material non-listed Indian subsidiary whose turnover or networth (i.e. paid-up capital and free reserves) exceeds 10% of the consolidated turnover or networth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. The policy on material subsidiaries is available on the website of the company at <https://www.sncl.com/policies>.

**n) CREDIT RATING:**

The Company has obtained credit rating for bank facilities from Infomerics Valuation and Rating Pvt. Ltd. for the following long term and short term borrowings:

Facilities	Amount (in crores)	Ratings
Long term/Fund Based Bank Facilities -Term loans	76.85	IVR BBB/ Stable (IVR Triple B with Stable Outlook)
Long term/Fund Based Bank Facilities – Cash credit and Export Finance	62.50	IVR BBB/ Stable (IVR Triple B with Stable Outlook)
Short term Fund Based Bank Facilities-EPC	3.00	IVR A3+ (IVR A Three Plus)
<b>Total</b>	<b>142.35</b>	

**o) OTHER DISCLOSURES:**

- **Materially Significant related party transactions:** The particulars of transactions between the Company and its related parties as per the Accounting Standard -18 are set out at Note 37 in Notes to Accounts in the Annual Report. These transactions are not likely to have any conflict with Company's interest. The Company also has the policy on Materiality of Related Party Transaction. The details of such policy are available on the website of the Company at <https://www.sncl.com/policies>.
- **Management Disclosures:** The Senior Management Personnel have been making disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large. Based on the disclosures received, none of the Senior Management Personnel has entered into any such transactions during the year.



- **Strictures and Penalties:** There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter relating to the capital markets during the last three years.
- **Risk Management Framework:** The Board of Directors has adopted the Risk Assessment Procedure. The procedure provides an approach by the top Management to identify potential events that may affect the Company, to manage the risk within its risk appetite and to provide reasonable assurance regarding the achievement of objectives of the Company. The Senior Management priorities the risk and finalize the action plan for mitigation of the key risks.
- **Whistle Blower Policy:** The Company has a vigil mechanism and whistle blower policy under which it takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee the policy has been put up on the company's website at <https://www.sncl.com/policies>.

- **Details of utilization of funds raised through preferential allotment or qualified institutions placement:**

During the year 2022-23, the Company has raised Rs. 75,00,00,119 (75% of the total consideration) through preferential allotment as specified under Regulation 32 (7A). Entire funds raised were utilized during the second quarter of Financial Year 2023-24.

As on the report date, the total funds raised through preferential allotment is utilized towards expansion in the company including para-amino phenol (PAP) business (capex. And opex.) and for the general corporate purpose of the company.

- **Disqualification / Debar of Directors of the Company:**

A certificate provided by **M/s. MMJB & Associates LLP**, Practicing Company Secretary was placed before the Board of Directors of the Company in its meeting held on 8th August, 2024. On the basis of certificate provided by M/s. Makarand M Joshi & Co. Practicing Company Secretary the Board of Directors of the Company take a cognizance that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority. Certificate provided by M/s. Makarand M Joshi & Co. Practicing Company Secretary is annexed hereto and marked as **Exhibit - B** to this report.

- **Acceptance of recommendation of Committee:**

During the year 2023-24, all the suggestions/recommendation so fall the committees of the Board, have been accepted by the Board of Directors.

- **Maintenance of the Chairman's Office:**

The Company has an Executive Chairman and the office provided to him for performing his executive duties is also utilized by him for discharging his duties as Chairman. No separate office is maintained for the Non- Executive Chairman of the Audit Committee but Secretarial and other assistance is provided to him whenever needed, in performance of his duties.

- **List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year:**

The Company has not taken any credit rating during the year under review.

- **Total fees paid to Statutory Auditors of the Company:**

M/s. Jayesh Dadia & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 121142W /W100122) the Company's Statutory Auditor, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

As required under Regulation 34 read with Part C of the Schedule V of the Listing Regulations, the total fees paid by the Company to the statutory auditor Rs. 16.60 Lakhs.



- **Hedging of risk:**

The Company deals in foreign exchange in ordinary course of business and has adequate risk management mechanism. These are reviewed by the risk management and audit committee of the Company.

- **Compliance with Mandatory and Non-Mandatory Requirements:**

The Company had complied with all the mandatory requirements of SEBI(LODR) Regulations, 2015 to the extent applicable

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

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

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

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

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

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

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

- **CODE OF CONDUCT AND CERTIFICATE ON COMPLIANCE THEREOF:**

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

- **CEO / CFO CERTIFICATION:**

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

The aforesaid certificate duly signed by the Managing Director & CFO in respect of the financial period ended 31<sup>st</sup> March, 2024 has been placed before the Board in the meeting held on May 17, 2024 is annexed hereto and marked as **Exhibit - D** to this report.

- **SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL:**

As stipulated by SEBI a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out periodically and thereon is submitted



to the Listed Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

• **ADDRESS FOR CORRESPONDENCE:**

<b>Sadhana Nitro Chem Limited</b>	<b>Link Intime India Pvt. Ltd (RTA)</b>
Regd. Office: Hira Baug, 1st Floor, Kasturba Chowk (C.P Tank), Mumbai - 400 004. Tel : 022-23865629 Fax : (91) 022-23887235	C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai - 400 083 Telephone No. 022-4918 6000 Fax : (91) 022-49186060
E-mail :sadhananitro@sncl.com	E-mail : rnt.helpdesk@linkintime.co.in
Website : www.sncl.com	Website: <a href="https://linkintime.co.in/contact-us.html">https://linkintime.co.in/contact-us.html</a>

**EXHIBIT - A****AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI LISTING REGULATIONS**

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

We have examined the compliance of conditions of Corporate Governance by **Sadhana Nitro Chem Limited** ("the Company"), for the year ended 31<sup>st</sup> March, 2024, as stipulated in the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

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

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

**Jayesh Dadia  
Partner  
Membership No. 033973**

**Place of Signature: Mumbai  
Date: 8<sup>th</sup> August, 2024  
UDIN: 220339APYEMC3571**

**EXHIBIT - B****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,  
The Members  
**SADHANA NITRO CHEM LIMITED**

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) of SADHANA NITRO CHEM LIMITED having CIN L24110MH1973PLC016698 and having registered office at, Hira Baug, 1<sup>st</sup> Floor, Kasturba Chowk (C.P. Tank), Mumbai – 400001, Maharashtra, India (hereinafter referred to as 'the Company') for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) documents available on the website of the Ministry of Corporate Affairs (MCA) as on August 08, 2024 and stock exchanges as on August 08, 2024 (ii) Verification of Directors Identification Number (DIN) status on the website of the MCA, and (iii) disclosures provided by the Directors (as enlisted in Table A) to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, MCA or any such other statutory authority as on 31<sup>st</sup> March, 2024.

**Table A**

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

*General Disclaimer: Our Analysis for this certificate does not covers the verification of criteria pertaining to appointment as Independent Director under Section 149 and criteria pertaining to appointment as Managing Director under Section 196 and Schedule V of the Companies Act, 2013.*

**For MMJB & Associates LLP  
Practicing Company Secretaries**

**Saurabh Agarwal**  
**Partner**  
**FCS No. 9290**  
**CP No. 20907**  
**UDIN: F009290F000931827**

**Place:** Mumbai  
**Date:** August 8<sup>th</sup> 2024

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

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

I hereby confirm that the Company has obtained affirmation from all the Members of the Board and the Senior Management Personnel that they have complied with the Code of Conduct for the Financial Year 2023-24 .

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

**For SADHANA NITRO CHEM LIMITED**

\_\_\_\_\_  
**Abhishek A. Javeri**

**Managing Director**

**DIN:** 00273030

**Place:** Mumbai

**Date:** 17<sup>th</sup> May, 2024

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

**To**

**The Board of Directors,  
Sadhana Nitro Chem Limited**

- A. I/We have reviewed the financial statements and the cash flow statement of Sadhana Nitro Chem Limited for the year ended 31<sup>st</sup> March, 2024 and to the best of our knowledge and belief:
- I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - II. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. I/We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectifying these deficiencies.
- D. I/We have indicated to the Auditors and the Audit Committee:
- I. Significant changes in internal control over financial reporting during the year;
  - II. Significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - III. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For SADHANA NITRO CHEM LIMITED**

\_\_\_\_\_  
**Mr. Rakesh R. Kothari**

**Chief Financial Officer**

**Place:** Mumbai

**Date:** 17<sup>th</sup> May, 2024





## ANNEXURE - III

## CORPORATE SOCIAL RESPONSIBILITY

## 1. Brief outline on CSR Policy of the Company.

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

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

Sadhana Nitro Chem Limited is deeply committed to driving positive change and supporting the communities in which we operate. In alignment with our dedication to Corporate Social Responsibility (CSR), we have made a significant monetary contribution to M/S Kalawati Devi Memorial Charitable Society. This registered trust, under the Mumbai Trust Act, plays a vital role in uplifting the poor, empowering handicapped individuals, and advancing educational opportunities. Through this initiative, we reaffirm our unwavering commitment to SDG 1 (No Poverty), SDG 3 (Good Health and Well-being), and SDG 4 (Quality Education), underscoring our resolve to contribute meaningfully to a more inclusive and sustainable future.

## 2. Composition of CSR Committee:

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

## 3. The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee.

The CSR Policy of the Company is available on the Company's web-site and can be accessed in the link provided herein below:

Total profit for last 3 years (in Rs.)	28,65,12,210
a) Average net profit last 3 years (in Rs.)	9,55,04,070
b) Two percent of average net profit of the company as per section 135(5)	19,10,081
c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
d) Amount available for set off in succeeding financial years.	NIL
Total CSR obligation for the financial year (b)+(c)-(d)	19,10,081

## a. Average net profit of the company as per section 135(5). -9,55,04,070/-

For FY 2022-23 (in Rs.)	For FY 2021-22 (in Rs.)	For FY 2020-21 (in Rs.)
8,91,11,180	8,07,68,537	11,66,32,493



b. Amount spent in administrative Overheads : YES

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
50,00,000	0	0	0	0	0

c. Excess amount for set-off, if any:

Sl. No	Particulars	Amount (In Rs.)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	19,10,081
(ii)	Total amount spent for the Financial Year	50,00,000
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	30,89,919
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	30,89,919

4. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of sec. 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs.)	Amount transferred to a fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency if any
					Amount (in Rs.)	Date of Transfer		
1	FY 2021-22	-	-	-	-	-	1,04,82,054	-
2	FY 2020-21	-	-	-	-	-	1,13,36,682	-

5. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes  No

If Yes, enter the number of Capital assets created/ acquired \_\_\_\_\_

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:



Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

6. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee)	Sd/- [Person specified under clause (d) of subsection (1) of section 380] (Wherever applicable)
ABHISHEK A. JAVERI	ASIT D. JAVERI	



## ANNEXURE - IV

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

## SECTION A- GENERAL DISCLOSURES

## I. Details of the listed entity

I-1. Corporate Identity Number (CIN) of the listed entity-	L24110MH1973PLC016698
I-2. Name of the listed entity-	SADHANA NITRO CHEM LIMITED
I-3. Year of incorporation-	1973
I-4. Registered office address-	HIRA BAUG, 1st FLOOR KASTURBA CHOWK (C.P. TANK) MUMBAI MH 400004
I-5. Corporate address -	10, Bruce Street, 1st Floor, 8/12, Sir Homi Modi Street, Fort, Mumbai 400001 MH IN
I-6. E-mail -	sadhananitro@sncl.com
I-7. Telephone -	022 68663300
I-8. Website -	https://www.sncl.com
I-9. Financial year for which reporting is being done -	April 01, 2023 to March 31, 2024
I-10. Name of the Stock Exchange(s) where shares are listed -	Bombay Stock Exchange Limited and National Stock Exchange of India Limited
I-11. Paid-up Capital -	Rs. 24,70,58,452/-
I-12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report. -	Rakesh Kothari, +91 9820111117 rakesh@sncl.com Nitin Jani +91 9820016445 jani@sncl.com
I-13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) -	Standalone basis

## II. Products/services

## II-14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Chemical and chemical product, pharmaceutical, medicinal chemical and Intermediates	95%

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

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Nitrobenzene	24119	0.35%
2	Meta Amino Phenol	24116	46.32%
3	Para Amino Phenol	24116	12.75%
4	SND - 27 (ODB2)	24299	36.64%

## III. Operations

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

Location	Number of Plants	Number of Offices	Total
National	1	2	3
International	0	0	0



### III-17. Markets served by the entity:

#### a. Number of locations

Location	Number
National (No. of States)	10
International (No. of Countries)	17

#### b. What is the contribution of exports as a percentage of the total turnover of the entity ?

Export - 38.39%  
Domestic - 61.61%

#### c. A brief on types of customers

- Dye Intermediates: Companies that produce and sell dye intermediates. These companies are typically engaged in the production of chemical compounds used to make dyes for the textile, leather, cosmetic and other industries.
- Pharmaceuticals Manufacturers: Pharmaceutical companies use chemicals and intermediates to produce various drugs and medicines. These companies require high-quality chemicals and intermediates to ensure the safety and efficacy of their products.
- Herbicide and Pesticide Manufacturers: Companies that produce herbicides and pesticides. These companies require chemicals and intermediates that are effective in controlling pests and other applications.
- Chemical Manufactures: Companies that produce chemicals and intermediates for use in various industries, such as textiles, plastics, and rubber, etc These companies require a variety of chemicals and intermediates to produce their products, and they are often looking for high-quality, cost-effective solutions.

## IV. Employees

### IV-18. Details as at the end of Financial Year :

#### a. Employees and workers (including differently abled):

No	Particulars	Total (A)	Male		Female	
			No (B)	% (B/A)	No (C)	% (C/A)
<b>Employees</b>						
1	Permanent (D)	208	197	94.71%	11	5.29%
2	Other than Permanent (E)	18	18	100.00%	0	0.00%
3	Total employees (D + E)	226	215	95.13%	11	4.87%
<b>Workers</b>						
1	Permanent (F)	39	39	100.00%	0	0.00%
2	Other than Permanent (G)	14	14	100.00%	0	0.00%
3	Total Workers (F + G)	53	53	100.00%	0	0.00%

### IV-18. Details as at the end of Financial Year:

#### b. Differently abled Employees and workers:

No	Particulars	Total (A)	Male		Female	
			No (B)	% (B/A)	No (C)	% (C/A)
<b>Differently Abled Employees</b>						
1	Permanent (D)	0	0	0.0%	0	0.0%
2	Other than Permanent (E)	0	0	0.0%	0	0.0%
3	Total differently abled employees (D + E)	0	0	0.0%	0	0.0%
<b>Differently Abled Workers</b>						
1	Permanent (F)	0	0	0.0%	0	0.0%
2	Other than Permanent (G)	0	0	0.0%	0	0.0%
3	Total Workers (F + G)	0	0	0.0%	0	0.0%



#### IV-19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No (B)	% (B/A)
Board of Directors	7	2	28.57%
Key Management Personnel	3	0	0.00%

#### IV-20. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years)

	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	1.11%	25.00%	2.61%	10%	0%	10%	4.59%	0%	4.59%
Permanent Workers	2.56%	0.00%	2.56%	5%	0%	5%	8.33%	0%	8.33%

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

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

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity ? (Yes/No)
1	MANEKCHAND PANACHAND TRADING INVESTMENT CO PVT LTD	Holding	0	NO
2	ANUCHEM B V B A	Subsidiary	100	NO

#### VI. CSR Details

VI-22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

VI-22. (ii) Turnover (in Rs.) - Rs. 1,92,85,66,592/-

VI-22. (iii) Net worth (in Rs.) - Rs. 2,32,28,91,502/-

#### VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-2024			FY 2022-2023		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	0	0	-	0	0	-
Investors (other than shareholders)	No	0	0	-	0	0	-
Shareholders	Yes, a mechanism is in place to interact with the employees and workers <a href="https://drive.google.com/file/d/1IRD0Mc7_535wZ5lu2guOAGGVfI4oTAc7/view?pli=1">https://drive.google.com/file/d/1IRD0Mc7_535wZ5lu2guOAGGVfI4oTAc7/view?pli=1</a>	2	0	2 complaints solved, 1 pending	5	1	Pending Due to legal & regulator Constraint
Employees and workers	Yes, a mechanism is in place to interact with the employees and workers <a href="https://drive.google.com/file/d/">https://drive.google.com/file/d/</a>	0	1	The complaint is going on in Court	1	1	The complaint is going on in Court



Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-2024			FY 2022-2023		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
	11RD0Mc7_535wZ5lu2guOAGGVf14oTAc7/view?pli=1						
Customers	Yes, a mechanism is in place to interact with the employees and workers <a href="https://drive.google.com/file/d/11RD0Mc7_535wZ5lu2guOAGGVf14oTAc7/view?pli=1">https://drive.google.com/file/d/11RD0Mc7_535wZ5lu2guOAGGVf14oTAc7/view?pli=1</a>	2	0	-	6	1	Case pending in Court
Value Chain partners	Yes, a mechanism is in place to interact with the employees and worker <a href="https://drive.google.com/file/d/11RD0Mc7_535wZ5lu2guOAGGVf14oTAc7/view?pli=1">https://drive.google.com/file/d/11RD0Mc7_535wZ5lu2guOAGGVf14oTAc7/view?pli=1</a>	0	0	-	0	0	-
Other (please specify)	NA	0	0	-	0	0	-

**VII-24. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.**

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Hazardous waste Management	risk	Risk, because it entails an additional cost for safe disposal. In addition, if the waste isn't disposed of as per our SOPs and regulatory norms, it can lead to legal and reputational risk for us.	Disposing according to the Maharashtra Pollution Control Board consent conditions. Maintaining stringent SOPs and monitoring procedures.	Negative
2	Water Management	risk	Risk, because it entails additional cost for effluent treatment. In addition, due to water scarcity concerns in the future, this topic is a risk.	SNCL has an effluent treatment plant where the effluent water is treated and discharged to the common ETP of Roha Division. We have stringent SOPs to ensure that only the required amount of water is utilized in our operations.	Negative



## SECTION B - MANAGEMENT AND PROCESS DISCLOSURES

## Policy and management processes

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
1.b. Has the policy been approved by the Board? (Yes/No)	Yes								
1.c. Web Link of the Policies, if available	<a href="https://www.sncl.com/policies">https://www.sncl.com/policies</a>								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4. Name of the national and international codes / certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015 Quality Management System, ISO 45001:2018 Occupational Health & Safety (OHS) and ISO 14001:2015 Environmental Management System (EMS)								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>Our commitments are directly aligned with the Sustainable Development Goals and are listed below:</p> <ol style="list-style-type: none"> <li><b>Energy &amp; Emissions Management (SDG 7, 8 &amp; 13):</b> We are committed to reducing energy inefficiencies in our operations, by conducting periodic energy audits and technological improvements. In the next 12 months, we aim to replace any outdated equipment with energy-efficient ones. Furthermore, we are committed to incorporating cleaner sources of energy in our operations. For the same, we are in the process of setting up solar/ wind energy and Green Hydrogen plant. Via these energy efficiency improvements and clean energy initiatives, we aim to decrease our carbon footprint. We will also be training our employees on energy-saving practices.</li> <li><b>Water Conservation (SDG 6 &amp; 8):</b> While we have already implemented initiatives for partly high COD/TDS/alkaline effluents, we are committed to reducing our water footprint further. In the next year, we aim to do this by implementing immediate water-saving measures and processes. In addition, we are also looking at implementing water recycling measures.</li> <li><b>Responsible Consumption (SDG 8 &amp; 12):</b> Due to the nature of our business, we generate hazardous waste, however, we are working on developing mechanisms to ensure the waste is utilized for coprocessing and other reclamation processes by other industry partners. In addition, we will be conducting periodic waste audits to see how we can improve our processes.</li> </ol>								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of each of the principles is reviewed periodically by various Committees led by the Management and Board of Directors. In this year, we have made progress with respect to our commitment towards responsible consumption, specifically with respect to waste. Our hazardous waste is sent to MPCB approved vendors as per the compliances. In addition, for the commitments we have mentioned above, constant monitoring will be done.								
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	SNCL is committed to integrating environmental, social and governance (ESG) principles of product stewardship by enhancing health, safety and environmental impacts of products and services across their lifecycles. The environmental impacts cover Climate, Resources (Energy & Water), Waste Management and Nature & Biodiversity. The Company is committed to conducting beneficial and fair business practices to the labour, human capital and to the employees. It provides employees and business associates with working conditions that are clean, safe, healthy and fair. It strives to be neighbour of choice in the communities in which it operates and contributes to their equitable and inclusive development. To deliver these commitments, the Company has separate CSR Policy, Business & Human Rights Policy, Equal Opportunity Policy, Whistleblower Policy etc.								





### Governance, leadership and oversight

	SNCL is also committed to conducting business in a way that positively benefits the community where it works. In this regard, it has strongly aligned to SDG 1, i.e. No Poverty. It has several charitable institutions that are focusing on initiatives such as women reform, education as well as providing medical access to the low income and underprivileged communities.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Chairman Mr. Asit Dhankumar Javeri (DIN : 00268114) and Managing Director Mr. Abhishek Asit Javeri (DIN: 00273030) under the guidance of the board of directors and its committee is responsible for implementation and oversight of the business responsibility policies.
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Managing Director of the company provides valuable direction and guidance to the management to ensure that safety and sustainability implications are duly addressed in all new strategic initiatives, budgets audit actions and improvement plans.

### 10. Details of Review of NGRBCs by the Company : Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	As a practice, business responsibility, policies of the company are reviewed annually or on a need basis by board including the managing director and the chairman. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.									As a practice, business responsibility, policies of the company are reviewed annually or on a need basis by board including the managing director and the chairman. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The company is in compliance with the existing regulations as applicable and statutory compliance certificate on applicable laws. The same is reviewed on an annual basis.									The company is in compliance with the existing regulations as applicable and statutory compliance certificate on applicable laws. The same is reviewed on an annual basis.								

### 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Sr.No.	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	No								

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									



## SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

### Essential Indicators

**EI-1.** Percentage covered by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of directors	1	During the year, the board of directors of the company (including its committees) has invested time on various updates, comprising matters relating to an array of issues pertaining to the business regulations, economy and environmental, social and governance parameters. SNCL strives to provide the latest updates to the BoD so that it can guide the Core Management in enabling responsible business conduct during its operations and interactions with the stakeholders.	100%
Key Managerial Personnel	2	1. Anti-bribery & Anti-corruption Policy, 2. Prevention of Sexual Harassment. SNCL strives to enable its KMP to be provided with the latest trainings and updates to ensure responsible business conduct during its operations and interactions with the stakeholders.	100%
Employees other than BoD and KMPs	2	1. Anti-bribery & Anti-corruption Policy, 2. Energy & Environment Conservation Training. 3. Employee Engagement in Sustainability. SNCL strives to enable responsible business conduct is followed by employees during its operations and interactions with the stakeholders.	60%
Workers	4	1. Health & Safety training & mock drills, 2. Wastewater Management and Pollution Prevention. 3. Climate Change Mitigation Practices SNCL is In process to conduct several other programme in coming years. SNCL strives to enable workers to have awareness of best safety practices while working in the factory premises.	100%

**EI-2.** EI-2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)

### Monetary

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

### Non-Monetary

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



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

S.No.	Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
1	NA	NA

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

Yes, it is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our relationships and business dealings wherever we operate and to implementing and enforcing systems to counter bribery. We will uphold all laws relevant to countering bribery and corruption. We remain bound by the applicable Indian and international laws in respect of our conduct both at home and abroad.

Web Link of the Policy : [https://drive.google.com/file/d/1fc6OVgtVLcv56Q-eh-HvBz6cX4u4g7f/view?usp=share\\_link](https://drive.google.com/file/d/1fc6OVgtVLcv56Q-eh-HvBz6cX4u4g7f/view?usp=share_link)

**EI-5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

Category	(Current Financial Year)	(Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

Category	Number (CY)	Remarks (CY)	Number (PY)	Remarks (PY)
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

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

**EI-8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:**

Particulars	Current Financial Year	Previous Financial Year
Number of days of accounts payables	94	102



**EI-9. Open-ness of business. Provide details of concentration of purchases with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format. Concentration of Purchases -**

Parameter	Metrics	FY 2023-2024	FY 2022-2023
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	64%	64%
	b. Number of trading houses where purchases are made from	30	25
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	93%	92%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	53%	58%
	b. Number of dealers / distributors to whom sales are made	14	11
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	97%	99%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.09	0.10
	b. Sales (Sales to related parties / Total Sales)	0.17	0.15
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	0.49	0.30
	d. Investments ( Investments in related parties / Total Investments made)	0	0

**Leadership Indicators**

**LI-1. Awareness programmes conducted for value chain partners on any of the Principles during the financial**

S. No.	Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	0	NA	NA

**LI-2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.-**

Managing conflicts of interest is defined as applying measures that either prevent or mitigate the risks that the conflict of interest creates for the Company and its Stakeholders. When a Director, Officer, Employee, or any other Interested Person is faced with an actual, potential, or perceived conflict of interest, they must promptly inform the Company, to obtain a written decision on how to proceed. The purpose of this declaration is to take an ethical decision by clarifying the situation, thus ensuring the continuity of business in accordance with the Company's interests.


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

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

Category	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0	0	-
Capex	0	0.15%	Reduction in water pollution and upgradation of the ETP plant.

Remarks: In this year there have not been any CAPEX investments on technologies to improve the environmental and social impacts. However, in the next year we have planned to incorporate Solar, Wind and Green Hydrogen projects. For the same, we are currently in the process of acquiring financing.

**EI-2.a. Does the entity have procedures in place for sustainable sourcing ? (Yes/No)**

- Yes

**EI-2.b. If yes, what percentage of inputs were sourced sustainably ?**

- Yes, 9% of inputs were sourced sustainably.  
The Company plans to assess suppliers for sustainable sourcing.

**EI-3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

- (a) Plastics (including packaging) - Damaged material comes to the godown and reused wherever possible and then disposed off through authorised contractors. Plastic bags are re-use 4-5 times for internal packing and storage and then disposed through authorised contractors.

**EI-4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

- NA

**Leadership Indicators**

**LI-1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format ?**

S. No.	NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
1	0	0	0	0	0	0



LI-2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

S. No.	Name of Product / Service	Description of the risk / concern	Action Taken
1	Nitrobenzene	Generation of effluent	SNCL has installed an Effluent Treatment Plant (ETP) and also sends the effluent for treatment to the common ETP as per MPCB norms.
2	Metanilic Acid	Generation of effluent and solid waste	SNCL has installed an Effluent Treatment Plant (ETP) and also sends the effluent for treatment to the common ETP as per MPCB norms. Also, solid waste is sent to authorised cement/fertilizer factories
3	Meta-Aminophenol	Generation of effluent and solid waste	SNCL has installed an Effluent Treatment Plant (ETP) and also sends the effluent for treatment to the common ETP as per MPCB norms. In addition, solid waste is sent to authorised cement/fertilizer factories
4	ODB2 (Colour former)	Generation of effluent	SNCL has installed an Effluent Treatment Plant (ETP) and also sends the effluent for treatment to the common ETP as per MPCB norms.

LI-3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-2024	FY 2022-2023
HDPE bags	65% (9.075 MT reused from 13.942 MT)	94.36% (4.75706 MT reused from 5.04097 MT)
Effluent water	65%	21.4%

LI-4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-2024			FY 2022-2023		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	13.13	0	0	4.75	0	0
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

LI-5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

S. No.	Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
1	Finished Good	Negligible 0.04 %



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

**Essential Indicators**

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Employees											
Male	197	197	100.00%	197	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	11	11	100.00%	11	100.00%	11	100.00%	0	0.00%	0	0.00%
Total	208	208	100.00%	208	100.00%	11	100.00%	0	0.00%	0	0.00%
Other than permanent Employees											
Male	18	18	0.00%	18	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	18	18	0.00%	18	100.00%	0	0.00%	0	0.00%	0	0.00%

**EI-1.b. Details of measures for the well-being of workers.**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Workers											
Male	39	39	100.00%	39	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	39	39	100.00%	39	100.00%	0	0.00%	0	0.00%	0	0.00%
Other than permanent Employees											
Male	14	0	0.0%	14	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	14	0	0.0%	14	100.00%	0	0.00%	0	0.00%	0	0.00%

**EI-1.c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

Particulars	Current Financial Year	Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.06%	0.05%

**EI-2. Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	No. of employees covered as a % of total employees. (CY)	No. of workers covered as a % of total workers. (CY)	Deducted and deposited with the authority (Y/N/N.A.). (CY)	No. of employees covered as a % of total employees. (PY)	No. of workers covered as a % of total workers. (PY)	Deducted and deposited with the authority (Y/N/N.A.). (PY)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	0%	0%	NA	0%	0%	NA
Others - please specify	-	-	-	-	-	-

**EI-3. Are the premises / offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

- Yes



**EI-4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

- Sadhana Nitro Chem Limited (also referred to as “SNCL” or “the Company”) recognizes the value of a diverse workforce and are committed to providing equal opportunities in employment thereby creating an inclusive workplace and work culture in which all employees are treated with respect and dignity.
- The Company is committed to eliminating all forms of unlawful discrimination (which includes direct discrimination, indirect discrimination and denial of reasonable accommodation), bullying and harassment of people with disabilities and transgender persons.
- At SNCL, we continuously strive to ensure that all our facilities, technologies, information and privileges are accessible to people with disabilities and transgender persons.
- The Company encourages differently abled candidates and transgender persons to apply for any job opportunity arising within the organization.
- Through this policy the Company shall proactively work towards equal opportunity in all aspects of employment of Persons with Disabilities and Transgender Persons including the hiring / selection process, promotions, transfers, provision of training opportunities, compensation, employee benefits.
- To avoid unlawful discrimination by adhering to the Equality Act 2010 which protects characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality and ethnic or national origin), religion or belief, sex (gender) and sexual orientation.
- This includes pay and benefits, terms and conditions of employment, dealing with grievances and discipline, dismissal, redundancy, leave for parents, requests for flexible working and selection for employment, promotion, training or other developmental opportunities.
- There are Some relevant terms of the Rights of Persons with Disabilities Act, 2016 and The Transgender Persons (Protection of Rights) Act, 2019 are Discrimination, Person with benchmark disability, Person with disability, Reasonable accommodation, Special Employment Exchange, Specified Disability and Transgender Person.
- Rights and Entitlements in Equal Opportunity Policy of the Company aims at ensuring that none of the employees with a disability is discriminated against on the grounds of their disability unless it is shown that the impugned act or omission is a proportionate means of achieving a legitimate aim.
- The Company shall not discriminate with respect to any aspect of the employment relationship including the hiring/selection process, promotions, transfers, provision of training opportunities, compensation, employee benefits, termination or retirement policies, and disciplinary practices.
- Further, with regard to Transgender persons, the Company shall maintain the confidentiality of the gender identity of the employees except where the Company or its representatives is required to disclose such information to government officials or in order to cater to or provide support to such Employees.
- The Company shall, as far as possible, endeavour to provide such facilities and amenities to Persons with Disabilities and Transgender Persons to enable them to effectively discharge their duties in the Company. The Company shall consider the specific and special needs of Person with Disabilities and Transgender Persons employed by it and ensure that its facilities (including physical/digital infrastructure, information and communication technology, safety, and security and transportation system, if any, provided by the Company) are easily accessible.
- The Company will endeavour to provide course materials meant for induction and training in accessible formats on request. The request for reasonable accommodation, such as assistive aids, accessible training venue, accessible materials, interpreter, scribe, etc. shall be placed at least one week prior to the scheduled date of commencement of induction/training.

Web Link to the policy: [https://drive.google.com/file/d/1hAWGFaohPbs-twSme\\_6FjX\\_UUK\\_Vo5U\\_Wm6\\_E/view?usp=share\\_link](https://drive.google.com/file/d/1hAWGFaohPbs-twSme_6FjX_UUK_Vo5U_Wm6_E/view?usp=share_link)

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

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

Remarks: None of the female employees took maternity leave in the last two years. We do not have female workers.





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

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, through Personnel & Administration (P&A) department and Union, the permanent workers can submit their grievances to the labour union, detailing the issue and any supporting evidence. The union negotiates with the employer to resolve the grievance, and if necessary, may engage in mediation with a neutral third party.
Other than Permanent Workers	NO
Permanent Employees	Yes, through HR and Admin department, who assess the problem, investigate if necessary, and work towards finding a resolution
Other than Permanent Employees	NO

**EI-7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2023-2024			FY 2022-2023		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union(B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union(D)	% (D / C)
Total Permanent Employees	208	0	0.00%	175	0	0.00%
- Male	197	0	0.00%	162	0	0.00%
- Female	11	0	0.00%	13	0	0.00%
Total Permanent Workers	39	37	94.87%	39	39	100.00%
- Male	39	37	94.87%	39	39	100%
- Female	0	0	0	0	0	0.0%

**EI-8. Details of training given to employees and workers:**

Category	FY 2023-2024					FY 2022-2023				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	215	60	27.91%	60	27.91%	170	53	31.18%	40	23.53%
Female	11	10	90.91%	10	90.91%	13	13	100.00%	8	61.54%
Total	226	70	30.97%	70	30.97%	183	66	36.07%	48	26.23%
<b>Workers</b>										
Male	53	37	69.81%	37	69.81%	39	39	100.00%	39	100.00%
Female	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Total	53	37	69.81%	37	69.81%	39	39	100.00%	39	100.00%

**EI-9. Details of performance and career development reviews of employees and workers**

Category	FY 2023-2024			FY 2022-2023		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	215	55	25.58%	170	53	31.18%
Female	11	10	90.91%	13	13	100.00%
Total	226	65	28.76%	183	66	36.07%
<b>Workers</b>						
Male	53	37	69.81%	39	39	100.00%
Female	0	0	0.0%	0	0	0.0%
Total	53	37	69.81%	39	39	100.00%



**EI-10.a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?**

- The safety and health management system covers activities across all manufacturing locations, offices, research, laboratories and supply chain partners and ensuring the protection of environment and health and safety of its employees, contractors, visitors and relevant stakeholders.

**EI-10. b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

- For all activities including routine or non-routine (permit / project activities) hazards are identified by a trained cross-functional team and risk assessment and management is done through Hazard Identification and Risk Assessment (HIRA)/ Job Safety Analysis (JSA)/ Standard Operating Procedure (SOP) which is referred before starting any activity. The Company has procedures for process safety and functional safety including Layers of Protection Analysis (LOPA) and Safety Integrity Level (SIL). Identified hazards and associated risks are addressed through operational control procedures using hierarchy of control approach. Techniques like Process Hazard Analysis on a day-to-day basis unsafe conditions and hazards are also identified by employees and reported. It is also extended to contractors working on sites to ensure their concerns are captured. Storing and handling of toxic chemicals like ammonia, benzene, flammable materials like fuel, etc. are identified as the major process hazards at the site for which the Company has carried out Quantitative Risk Assessment; HAZOP study and engineering review by external / internal experts as appropriate.

**EI-10. c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

- Yes, we encourage our workers to report near miss incidents and have an escalation matrix in place. All sites have specific procedures for reporting of work-related hazards, injuries, unsafe conditions and unsafe acts.

**EI-10.d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

- Yes, all employees are covered under the health insurance scheme.

**EI-11. Details of safety related incidents, in the following format:**

Safety Incident / Number	Category	FY 2023-2024	FY 2022-2023
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	5.52	5.84
Total recordable work-related injuries	Employees	0	0
	Workers	2	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Remarks: This year, we have managed to consolidate the data on the health and safety related incidents for both years, and are thus restating last year's information.

**EI-12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

- Sadhana Nitro Chem Ltd., ensures a safe and healthy workplace through robust safety protocols, regular training, risk assessments, well-maintained infrastructure, health initiatives, incident reporting and investigation, and regulatory compliance. We prioritize employee well-being and maintain a culture of safety throughout the organization.

**EI-13. Number of Complaints on the following made by employees and workers:**

	FY 2023-2024			FY 2022-2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-


**EI-14. Assessments for the year:**

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	0

**EI-15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

- All incidents are investigated by a special team to determine root cause analysis and corrective/preventive actions are identified. The incident is further discussed and reviewed in the safety committee meeting. The Company also shares best practices across sites for prevention of injuries / incidents and ensures safety improvements as well as takes several steps to prevent accidents at workplace such as:
  - Implementation of control measures to reduce the risk of workplace accidents
  - Periodically review the Policies and Procedures
  - Performing regular inspections
  - Implementation of consequence management system
  - Hold regular trainings
  - Job roles and responsibilities including those on Safety are documented for all employees
  - Providing suitable PPEs
  - Behavioural-based safety observation round.
  - Asset Management

**Leadership Indicators**
**LI-1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

- Yes, SNCL extends a life insurance or any compensatory package in the event of death.

**LI-2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

- SNCL monitors remittance of statutory dues by the value chain partners as part of processing their bills on a regular basis.

**LI-3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-2024	FY 2022-2023	FY 2023-2024	FY 2022-2023
Employees	0	0	0	0
Workers	0	0	0	0

**LI-4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

- Subject to requirements, SNCL provides opportunities for engagement on specific projects/assignments across the organisation.

**LI-5. Details on assessment of value chain partners:**

Category	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	0%
Working Conditions	0%

Remarks: Presently we don't have such practices of conducting assessments of value chain partners.

**LI-6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

- Presently we don't have such practice.


**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**
**Essential Indicators**
**EI-1. Describe the processes for identifying key stakeholder groups of the entity.**

- Internal and External groups of Stakeholders have been identified. Presently, the given stakeholders' group have the immediate impact on the operations and working of the Company. This includes Employees, Shareholders, Customers, Communities, Suppliers, Creditors, Competitors, Media and Government Agencies.

**EI-2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Shareholders	No	Annual General Meeting, Stock Exchange Intimations, Annual Report, Email, Company Website's	Ongoing	Share Price appreciation, Dividends, Profitability and Financial Stability, growth prospects
2	Employees	No	communication, town hall briefing, goal setting and performance appraisal meetings/review, email, websites, quarterly publication.	Ongoing	Innovation, Operational ef ficiencies, improvement area, Long-term strategy plans, training and awareness, responsible marketing, brand communication, health, safety and engagement initiatives.
3	Customers	No	Website, Distributor/retailer/direct customer/visits, customer plant visit, helpdesk, information on packaging, customer survey	Ongoing	Product quality and availability, responsiveness to needs, aftersales service, responsible guidelines/manufacturing, life cycle assessment
4	Suppliers	No	Communication and Partnership meets, MOU and framework agreement, Professional Networks, Product workshop/on site presentation, Satisfaction Surveys.	Ongoing	Quality, timely delivery and payments, ESG consideration (sustainability, safety checks, compliances, ethical behaviour), ISO and OHSAS standards, collaboration and digitalisation opportunities
5	Creditors	No	Communication and Partnership meets, Plant Visit, Contract Management, Professional Networks, Satisfaction Surveys.	Ongoing	Meeting Capital Requirements, Repayment Plans, Debt Restructuring, Debt Forgiveness, Collateral and Security, Financial Projections and Reporting, Legal Considerations.
6	Government	No	Advocacy meetings with local / state / national government and ministries, conferences, membership in local enterprise partnership and industry bodies.	Ongoing	Strong ESG practices (climate change roadmap, frameworks for sustainability and beyond compliance and RC, changes in regulatory frameworks, skill and capacity building, employment, environmental measures), policy advocacy, timely contribution to exchequer/ local infrastructure, proactive engagement.
7	Communities	No	Meets (of community / local authority and town council / committee / location head), community visits and projects, volunteerism	Ongoing	waste management, integrated water management, clean water, climate change impacts, community development, self-sustainability, livelihood support, disaster relief, support of the United Nations Sustainable Development Goals (UN SDGs) building capacity of future leaders.



### Leadership Indicators

**LI-1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

- The Company management regularly interacts with key stakeholders i.e. investors, customers, suppliers, employees, etc. and has constantly prioritized the engagement with stakeholders as demonstrated by its corporate philosophy in conducting business with morality and responsibility towards society as a good citizen, implementing the code of conduct as a basis of work for all employees, employing the good corporate governance as a principle of management and exercising the sustainable development of SNCL.

**LI-2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

- Yes, through materiality study, the Company engages with its stakeholders in terms of identifying and prioritizing the issues pertaining to economic, environmental and social topics. The inputs received from stakeholders on these topics are valuable for shaping policies, strategies, and activities. Here are a few instances of how stakeholder inputs have been incorporated into the policies and activities of entities:
  1. Stakeholder feedback on environmental concerns, such as pollution, resource depletion, or climate change.
  2. Stakeholder input on social issues like labour practices, employee well-being, or supply chain ethics.
  3. Concerns raised by stakeholders regarding human rights violations or labour rights.
  4. Stakeholder feedback on diversity, inclusion, and equality can drive initiatives to promote a diverse and inclusive workforce, equitable hiring practices, or employee training programs. etc.

**LI-3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

- The Company follows an integrated development approach which specifically targets the disadvantaged, vulnerable and marginalised stakeholders. It has been the Company's constant endeavour to focus on inclusive and collaborative growth. The Company's leadership drives the AA agenda, tools whereby additional efforts are made to recruit, hire and promote qualified women, minorities and individuals with disabilities across the organisation with passion and commitment.

The Company's integrated development interventions are based on the framework of SDGs (The Sustainable Development Goals) and has the following elements: building economic capital, ensuring environmental integrity, enablers for social, economic and environmental development and building social capital. All social initiatives under these elements are conducted around the Company's areas of operations.

This approach aims to improve the quality of life, especially in their neighbourhoods. As per the need assessment, the Scheduled Caste (SC) / Scheduled Tribes (ST) community in the Company's neighbourhood regions aspires for better education, health care, agriculture/animal husbandry, better livelihood skills and employment.



**PRINCIPLE 5: Businesses should respect and promote human rights**

**Essential Indicators**

**EI-1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023-2024			FY 2022-2023		
	Total (A)	No. of employees/workers covered (B)	% (B / A)	Total (C)	No. of employees/workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	208	208	100.00%	175	162	92.57%
Other than permanent	18	18	100.00%	8	8	100.00%
<b>Total Employees</b>	<b>226</b>	<b>226</b>	<b>100.00%</b>	<b>183</b>	<b>170</b>	<b>92.90%</b>
<b>Workers</b>						
Permanent	39	39	100.00%	39	39	100.00%
Other than permanent	14	0	0.0%	0	0	0.0%
<b>Total Workers</b>	<b>53</b>	<b>39</b>	<b>73.58%</b>	<b>39</b>	<b>39</b>	<b>100.00%</b>

**EI-2. Details of minimum wages paid to employees, in the following format:**

Category	FY 2023-2024					FY 2022-2023				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
<b>Permanent</b>	208	0	0.00%	208	100.00%	175	0	0.00%	175	100.00%
Male	197	0	0.00%	197	100.00%	162	0	0.00%	162	100.00%
Female	11	0	0.00%	11	100.00%	13	0	0.00%	13	100.00%
<b>Other than Permanent</b>	18	0	0.00%	18	100.00%	8	0	0.00%	8	100.00%
Male	18	0	0.00%	18	100.00%	8	0	0.00%	8	100.00%
Female	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
<b>Workers</b>										
<b>Permanent</b>	39	0	0.00%	39	100.00%	39	0	0.00%	39	100.00%
Male	39	0	0.00%	39	100.00%	39	0	0.00%	39	100.00%
Female	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
<b>Other than Permanent</b>	14	14	100.00%	0	0.0%	0	0	0.0%	0	0.0%
Male	14	14	100.00%	0	0.0%	0	0	0.0%	0	0.0%
Female	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%

**EI-3.a. Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/salary wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	2	1,68,00,000	1	1,68,00,000
Key Managerial Personnel	2	1,06,26,939	0	0
Employees other than BoD and KMP	193	3,80,294	11	5,37,218
Workers	39	4,50,843	0	0

**EI-3.b. Gross wages paid to females as % of total wages paid by the entity, in the following format:**

Particulars	Current Financial Year	Previous Financial Year
Gross wages paid to females as % of total wages	12.72%	12.88%



**EI-4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

- Yes.

**EI-5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

- We resolve the issue by discussing with the concerned employees through Admin/HR department.

**EI-6. Number of Complaints on the following made by employees and workers:**

	FY 2023-2024			FY 2022-2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

**EI-7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

Particulars	Current Financial Year	Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

**EI-8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

- We have in place the necessary mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases. As part of the Whistleblower Policy and POSH Policy, the identity of the complainant is always protected. All such matters are dealt with strict confidence. Also, as part of its Code of Conduct, the Company does not tolerate any form of retaliation against anyone reporting legitimate concerns. Anyone involved in targeting such a person will be subject to disciplinary action.

**EI-9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

- Yes

**EI-10. Assessments for the year:**

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others - please specify	0

Remarks : For the Child Labour, Forced Labour, Sexual Harassment and Discrimination at workplace categories, assessments were done by Third Parties. With respect to Wages, assessment was done by the entity and statutory authority.

**EI-11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

- There was no corrective action required in the FY 2023-24 in view of the above compliances for which monitoring and assessment will be continued.





### Leadership Indicators

**LI-1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

We have not had any business process that needed to be modified or introduced, as there were no human rights grievances. However, we have a Human Rights Policy and a grievance mechanism in place which will be adhered to should any complaints arise.

**LI-2. Details of the scope and coverage of any Human rights due-diligence conducted.**

- We have not conducted any Human rights due-diligence yet.

**LI-3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016 ?**

- Yes

**LI-4. Details on assessment of value chain partners:**

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	0
Discrimination at workplace	0
Child Labour	0
Forced Labour / Involuntary Labour	0
Wages	0
Others - please specify	0

**LI-5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

- As there was no audit, there are no non-conformists, hence the question of corrective action taken does not arise.



**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

**EI-1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2023-2024	FY 2022-2023
<b>From renewable sources</b>		
Total electricity consumption (A)	0.00	0.00
Total fuel consumption (B)	0.00	0.00
Energy consumption through other sources (C)	0.00	0.00
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>0.00</b>	<b>0.00</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	17960.83	12772.01
Total fuel consumption (E)	87284.78	71529.47
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>105245.61</b>	<b>84301.48</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>105245.61</b>	<b>84301.48</b>
<b>Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)</b>	<b>558.95 GJ / Crore</b>	<b>596.36 GJ / Crore</b>
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)</b>	<b>12514.34 GJ/\$-Crore</b>	<b>13213.40 GJ/\$-Crore</b>
<b>Energy intensity in terms of physical output</b>	<b>11.51 GJ / MT of production</b>	<b>30.08 GJ / MT of production</b>

Remarks : There has been a change in the energy consumption value from fuels in FY 2022-23, as there was an error in the diesel quantity that was taken. Thus, we are restating the energy consumption values for FY 2022-23. For PPP adjustment, the conversion factors have been taken from the International Monetary Fund. The link for the same can be found here: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDCF>

**EI-1. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

- No, we have not done the independent assessment/ evaluation/assurance for CY. We had done it for PY and we do it every 3 years. Energy audit assurance is conducted externally by Urjay Electricals and Bhargavi Energy Consultancy and Services.

**EI-2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

- The company is not identified as a designated consumer (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

**EI-3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-2024	FY 2022-2023
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	115396	97174
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>15396</b>	<b>97174</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>40388.60</b>	<b>34010.90</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	<b>214.5021 KL/Crore</b>	<b>240.5978 KL/</b>
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)</b>	<b>4802.4495 KL / \$-Crore</b>	<b>5330.8621 KL / \$-Crore</b>
<b>Water intensity in terms of physical output</b>	<b>4.4174 KL / MT of production</b>	<b>12.1338 KL / MT</b>

Remarks: For PPP adjustment, the conversion factors have been taken from the International Monetary Fund. The link for the same can be found here: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDCF>



**EI-3. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

- No

**EI-4. Provide the following details related to water discharged: Water discharge by destination and level of treatment (in kilolitres)**

Parameter	FY 2023-2024	FY 2022-2023
<b>Parameter Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	0	0
With treatment - please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
With treatment - please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
With treatment - please specify level of treatment	0	0
(iv) Sent to third - parties		
- No treatment	0	0
With treatment - please specify level of treatment	75007.40 Primary, Secondary and tertiary treatments	63163.10 Primary, Secondary and tertiary treatments
(v) Others		
- No treatment	0	0
With treatment - please specify level of treatment	0	0
<b>Total water discharged (in kilolitres)</b>	<b>75007.4</b>	<b>63163.1</b>

Remarks: SNCL has its own ETP where the Primary, Secondary and Tertiary treatments are done and then the treated water is sent to the CETP of the MIDC.

**EI-4. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

- Yes, Independent assessment/ evaluation/assurance has been carried out by Equip Chemotech Consultant

**EI-5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

- Yes, partly high COD/TDS acidic/alkaline effluents are treated separately and evaporated to the extent that only slurry (iron sludge, gypsum and sodium sulphate) remains, whereby there is no liquid discharge. In the next six months, we are also looking at implementing water saving measures, as well as process optimization. We are also looking at implementing water recycling systems.

**EI-6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	Current Financial Year	Previous Financial Year
Nox	-	-	-
Sox	So <sub>2</sub> - MT	32	35.46
Particulate matter (PM)	TPM - mg/Nm <sup>3</sup>	52	58
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others - please specify	Acid Mixture - mg/Nm <sup>3</sup>	-	15

**EI-6. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

- Yes, assured by Equip Chemotech Consultants.



**EI-7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) in MTCO<sub>2</sub>E & its intensity, in the following format:**

Parameter	Unit	FY 2023-2024	FY 2022-2023
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	TCO <sub>2</sub> e	6921.87	5672.53
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	TCO <sub>2</sub> e	3542.27	2873.7
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b>	<b>TCO<sub>2</sub>e / rupee of turnover</b>	<b>55.5746 TCO<sub>2</sub>e/ Crore</b>	<b>60.4572 TCO<sub>2</sub>e /Crore</b>
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b>	<b>TCO<sub>2</sub>e / rupee of turnover</b>	<b>1244.2497 TCO<sub>2</sub>e/ \$-Crore</b>	<b>1339.5345 TCO<sub>2</sub>e /\$-Crore</b>
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	<b>TCO<sub>2</sub>e / rupee of turnover</b>	<b>1.1445 TCO<sub>2</sub>e/ MT of production</b>	<b>0.9347 TCO<sub>2</sub>e / MT of production</b>

Remarks: There has been a change in the Scope 1 emissions value in FY 2022-23, as there was an error in the diesel quantity that was taken. Thus, we are restating the Scope 1 values for FY 2022-23.

For PPP adjustment, the conversion factors have been taken from the International Monetary Fund. The link for the same can be found here: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDCFE>

**EI-7. Indicate if any independent assessment/evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

- No, any independent assessment/ evaluation/assurance has not been carried out by an external agency.

**EI-8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

- Sadhana Nitro Chem Ltd. take several steps to reduce greenhouse gas (GHG) emissions along with sulfur dioxide (So<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), and ammonia (NH<sub>3</sub>) with the following :
  1. Conduct periodic energy audits to determine energy inefficiencies and area of improvement
  2. Decrease in Steam consumption by recycling steam condensate.
  3. Optimisation of steam pressure for ejectors
  4. Utilisation of condensate as pre heating in washing.
  5. Optimisation of hot water washing time of product cake.
  6. Replacement of outdated systems with more energy-efficient alternatives.
  7. Implement emission reduction technology like scrubbers to reduce SO<sub>x</sub>, and ammonia emissions.
 Sadhana Nitro Chem Ltd. improves energy efficiency by implementing energy management systems, upgrading equipment, and improving process design.

**EI-9. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2023-2024	FY 2022-2023
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	13.40	5.17
E-waste(B)	0.00	0.00
Bio-medical waste (C)	0.00	0.00
Construction and demolition waste (D)	15.00	42.00
Battery waste (E)	0.09	0.08
Radioactive waste (F)	0.00	0.00
Other Hazardous waste Please specify, if any. (G)	4453.86	1420.67
Other Non-hazardous waste generated (H). Please specify, if any.(Break-up by composition i.e. by materials relevant to the sector)	0.00	0.00
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>4482.35</b>	<b>1467.92</b>
<b>Waste intensity per rupee of turnover (Total Waste Generated / Revenue from operations)</b>	<b>23.8056 MT / Crore</b>	<b>10.10.3843 MT / Crore</b>
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste Generated / Revenue from operations adjusted for PPP)</b>	<b>532.9786 MT / \$-Crore</b>	<b>230.0815 MT / \$-Crore</b>
<b>Waste intensity in terms of physical output</b>	<b>0.4902 MT / MT of production</b>	<b>0.5237 MT / MT of production</b>



For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

**Category of waste - Plastic**

(i) Recycled	0.00	0.00
(ii) Re-used	13.13	4.75
(iii) Other recovery operations	0.00	0.00
<b>Total</b>	<b>13.13</b>	<b>4.75</b>

**Category of waste - E-Waste**

(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**Category of waste - Bio-medical waste**

(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**Category of waste - Construction and demolition waste**

(i) Recycled	0.00	0.00
(ii) Re-used	15.00	42.00
(iii) Other recovery operations	0.00	0.00
<b>Total</b>	<b>15.00</b>	<b>42.00</b>

**Category of waste - Battery waste**

(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.09	0.08
<b>Total</b>	<b>0.09</b>	<b>0.08</b>

**Category of waste - Radioactive waste**

(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**Category of waste - Other Hazardous waste**

(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	4453.86	1420.67
<b>Total</b>	<b>4453.86</b>	<b>1420.67</b>

**Category of waste - Other Non-Hazardous waste**

(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

**Category of waste - Plastic**

(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.27	0.42
<b>Total</b>	<b>0.27</b>	<b>0.42</b>



Category of waste - E-Waste		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
Category of waste - Bio-medical Waste		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
Category of waste - Construction and demolition waste		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
Category of waste - Battery		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
Category of waste - Radioactive		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
Category of waste - Other Hazardous waste. Please specify, if any		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
Category of waste - Other Non-hazardous waste generated		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

Remarks: Hazardous waste generated by SNCL is given to MPCB authorised Vendors wherein it is used in the Cement industry/fertilizer Industry. CY - Gypsum - 1645.56 + 65.95 MT, Sodium Sulphate - 677.36 MT and Iron Sludge - 2064.99 MT Total hazardous waste generated is 4453.86 MT.

For PPP adjustment, the conversion factors have been taken from the International Monetary Fund. The link for the same can be found here: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDCF>

**EI-9. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

- Yes, assured by Equipment Chemotech Consultancy

**EI-10 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

1. SNCL optimizes the manufacturing processes to reduce the use of hazardous chemicals such as redesigning processes to minimize the use of harmful substances, reducing process waste, and improving process efficiency.



2. SNCL adopts waste minimization practices to reduce the amount of hazardous waste generated by implementing new treatment methods and using alternative disposal methods.
3. SNCL complies with all relevant regulations governing the use and disposal of hazardous substances that includes strict protocols for handling, storage, and disposal of hazardous waste.
4. As authorized by MPCB the Hazardous waste generated by SNCL such as Lime Sludge and Sodium Sulfate is sent to the Cement factory which they use as their raw material.
5. A waste assessment will also be conducted to identify areas of improvement.

**EI-11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S. No.	Location of operations/of fices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with ? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Not applicable, as SNCL Factory comes under the chemical zone declared by MIDC	Not applicable	Not applicable

**EI-12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

S. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	NA	NA	NA	NA	NA	NA

**EI-13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

S. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	Not applicable, SNCL complies with all MPCB norms.	Not applicable	Not applicable	Not applicable

#### Leadership Indicators

- LI-1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): (i) Name of the area- Not Applicable**
- LI-1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): (ii) Nature of operations- Not Applicable**



**LI-1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Water withdrawal, and consumption in the following format:**

Parameter	FY 2023-2024	FY 2022-2023
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	0	0
Total volume of water consumption (in kilolitres)	0	0
Water intensity per rupee of turnover (Water consumed / turnover)	0.0000 KL / Crore	0.0000 KL / Crore
Water intensity (optional) – the relevant metric may be selected by the entity. KL / - of -	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	0	0
With treatment - please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
With treatment - please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
With treatment - please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
With treatment - please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
With treatment - please specify level of treatment	0	0
<b>Total water discharged (in kilolitres)</b>	<b>0</b>	<b>0</b>

**LI-1. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

- Yes, assured by Equipment Chemotech Consultancy

**LI-2. Please provide details of total Scope 3 emissions (MTCO2E) & its intensity, in the following format:**

Parameter	Unit	FY 2023-2024	FY 2022-2023
Total Scope 3 emissions	-	-	-
(Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	- / rupee of turnover	-	-
Total Scope 3 emissions per rupee of turnover	- / - of -	-	-
Total Scope 3 emission intensity (optional) - the relevant metric may be selected			

**LI-2. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

- Not Applicable at the present as we are not calculating the scope 3 emissions.

**LI-3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

- Not Applicable, as SNCL Factory comes under the chemical zone declared by MIDC





**LI-4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Controlled emissions	Installations of Scrubbers for less emissions of NOx and Sox	So2 and SO3 SPM limits are within the norms
2	Effluent discharge	Upgradation of our existing Effluent treatment plant	Acidic/Alkaline effluents are neutralized to clean water and remove any toxic and non-toxic materials or chemicals from it so that that water can be reused or released in the environment which will do less harm to the environment
3	Minimizing waste generation	Reduction at Source/ recycle/ reuse	Reduction in the H.W. Load

**LI-5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

- Yes, emergency preparedness plan and on-site emergency plan is in place as per ISO 14001:2015 and ISO 45001:2018. The plan outlines strategies and procedures to mitigate the impact of potential disruptions, such as natural disasters, equipment failures, or supply chain interruptions. It includes measures to ensure employee safety, protect critical infrastructure, maintain essential operations, and restore normalcy as swiftly as possible. The plan is regularly reviewed, updated, and tested, ensuring SNCL's ability to respond effectively to unforeseen events and minimize potential disruptions to its operations.

**LI-6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

- There is no significant impact to the environment arising from the value chain of the company.

**LI-7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

- SNCL may look into developing value chain partner assessments in the near future.



**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

#### Essential Indicators

**EI-1.a. Number of affiliations with trade and industry chambers/ associations.**

- Three

**EI-1.b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Sr. No	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	Bombay Chamber of Commerce and Industry	State
2	Indian Chemical Council	State
3	Federation of Indian Export Organizations (FIEO)	National

**EI-2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Sr. No	Name of authority	Brief of the case	Corrective action taken
1	NA	NA	NA

Remark: There were no issues related to anti-competitive conduct.

#### Leadership Indicators

**LI-1. Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others - please specify)	Web Link, if available
1	NA	NA	NA	NA	NA


**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**
**Essential Indicators**
**EI-1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	NA	NA	NA	NA	NA	NA

**EI-2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
1	NA	NA	NA	NA	NA	NA

**EI-3. Describe the mechanisms to receive and redress grievances of the community.**

- SNCL has a robust mechanism to receive and redress grievances of the community as highlighted below:
  1. Grievance Redressal Officer: The Company has Designate a specific employee or a grievance redressal officer who is responsible for handling community grievances. This person has the necessary authority and training to address complaints effectively.
  2. Dedicated Email Address or Phone Line: The Company has created an email address or phone line for community members to submit their grievances. This provides a direct and easily accessible channel for communication.
  3. Community Liaison: The Company has appointed a community liaison officer who can act as a bridge between the company and the community. This person can attend community events, engage with local leaders, and be available for in-person meetings with community members.

**Community Grievance Mechanism Process:**

- A. Receive & acknowledge: Grievances can be written or verbal and can be expressed in local languages. They can be lodged by email, phone, through our community relations and development staff working locally, and other locally dedicated channels, as well as at corporate level. The grievances can be expressed anonymously, as well as on behalf of another individual. The channel is also open for our local suppliers. Local community grievance mechanisms are regularly communicated to local communities. Each grievance is acknowledged once received, and the complainant is informed of the next steps.
- B. Assess & assign: The grievance manager and the respective departments investigate the grievance and respond to the complainant informing them about the proposed resolution. In some cases, more information may be requested from the complainant to ensure a thorough investigation.
- C. Investigate & respond: The grievance manager and the respective departments investigate the grievance and respond to the complainant informing them about the proposed resolution. In some cases, more information may be requested from the complainant to ensure a thorough investigation.
- D. Close out: After Investigation the remedies may be proposed. If the solution is refused, the complainant can appeal, in which case the grievance will be re-evaluated by alternate investigators. Once the complainant accepts the solution, the grievance is considered resolved.
- E. Lessons learned: A key step in the process is regular review and extraction of lessons learned from the grievances received. Grievance trends are regularly discussed with senior management at operated sites. They inform the adaptation of operations to prevent future repetition of the same community concerns, or improvements to the grievance management process itself.

**EI-4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Category	Current Financial Year	Previous Financial Year
Directly sourced from MSMEs/ small producers	95%	95%
Sourced directly from within the district and neighbouring districts	95%	95%



**EI-5. Job creation in smaller towns- Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost. (Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)**

Location	Current Financial Year	Previous Financial Year
Rural	33%	38.10%
Semi-urban	-	-
Urban	-	-
Metropolitan	67%	61.90%

#### Leadership Indicators

**LI-1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

S.No.	Details of negative social impact identified	Corrective action taken
1	NA	NA

**LI-2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S.No.	State	Aspirational District	Amount spent (In INR)
1	NA	NA	0

**LI-3.a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups ? (Yes/No)**

- No, we do not have a preferential procurement policy where we give preference to purchase from suppliers comprising marginalized/vulnerable groups.

**LI-3.b. From which marginalized /vulnerable groups do you procure ?**

- NA

**LI-3.c. What percentage of total procurement (by value) does it constitute ?**

- Nil

**LI-4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1	NA	NA	NA	NA

**LI-5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

S.No.	Name of authority	Brief of the Case	Corrective action taken
1	NA	NA	NA

**LI-6. Details of beneficiaries of CSR Projects**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Funding towards the operations of Sheth Hirachand Gumanji Dharamshala. (SDG 1& 3)	Nature of the CSR project is as such that the data cannot be compiled	Nature of the CSR project is as such that the data cannot be compiled
2	Women's Reform Ashram, Mumbai Central (SDG 1&5)	Nature of the CSR project is as such that the data cannot be compiled	100%
3	Student's Hostel, Mumbai Central (SDG 1&4)	Nature of the CSR project is as such that the data cannot be compiled	Nature of the CSR project is as such that the data cannot be compiled


**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**
**Essential Indicators**
**EI-1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

- Customer Complaints: As soon as the company is in receipt of the Customer Complaint, a report is prepared in the format of (LS/8.2-4) and forwarded the same to Quality Control Dept., Production Dept. and IMS Coordinator.

**EI-2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	0
Safe and responsible usage	0
Recycling and/or safe disposal	0

**EI-3. Number of consumer complaints in respect of the following:**

	FY 2023-2024			FY 2022-2023		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other						

**EI-4. Details of instances of product recalls on account of safety issues:**

Category	Number	Reasons for recall
Voluntary recalls	0	Not Applicable
Forced recalls	0	Not Applicable

**EI-5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

- Yes, the company recognizes information as a critical business asset. SNCL's ability to operate competitively in global markets and meet all its stakeholders' evolving requirements depending on the ability to ensure that confidentiality, integrity & availability of its information is protected through pertinent security controls and proactive measures. The Information Security Policy ("the Policy") provides an integrated set of protection measures that must be uniformly applied across SNCL to ensure a secured operating environment for its business operations. Customer Information, organizational information, supporting IT systems, processes and people that are generating, storing and retrieving information are important assets of SNCL. The availability, integrity and confidentiality of information are essential in building and maintaining competitive edge, cash flow, profitability, legal compliance and respected company image.

The Policy addresses the information security requirements of:

1. Confidentiality: Protecting sensitive information from disclosure to unauthorised individuals or systems;
2. Integrity: Safeguarding the accuracy, completeness and timeliness of information;



3. Availability: Ensuring that information and vital services are accessible to authorised users when required.

This policy applies to all employees, contractors, partners, Interns/Trainees working in SNCL. Third party service providers providing services or wherein data is held outside SNCL premises, shall also comply with this policy. The objective of the Policy is to provide SNCL, an approach to managing information risks and directives for the protection of information assets to all units and those contracted to provide services. Information security governance consists of leadership, organisational structures and processes that protect information and mitigation of growing information security threats. Critical outcomes of information security governance include:

- Alignment of information security with business strategy to support organisational objectives.
- Management and mitigation of risks and reduction of potential impacts on information resources to an acceptable level.
- Management of performance of information security by measuring, monitoring and reporting information security governance metrics to ensure that organisational objectives are achieved.
- Optimisation of information security investments in support of organisational Objectives.

It is important to consider the organisational necessity and benefits of information security governance. They include increased predictability and the reduction of uncertainty in business operations, a level of assurance that critical decisions are not based on faulty information, enabling efficient and effective risk management, protection from the increasing potential for legal liability, process improvement, reduced losses from security-related events and prevention of catastrophic consequences and improved reputation in the market and among customers.

Web link to the policy : [https://drive.google.com/file/d/1hAWGFAohPbs-twSme6FjXUUKV o5UWm6E/view?usp=share\\_link](https://drive.google.com/file/d/1hAWGFAohPbs-twSme6FjXUUKV o5UWm6E/view?usp=share_link)

**EI-6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

- There were no corrective actions required to be taken.

**EI-7. Provide the following information relating to data breaches**

- a. Number of instances of data breaches along-with impact - Nil
- b. Percentage of data breaches involving personally identifiable information of customers - Not Applicable
- c. Impact, if any, of the data breaches - Nil

**Leadership Indicators**

**LI-1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

- The information on products of our Company can be accessed on <https://www.sncl.com/>

**LI-2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

- Material Safety Data Sheet (MSDS) for each product is sent with every shipment and to every consumer.

**LI-3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

- The company informs the consumers through phone calls and emails

**LI-4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

- The company provides the necessary details required which is mandated as per local laws. Company does not display product information on the product over and above. Yes, the company carry out survey with regard to consumer satisfaction relating to the products and significant locations of operation.

**LI-5. Provide the following information relating to data breaches: a. Number of instances of data breaches along-with impact**

- Nil

**LI-6. Provide the following information relating to data breaches: b. Percentage of data breaches involving personally identifiable information of customers**

- Not Applicable



**ANNEXURE - V**  
**FORM NO. MR.3**  
**SECRETARIAL AUDIT REPORT**

For the Financial Year Ended March 31, 2024

[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,  
**Sadhana Nitro Chem Limited**  
Hira Baug, 1<sup>st</sup> Floor Kasturba Chowk,  
C.P. Tank, Mumbai 400004

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

**Auditor's Responsibility:**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering from April 01, 2023 to March 31, 2024 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner reporting made hereinafter.

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

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investments (**External Commercial Borrowing is not applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; ('PIT Regulations');
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**)



- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)** and
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. **(Not Applicable to the Company during the Audit Period)**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. ('Listing Regulations')

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

- The Company had entered into material Related party transactions for which prior approval of Shareholders were not obtained under Regulation 23 of the Listing Regulations. Consequently, details captured in Corporate Governance Report for the respective quarters were erroneous.
- The Company has not made prior intimation of Board Meeting to Stock Exchange for approval for raising of funds through right issue in XBRL Format as per Regulation 29 of the Listing Regulations.
- The Company had made delay in submitting the outcome of Board Meeting dated 24/05/2023, 07/08/2023, 26/10/2023, 02/12/2023 and 30/01/2024 as per Regulation 30 read with Schedule III of Listing Regulations.
- The Company has updated details of designated persons with the designated depository beyond the time specified under SEBI Circular SEBI/HO/ISD/CIR/P/202 dated September 09, 2020.
- The Company had transferred the dividend amount in the separate bank account beyond the time specified under Section 123 of the Act.
- Form AOC-1 annexed in the financial statement of the FY 2022-23 is not signed in accordance with Section 134(1) of the Act.

**We further report that**, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, as specifically to the Company.

**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 audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

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 (except one meeting was convened at a shorter notice for which necessary approvals obtained as per applicable provisions), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

- 1) list its Equity Shares on the National Stock Exchange dated May 03, 2023.
- 2) issued and Allotted Bonus Shares of 4,49,19,719 of the face value ₹ 1/- each to eligible shareholders in the ratio of 2 (Two) Bonus Equity Shares for every 9 (Nine) shares held on the record date.





- 3) increased its Authorised Capital of the Company from existing 30,00,00,000 equity shares of face value of Rs. 1/- each to 60,00,00,000 equity shares of face value of ₹ 1/- each. Consequently, amended its Clause V of Memorandum of Association of the Company.

**For MMJB & Associates LLP  
Company Secretaries**

**Deepti Kulkarni  
Designated Partner  
FCS: 34733  
CP: 22502**

**PR No: 2826/2022  
UDIN: A034733F001048823**

**Date: 08<sup>th</sup> August, 2024  
Place: Mumbai**

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



**'Annexure A'**

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

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, 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For MMJB & Associates LLP**  
**Company Secretaries**

**Deepti Kulkarni**  
**Designated Partner**  
**FCS: 34733**  
**CP: 22502**  
**PR No: 2826/2022**  
**UDIN: A034733F001048823**

**Date:** 08<sup>th</sup> August, 2024  
**Place:** Mumbai



## ANNEXURE - VI

### Management Discussion and Analysis Report

#### Industry Structure and Development

Your company is a key player in the manufacture of chemical intermediates, heavy organic chemicals, and performance chemicals. India has emerged as a major hub for chemical intermediates, and your company, SNCL, has capitalized on this growth. In 2021, SNCL was awarded under the Production Linked Incentive (PLI) scheme to produce 36,000 TPA of Para-Amino Phenol (PAP), a critical component used in the production of paracetamol and other leading prescription drugs worldwide. Over the past 50 years, we have built a strong portfolio of multinational clients, primarily consisting of conglomerates, by consistently delivering high-quality products and maintaining stringent quality control standards.

#### Opportunities & Threats

The global shift towards the 'China +1' strategy presents a significant opportunity for your company. Developed nations are increasingly diversifying their supply chains, moving beyond China, and showing a growing preference for sourcing from India. This trend is driven by geopolitical considerations and the desire for more reliable and diversified sourcing.

Your company's products continue to see strong demand, reflecting the rising global preference for Indian manufacturing. Historically, China has dominated the supply chain; however, India is quickly emerging as a preferred sourcing destination for many industries. This transition is further accelerated by the current economic challenges in China, particularly within their export sector, which has led to erratic pricing behaviours from Chinese suppliers over the past six months. We have successfully navigated these challenges through our vertically integrated manufacturing approach and advanced process technologies, positioning us to remain competitive and resilient.

In conclusion, the momentum towards sourcing products from India is clear and growing. Your company is strategically positioned to capitalize on these opportunities and drive significant growth in the coming years.

With over 51 years of experience in the industry, your company benefits from a high degree of operating synergy, economies of scale, and adherence to high-quality standards. Our products have diverse applications across several industries, including paper, pharmaceuticals, agrochemicals, thermal dyes, light stabilizers, aerospace, dyes, and hair dyes, among others. We maintain a well-diversified clientele base spanning across the globe, which underpins our growth and market stability. Furthermore, the domestic market continues to show robust growth, providing additional opportunities for expansion.

#### Operational Performance

The Company's operational performance over the past few years has been robust, and we are continuously striving to enhance profitability. For the year ended March 31, 2024, the total revenue from operations increased by Rs. 4,529 Lakhs compared to the previous financial year, marking an impressive growth of 30.69%. This growth reflects our strong market position and operational efficiency.

#### Market and Outlook

Your company maintains a healthy order book, reflecting strong demand for our products despite the continued slowdown in global economies.

A strategic focus on a better product mix, enhanced operational efficiency, and stringent cost controls has contributed to higher productivity, increased production, and improved operating margins. These positive trends, observed throughout the year, are expected to continue moving forward.

The company remains committed to controlling costs at every level to enhance operational efficiency. Alongside increased operating levels and strategic product price adjustments, these efforts are expected to sustain our growth trajectory. Continuous improvements in energy and raw material consumption are being pursued to further optimize performance. The current order flow is encouraging, and production facilities have been realigned and are being expanded to meet the increasing demand. Barring unforeseen circumstances, your company anticipates further improvements in turnover and overall performance.

#### Risks and Concerns

Raw materials are a critical component of your company's value chain. Thus, fluctuations in foreign exchange rates, costs, and the availability of key raw materials—such as benzene, nitric acid, caustic potash, sulphur-based chemicals, and iron powder—pose potential risks. Additionally, the chemical industry is facing significant pressure from Chinese dumping



practices, where products are being sold at historically low prices. This practice threatens market stability and could impact our margins. However, your company's vertically integrated manufacturing approach and continuous efforts in process optimization have positioned us well to mitigate these risks.

#### Internal Control System and Their Adequacy

The company has implemented a robust internal control system that is commensurate with the size and nature of its business. The design and documentation of the Policy on Internal Financial Control have been finalized and implemented, with periodic reviews and modifications to ensure continued effectiveness. The internal audit function is carried out by an independent firm of Chartered Accountants. Quarterly audit reports, including significant observations and corrective actions, are presented to the Chairman of the Audit Committee, ensuring strong governance and risk management practices

#### Discussion on Financial Performance with Respect to Operational Performance

The company's revenue from operations increased to Rs. 18,886 Lakhs for the year ended March 31, 2024, compared to Rs. 14,585 Lakhs in the previous year, registering a robust growth of 29.49%. The operating profit margin has also improved, increasing from 13.14% of turnover in the previous year to 24.62% this year, reflecting enhanced operational efficiencies and cost management.

#### Human Resources

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

#### Cautionary Statement

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

#### Key Financial Ratios

Sr. No	Particulars of Ratio	31.03.2024	31.03.2023	Explanation for change in Ratios
1.	Debtors Turnover	1.63	2.43	During the year, the proportion of sales of the Company in the local market has increased significantly. The credit cycle in the local market is higher than that in the exports and accordingly the trade receivable turnover ratio has reduced during the year.
2.	Inventory Turnover	1.03	0.89	Increase in Sales
3.	Interest Coverage Ratio	2.04	2.00	Increase in earning
4.	Current Ratio	1.72	1.77	More or less same
5.	Debt Equity Ratio	0.95	0.58	The Company is into expansion phase for increasing the capacity of existing plants and going for backward integration for which company has raised its debt which is mostly from the promoters itself.
6.	Operating Profit Margin (%)	24.62%	13.14%	Increase in Sales
7.	Net Profit Margin (%)	0.039%	0.031%	Minor Increase in margin

**Details pertaining to Net-worth of the Company**

<b>Particulars</b>	<b>31.03.2023 (In Rs.)</b>	<b>31.03.2023 (In Rs.)</b>	<b>Explanaton for change in Net-worth</b>
Net-worth	2,32,28,91,502	2,28,54,82,663	Increase in profit

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

\_\_\_\_\_  
**Asit D. Javeri**

**Executive Chairman**

**DIN:** 00268114

**Address:** Ratnagar Palace, 37 Chowpatty Seaface,  
Mumbai - 400 007.

**Place:** Mumbai

**Date:** :08<sup>th</sup> August, 2024

**ANNEXURE-VII****INFORMATION REQUIRED UNDER SECTION 134(3)(m) OF COMPANIES ACT, 2013 AND RULE 8(3) OF COMPANIES ACCOUNTS RULES, 2014.****1. CONSERVATION OF ENERGY**

Sadhana Nitro Chem Limited (SNCL) is committed to integrating environmental, social and governance (ESG) principles of product stewardship by enhancing health, safety and environmental impacts of products and services across their lifecycles. The environmental impacts cover Climate, Resources (Energy & Water), Waste Management and Nature & Biodiversity. The Company is committed to conducting beneficial and fair business practices to the labour, human capital and to the employees. It provides employees and business associates with working conditions that are clean, safe, healthy and fair. It strives to be neighbour of choice in the communities in which it operates and contributes to their equitable and inclusive development. To deliver these commitments, the Company has separate CSR Policy, Business & Human Rights Policy, Equal Opportunity Policy, Whistleblower Policy etc.

SNCL is also committed to conducting business in a way that positively benefits the community where it works. In this regard, it has strongly aligned to SDG 1, i.e. No Poverty. It has several charitable institutions that are focusing on initiatives such as women reform, education as well as providing medical access to the low income and underprivileged communities.

SNCL is also committed to conducting business in a way that positively benefits the community where it works. In this regard, it has strongly aligned to SDG 1, i.e. No Poverty. It has several institutions that are focusing on initiatives such as women reform, education as well as providing medical access to the low income and underprivileged communities.

Our commitments are directly aligned with the Sustainable Development Goals and are listed below:

**(1) Energy & Emissions Management (SDG 7, 8 & 13):**

We are committed to reducing energy inefficiencies in our operations, by conducting periodic energy audits and technological improvements. In the next 12 months, we aim to replace any outdated equipment with energy-efficient ones. Furthermore, we are committed to incorporating cleaner sources of energy in our operations. For the same, we are in the process of setting up solar/wind energy and Green Hydrogen plant. Via these energy efficiency improvements and clean energy initiatives, we aim to decrease our carbon footprint. We will also be training our employees on energy-saving practices.

**(2) Water Conservation (SDG 6 & 8):**

While we have already implemented initiatives for partly high COD/TDS/alkaline effluents, we are committed to reducing our water footprint further. In the next year, we aim to do this by implementing immediate water-saving measures and processes. In addition, we are also looking at implementing water recycling measures.

**(3) Responsible Consumption (SDG & 12):**

Due to the nature of our business, we generate hazardous waste, however, we are working on developing mechanisms to ensure the waste is utilized for coprocessing and other reclamation processes by other industry partners. In addition, we will be conducting periodic waste audits to see how we can improve our processes.

SNCL is dedicated to integrating ESG principles in line with key SDGs. The framework helps to enhance transparency and responsible business practices which will be reflected in our Annual/Sustainability Report. These commitments reflect our dedication to improving health, safety and environmental impacts while positively benefiting our communities.



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

	Particulars	31.03.2024	31.03.2023
<b>1.</b>	<b>Electricity</b>		
a)	Purchased Unit in kwh	4989120	3547780
	Total amount (Rs.)	51830389	37807497
	Rate/Unit (Rs.)	10.39	10.66
b)	Own generation		
	Through Diesel Generator Units in (kwh)	29717	77449
	Unit per liter of diesel oil (kwh)	2.47	8.31
	Liter of Diesel	12025	9321
	Total amount (Rs.)	1118220	881981
	Cost/Units (Rs.)	37.63	11.39
<b>2.</b>	<b>Furnace Oil</b>		
	Quantity (KL)	503.335	1775.900
	Total Cost (Rs.)	21381956	82097158
	Average Rate ( /MT)	42480.57	46228.48
<b>3.</b>	<b>LSHS</b>		
	Quantity (MT)	1663.145	0
	Total Cost (Rs.)	83991001	0
	Average Rate ( /MT)	50501.31	0
<b>4.</b>	<b>Water</b>		
	Quantity (M3)	105648	97174
	Total Cost (Rs.)	4087780	3482241
	Average Rate (Rs./M3)	38.69	35.84

## 2. TECHNOLOGY ABSORPTION

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

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

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

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

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

## C. Future Plan of Action.

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

## D. Expenditure on R &amp; D

	Particulars	31.03.2024	31.03.2023
(a)	Capital	2115171	707603
(b)	Recurring	15656916	8771433
	Total	17772087	9479036
(c)	Total R&D expenditure as a % of total turnover	0.95%	0.66%



### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

### 3. FOREIGN EXCHANGE EARNINGS AND OUT GO

- A.** Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans. The Company is exporting about 38.39% of its chemical intermediate production. The total exports during the year were Rs. 7203 Lakhs (PY Rs. 7967 Lakhs) The Company is putting all its efforts to tap new export markets and widen its clientele base.

- B.** Total Foreign Exchange used and earned.

(In Rs.)

	Particulars	31.03.2024	31.03.2023
(i)	Used:		
	a) Imports (CIF)	88654703	86952110
	b) Other expenditure	5111743	7170659
(ii)	Earned:		
	Exports (F.O.B.)	678339602	751082548

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

Asit D. Javeri

Executive Chairman

DIN: 00268114

Address: Ratnagar Palace, 37 Chowpatty Seaface,  
 Mumbai - 400 007.

Place: Mumbai

Date: 08<sup>th</sup> August, 2024





## ANNEXURE - VIII

## DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF COMPANIES (APPOINTMENT &amp; REMUNERATION) RULE, 2014

A. The particulars of employees, who were in receipt of remuneration not less than Rs. 60 lacs for the financial year ended on 31<sup>st</sup> March, 2024 are given below:

Name of the Employee	Asit D. Javeri	Abhishek A. Javeri	Seema A. Javeri	Nitin R. Jani	Rakesh R. Kothari
Designation of Employee	Executive Chairman	Managing Director	Executive Director (Administration)	Company Secretary	Chief Finance Officer (CFO)
Remuneration received	16800000/-	16800000/-	16800000/-	12296000/-	8957880/-
Nature of employment	Contractual	Contractual	Contractual	Contractual	Contractual
Date of Commencement of Employment	22-01-1985	24-01-2007	13-02-2014	11-12-1984 (As Company Secretary)	27-04-2022
Qualification of the Employee	B. Sc. ( Hon )	Graduate in Economics from North Western University, USA	B.Sc.	B.Com., A.C.A., A.C.S.	B.Com., MBA
Experience of the Employee	40 years	17 years	18 years	41 years	23 years
Age of the Employee	69 years	41 years	67 years	67 years	46 years
Last Employment	BEC Chemical Pvt. Ltd.	Life Style Networks Pvt. Ltd.	Manekchand Panachand Trading Inv. Co. Pvt. Ltd.	Bec Chemical Pvt. Ltd.	Citi Bank NA
Related to	Mrs. Seema A. Javeri & Mr. Abhishek A. Javeri	Mr. Asit D. Javeri & Mrs. Seema A. Javeri	Mr. Asit D. Javeri & Mr. Abhishek A. Javeri	None	None

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

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

- B. Disclosure under Section 197 (12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration) Rules, 2014.
- I. The percentage increase in remuneration of the Executive Chairman, Executive Director (Admin), Managing Director & Chief Finance Officer and Company Secretary during the financial year 2023-24, the ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year and the comparison of remuneration of each Key Managerial personnel (KMP) against the performance of the Company is as under:



Sr. No.	Name	Designation	Remuneration for F.Y. 2023-24 (in Rs)	% increase in the remuneration for financial year 2023-24	Ratio of remuneration of Director to median remuneration of employees	Comparison of the remuneration against the performance of the company
1.	Asit D. Javeri	*Executive Chairman	16800000	0%	43.56	97.83% Increase in EBIDTA of Company
2.	Seema A. Javeri	Wholetime Director	16800000	0%	43.56	
3.	Abhishek A. Javeri	Managing Director	16800000	0%	43.56	
4.	Nitin R. Jani	Company Secretary	12296000	5.00%	31.88	
5.	Rakesh R. Kothari	CFO	8957880	67.32%	23.23	

- I. The median remuneration of employees during the financial year was Rs.385645/-
- II. There were 262 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2024.
- III. In the financial year there was an increase of 4.32% in the median remuneration.
- IV. Average increase made in the salaries of employees other than the managerial personnel in the financial year 2023-24 was 15.00% and average in the managerial remuneration w.r.t the managerial personnel for the financial year 2023-24 was 6.21%.
- V. It is hereby affirmed that the remuneration is paid as per the remuneration policy of the company.
- VI. List of top 10 employees in terms of remuneration drawn

Sr. No.	Name of the Employee	Designation	Remuneration	Date of commencement of employment	Age of employee	Last employment held by such employee	Qualification
1.	Narendra G Dharmadikari	Head-Process & Projects	4142061	15.05.2023	52	Hikal Limited	B.Tech (Chemical)
2.	Pranav S. Shah	CEO (SBU)	4394472	01.01.2018	57	Elinfo Chips Ltd.	B.E.M.S.(Com)
3.	V J Modi	DGM (Sales)	1912746	01.04.2018	76	1 <sup>st</sup> Employment	B.Com.
4.	V. Ramakrishnan	DGM (Admn)	1792910	22.06.1987	71	RDC Muscut	S.S.L.C.
5.	Pankaj Lanjewar	Manager (IT)	1784464	01.07.2018	41	Life Style Networks Ltd.	B.Com.
6.	G K Kutty	DGM (Prodn)	1721676	21.03.1979	71	1 <sup>st</sup> Employment	B.Sc (Chem)
7.	R M Gandhi	DGM (Accounts)	1711920	14.08.1977	66	1 <sup>st</sup> Employment	B.Com.
8.(a)	A R Prabhu	Manager (A&F)	1504204	08.11.1993	65	Metro Vidyut	B.A.
(b)	Vilas B Pawar	Manager (Accounts)	1504204	06.08.2009	63	Everest Developers	B.Com.
(c)	Bharat M Shelar	Manager (Accounts)	1504204	15.05.2008	47	Schandon Fashion Pvt. Ltd.	B.Com.
9.	Mamta J Shah	Manager (HR & Admin)	1282056	01.11.2017	39	Strix Wireless System P. Ltd.	M.Com.
10.	Vinayak R. Handigol	DGM (Projects Engineering & Maintenance)	1254097	18.10.2023	57	Hikal Limited	B.E. Mechanical

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

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

Asit D Javeri  
Executive Chairman  
DIN: 00268114  
Place: Mumbai  
Date: 08<sup>th</sup> August, 2024



## FIVE YEAR HIGHLIGHTS

(Rs. In Lakh)

RESOURCES	2023-24	2022-23	2021-22	2020-21	2019-20
Capital	2,470.58	2,021.39	1,956.18	1,397.27	931.51
Reserve	20,758.33	20,833.44	14,469.94	11,933.80	11,356.20
Net Worth	23,228.92	22,854.83	16,426.12	13,331.07	12,287.71
State Govt.Sales Tax Incentives	-	-	-	-	-
Other Borrowings	22,072.74	13,185.82	10,557.59	8,029.03	4,554.21
<b>TOTAL</b>	<b>45,301.66</b>	<b>36,040.65</b>	<b>26,983.71</b>	<b>21,360.10</b>	<b>16,841.92</b>
<b>UTILISATION OF RESOURCES</b>					
Fixed Assets	31,020.26	26,558.17	22,024.88	17,305.14	17,233.75
Less:Depreciation	10,122.55	9,335.32	8,479.73	8,026.23	8,167.92
Net Fixed Assets	20,897.71	17,222.85	13,545.16	9,278.91	9,065.83
Investments	594.81	584.28	671.05	646.70	558.89
Net Current Assets	23809.14	18,233.52	12,767.51	11,434.49	7,217.20
<b>TOTAL</b>	<b>45301.66</b>	<b>36,040.65</b>	<b>26,983.71</b>	<b>21,360.10</b>	<b>16,841.92</b>
<b>Revenue from operations:-</b>					
Sales of Products / Services	18,756.13	14,458.13	11,903.82	8,839.77	11,711.58
Other operative revenue	129.35	127.04	170.39	167.53	323.41
Other income	400.19	171.54	490.53	421.83	231.59
<b>TOTAL REVENUE</b>	<b>19,285.67</b>	<b>14,756.71</b>	<b>12,564.73</b>	<b>9,429.13</b>	<b>12,266.58</b>
<b>EXPENDITURE:-</b>					
Cost of Materials consumed / Purchase of Stock in Trade	7,188.11	7,876.82	8,353.29	5,342.17	3,883.50
Changes in inventories of finished goods, work in progress and stock in trade	936.00	(577.53)	(1,910.56)	(1,955.79)	49.78
Employee Benefit cost	2,242.11	1,719.82	1,613.54	1,551.86	1,529.28
Financial cost	1,726.03	974.06	454.79	340.97	280.61
Depreciation	1,491.17	760.50	573.89	575.01	525.53
Other expenses	4,091.21	3,297.32	2,632.86	2,279.56	2,880.34
<b>TOTAL EXPENDITURE</b>	<b>17,674.64</b>	<b>14,051.01</b>	<b>11,717.81</b>	<b>8,133.78</b>	<b>9,149.04</b>
<b>Profit /loss before Tax &amp; Exceptional Items</b>	<b>1,611.03</b>	<b>705.70</b>	<b>846.92</b>	<b>1,295.35</b>	<b>3,117.54</b>
<b>Add : Profit on Sale of Assets / Investment / Exceptional Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Less : Tax Expenses</b>	<b>870.45</b>	<b>247.27</b>	<b>267.79</b>	<b>273.47</b>	<b>767.89</b>
<b>Profit /(Loss) After Tax</b>	<b>740.58</b>	<b>458.43</b>	<b>579.13</b>	<b>1,021.88</b>	<b>2,349.65</b>

**EQUITY SHARE CAPITAL BUILT-UP - BY WAY OF PUBLIC ISSUE, RIGHTS ISSUE, SWEAT EQUITY, SHARE WARRANTS & BONUSES**

Sr. No.	Allotment Type	DATE OF ALLOTMENT	Financial Year	No. of Shares Allotted	Total Consideration/ Capitalisation of Reserve (Rs.)		TOTAL (Rs.)	CUMULATIVE SHARE CAPITAL (Rs.)	% of Bonus to cumulative share capital
					CASH	BONUS			
1	Subscription to Memorandum at par	21/07/1973	1973-74	6700	6,700	0	6,700	6,700	0%
2	Public issue at par	31/03/1974	1973-74	3243300	32,43,300	0	32,43,300	32,50,000	0%
3	Rights issue in Ratio of 1:4 at par	31/03/1976	1975-76	812500	8,12,500	0	8,12,500	40,62,500	0%
4	Bonus in the Ratio of 2:5	23/03/1988	1987-88	1625000	0	16,25,000	16,25,000	56,87,500	28.57%
5	Right issue in Ratio of 7:10 at premium *	07/10/1993	1993-94	4052750	40,52,750	0	40,52,750	97,40,250	16.68%
6	Bonus in the Ratio of 1:2	01/01/1996	1995-96	4870120	0	48,70,120	48,70,120	1,46,10,370	44.46%
7	Bonus in the Ratio of 2:5	30/12/2002	2001-02	5844140	7,15,53,790	0	58,44,140	2,04,54,510	60.33%
8	Rights issue in Ratio of 7:2	24/10/2008	2008-09	71553790	11,43,190	0	7,15,53,790	9,20,08,300	13.41%
9	Sweat Equity to M.D. at par	12/03/2018	2017-18	1143190	11,43,190	0	11,43,190	9,31,51,490	13.25%
10	Bonus in the Ratio of 1:2	18/09/2020	2019-20	46575745	0	4,65,75,745	4,65,75,745	13,97,27,235	42.16%
11	Bonus in the Ratio of 2:5	22/07/2021	2020-21	55890894	0	5,58,90,894	5,58,90,894	19,56,18,129	58.69%
12	Conversion of Share Warrants into equity shares at premium **	03/03/2023	2022-23	6520606	65,20,606	0	65,20,606	20,21,38,735	30.54%
13	Bonus in the Ratio of 2:9	06/07/2023	2023-24	44919717	0	44,91,97,17	4,49,19,717	24,70,58,452	64.65%
<b>TOTAL</b>					<b>8,73,32,836</b>	<b>15,97,25,616</b>	<b>24,70,58,452</b>		
					<b>35.35%</b>	<b>64.65%</b>	<b>100.00%</b>		
<b>COMPONENT PERCENTAGE %</b>									

1. Each Equity Share was of FV of Rs.10 per share upto 04.02.2019 which was subdivided into FV of Rs.5/- per share and each on 05.02.2019 and further it was subdivided into FV of Re.1/- per share each on 17.03.2020

2. (\*) at premium of Rs.40/- of FV of Rs.10/- each

3. (\*\*\*) The company has issued 6520606 Equity Share Warrants at a price of Rs. 153.36 (including a premium of Rs. 152.36) per Equity Share Warrant.



## INDEPENDENT AUDITORS' REPORT

To the Members of Sadhana Nitro Chem Limited

### Report on the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of **M/s. Sadhana Nitro Chem Limited ("the Company")**, which comprise the balance sheet as at 31<sup>st</sup> March 2024, and the statement of Profit and Loss (Including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2024, its profit, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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

The Key Audit Matter	How the matter was addressed in our audit
<b>Recognition, Measurement, Presentation and disclosures of lease transactions in accordance with Ind-As 116 "Leases"</b>	
As described in note no. 2.05 to the standalone financial statements, the Company has adopted INDAS 116 Leases (Ind-AS 116) for accounting its lease transactions. The application of this accounting standard is an area of focus in our audit since the company has taken various premises and items of property, plant & equipment under lease arrangements with different contract terms. Ind-As 116 introduced a new lease accounting model, wherein a lessee is required to recognize a right-of-use (RoU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payment during the lease term as per the contract/arrangement. Adoption of the standard involves significant judgement & estimates including determination of the discount rates.	Our audit procedures on compliance with Ind-As 116 include: <ul style="list-style-type: none"> <li>- Assessed the Company's evaluation on the identification of leases based on the contractual agreements;</li> <li>- Assessed the reasonableness of the discount rates applied in determining the lease liabilities.</li> <li>- Tested completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing RoU asset and the lease liabilities.</li> <li>- Assessed and tested the presentation and disclosures relating to Ind-As 116 including disclosures relating to transactions.</li> </ul>

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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 and based on the work done/ audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact

#### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and



whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality & qualitative factors in (i) planning the scope of our audit and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company in so far as it appears from our examination of those books except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit & Auditors) Rule, 2014;
  - c. The standalone Balance Sheet, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
  - h. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act. The remuneration paid to any director is not in excess of the limits laid down under Section 197 read with Schedule V of the Act.
  - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:



- (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer note 31 to the standalone financial statements.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has not been any occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. Thus, the question of delay in transferring such sums does not arise.
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note no. 45 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note no. 45 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under (a) & (b) above, contain any material misstatement.
- (v) As stated in note no. 50 to the standalone financial statements;
- (a) The final dividend proposed in the previous year, declared & paid by the Company during the year is in accordance with Section 123 of the Act to the extent it applies to the payment of dividend.
- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act to the extent it applies to the declaration of dividend.
- (vi) The reporting under Rule 11(g) of the Companies (Audit & Auditors) Rules, 2014 is applicable from 1<sup>st</sup> April, 2023
- Based on our examination which included test checks, except for the instances as mentioned below, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.
- (a) The feature of recording audit trail (edit log) facility was not enabled in the accounting software for the period from 1<sup>st</sup> April, 2023 to 15<sup>th</sup> June, 2023.

Further, for the periods after the audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, during the course of our audit, we did not come across any instance of audit trail feature being tampered with once it was implemented.

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

**Jayesh Dadia**  
**Partner**  
**Membership No. 033973**

**Place of Signature: Mumbai**  
**Date: 17<sup>th</sup> May, 2024**  
**UDIN: 24033973BKCEKR4965**





## ANNEXURE “A” TO THE AUDITOR’S REPORT

The Annexure referred to in the Independent Auditors' Report to the members of the Company on the Standalone IND-AS financial statements for the year ended 31<sup>st</sup> March, 2024

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

- (i) In respect of the Company's Property, Plant & Equipment and Intangible Assets:
- (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment and relevant details of right-of-use-assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, plant and equipment have been physically verified by the Management during the year based on a phased program of verifying all property, plant and equipment over three years, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. The discrepancies, if any, noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) Based on our examination of the copies of registered sale deed / transfer deed provided to us, we report that, the title in respect of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the financial statements & included under Property, Plant & Equipment, are held in the name of the Company as at the balance sheet date. In case of mortgaged immovable properties, the original title deeds are not available with the Company since the same are mortgaged with banks / financial institutions. However, confirmations for holding of title deeds, from the banks/ financial institutions were not made available to us.
- (d) The Company has not revalued any of its the Property, Plant & Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2024 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and the rules made thereunder.
- (ii) (a) As explained to us, the inventories have been physically verified during the year by the management, except for stock in transit. The intervals at which the inventories are physically verified are, in our opinion, reasonable in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (b) As explained to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, from banks on the basis of security of current assets. Based on our examination and as mentioned in note no. 52 to these standalone financial statements, in our opinion the quarterly returns or statements filed by the Company with the banks are in agreement with the books of accounts of the Company. Deviations / discrepancies, if any, are not material.
- (iii) The Company has made investments in and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:
- (a) The Company has provided loans or advances in the nature of loans during the year details of which are given below:

Particulars	Amount (Rs. In Lakhs)
<b>Aggregate amount provided during the year</b>	
- Subsidiaries*	-
- Others	50.00
<b>Balance outstanding as at balance sheet date</b>	
- Subsidiaries*	-
- Others	-

\*As per the Companies Act, 2013



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

(Amount Rs. In Lakhs)

Particulars	Related Parties	Others	Total
Aggregate amount of loans granted during the year for which period of repayment is not specified	50.00	-	50.00
Percentage of loans/advances in nature of loans to the totalloans	100%	-	100%

- (iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans given & investments made during the year. The Company has not provided any guarantees / security during the year.
- (v) The Company has not accepted any deposits or amounts deemed to be deposits during the year. Therefore reporting under clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) In respect of statutory dues:
- (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited 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, there were no undisputed statutory dues as mentioned above in arrears as at 31<sup>st</sup> March, 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, details of disputed statutory dues which have not been deposited or partially deposited are as follows:



Name of the Statute	Nature of Dues	Gross Amount disputed (₹ in Lacs)	Amount Paid (₹ in Lacs)	Period to which the amount relates (F.Y.)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.55	-	2013-14	CIT (Appeals)
Employees Provident Fund and Miscellaneous Provisions Act, 1952	Damages & Interest of Provident Fund Dues	8.53	3.81	01.02.2018 to 28.02.2019	Central Government Industrial Tribunal Cum Labour Court
Employees Provident Fund and Miscellaneous Provisions Act, 1952 (*)	Damages & Interest of Provident Fund Dues	16.98	6.50	01/04/2016 to 31/05/2019	Assistant/Regional Provident Fund Commissioner (RO Ahmedabad) / Central Government Industrial Tribunal

(\*) This disputed due has been transferred from the wholly owned subsidiary, Spidigo Net Private Limited, on its merger with the Company.

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) The company has not defaulted in repayment of loans or borrowings or on the payment of interest thereon to any lender. In respect of loans taken from related parties, the principal & interest thereon are repayable on demand. The management has represented to us that the lender has not demanded repayment of principal or payment of interest during the year. Accordingly, in our opinion the Company has not defaulted in repayment of these loans or borrowings or the payment of interest thereon.
- (b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act). Hence reporting under clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer including debt instruments during the year. Hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally). Hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India and to the best of our knowledge and belief and according to the information and explanations given to us, we have neither come across any material fraud by the Company or on the



Company by its officers or employees noticed or reported during the year nor have we been informed of such case by the management.

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

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

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with the provisions of section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information & explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected to its directors and hence the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) & (b) In our opinion, the Company is not required to be registered under section 45-1(A) of the Reserve Bank of India Act, 1934. Hence reporting under clause 3(xvi)(a) & (b) of the Order is not applicable.

(c) & (d) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) & (d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the Statutory auditors of the Company during the year. Accordingly clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

Also refer to the **Information Other than the Standalone Financial Statements and Auditor's Report Thereon** paragraph of our main audit report which explains that the other information comprising of the information included in the Company's annual report is expected to be made available to us after the date of this auditor's report.

(xx) (a) In our opinion, the Company has not transferred the unspent amount, in respect of other than ongoing projects, to a fund specified in Schedule VII to the Act within the prescribed time limits, Details of the unspent amount are as follows:



(Amount Rs. In Lacs)

Relevant Financial year	Amount identified for spending on Corporate Social Responsibility activities "other than on going projects"	Unspent Amount	Amount transferred to Fund specified in Schedule VII
2020-21	115.50	113.37	NIL
2021-22	104.82	104.82	NIL

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

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

**Jayesh Dadia**  
**Partner**  
**Membership No. 033973**

**Place of Signature: Mumbai**  
**Date: 17<sup>th</sup> May, 2024**  
**UDIN: 24033973BKCEKR4965**



## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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

### Opinion

We have audited the internal financial controls over financial reporting with reference to the standalone financial statements of **Sadhana Nitro Chem Limited** (“the Company”) as of 31<sup>st</sup> March, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.



**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

**Jayesh Dadia**  
**Partner**  
**Membership No. 033973**

**Place of Signature: Mumbai**  
**Date: 17<sup>th</sup> May, 2024**  
**UDIN: 24033973BKCEKR4965**



Sadhana Nitro Chem Limited				
Standalone Balance Sheet as at 31st March, 2024				
(Amount in Rs. Lakhs)				
	Particulars	Note	As at March 31, 2024	As at March 31, 2023
<b>A</b>	<b>ASSETS</b>			
<b>I</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	3	15,190.86	14,334.26
	(b) Intangible Assets	3	397.02	38.50
	(c) Capital work-in-progress	3	5,309.83	2,449.54
	(d) Intangible Assets under developments	3	-	400.55
	(e) Financial Assets			
	(i) Investments	4	7.72	7.72
	(ii) Other financial assets	6	391.06	283.84
	(f) Other non current assets	8	5,438.25	2,731.68
	<b>Total Non-current assets</b>		<b>26,734.73</b>	<b>20,246.09</b>
<b>II</b>	<b>Current assets</b>			
	(a) Inventories	9	9,925.35	10,447.55
	(b) Financial Assets			
	(i) Investments	4	587.10	576.56
	(ii) Trade receivables	10	14,571.44	8,006.68
	(iii) Cash and cash equivalents	11	6.23	109.23
	(iv) Bank Balances other than (iii) above	12	773.23	763.10
	(v) Loans & Advances	5	102.54	331.38
	(vi) Other financial assets	6	131.29	401.96
	(c) Income Tax Asset		-	469.44
	(d) Other current assets	8	747.33	1,472.22
	<b>Total Current Assets</b>		<b>26,844.52</b>	<b>22,578.11</b>
	<b>TOTAL</b>		<b>53,579.25</b>	<b>42,824.20</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>I</b>	<b>Equity</b>			
	(a) Equity Share capital	13	2,470.58	2,021.39
	(b) Other Equity	14	20,758.33	20,833.44
	<b>Total Equity</b>		<b>23,228.92</b>	<b>22,854.83</b>
<b>II</b>	<b>Liabilities</b>			
	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	15	12,893.97	5,977.40
	(ia) Lease Liabilities	16	688.31	247.96
	(b) Provisions	17	567.47	473.43
	(c) Deferred Tax Liabilities	7	596.58	527.77
	<b>Total Non current liabilities</b>		<b>14,746.32</b>	<b>7,227.56</b>
<b>III</b>	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	15	9,178.77	7,208.42
	(ia) Lease Liabilities	16	502.64	441.85
	(ii) Trade payables	18		
	(a) Due to micro & small enterprises		152.12	206.53
	(b) Due to other than micro & small enterprises		2,994.78	3,108.38
	(iii) Other financial liabilities	19	1923.12	1,182.44
	(b) Provisions	17	50.21	74.61
	(c) Income Tax Liabilities		234.43	-
	(d) Other current liabilities	20	567.94	519.60
	<b>Total Current liabilities</b>		<b>15,604.01</b>	<b>12,741.82</b>
	<b>TOTAL</b>		<b>53,579.25</b>	<b>42,824.20</b>

The accompanying notes are an integral part of the Standalone financials statement (refer Notes 1-55)

As per our report of even date attached

**For Jayesh Dadia & Associates LLP**  
Chartered Accountants  
Firm Registration Number : 121142W/W100122

**Jayesh Dadia**  
Partner  
Membership Number : 033973

Place : Mumbai  
Date : 17th May, 2024

**For and on behalf of the Board of Directors**

**Asit D Javeri**  
Executive Chairman

**Abhishek A Javeri**  
Managing Director

**Smt. Seema A Javeri**  
Executive Director  
Administration

**Priyam S Jhaveri**  
Director

**Rakesh Kothari**  
Chief Financial Officer

**Nitin R Jani**  
Company Secretary





<b>Sadhana Nitro Chem Limited</b>				
<b>Standalone Statement of Profit and loss for the year ended 31st March 2024.</b>				
(Amount in Rs. Lakhs)				
	Particulars	Note	As at March 31, 2024	As at March 31, 2023
<b>(I)</b>	<b>INCOME</b>			
	Revenue from operations	21	18,885.47	14,585.16
	Other Income	22	400.19	171.54
	<b>Total Income</b>		<b>19,285.67</b>	<b>14,756.71</b>
<b>(II)</b>	<b>EXPENSES</b>			
	Cost of raw materials & packing materials consumed	23	7,188.11	7,876.82
	Changes in inventories of finished goods and work-in-progress	23	936.00	(577.53)
	Employee benefits expense	24	2,242.11	1,719.82
	Finance costs	25	1,726.03	974.06
	Depreciation and amortization Expenses	3	1,491.17	760.50
	Other expenses	26	4,091.21	3,297.32
	<b>Total expenses</b>		<b>17,674.64</b>	<b>14,051.01</b>
<b>(III)</b>	Profit before exceptional items and tax		<b>1,611.03</b>	<b>705.70</b>
	Exceptional Items		-	-
<b>(IV)</b>	Profit Before Tax		<b>1,611.03</b>	<b>705.70</b>
<b>(V)</b>	Tax expense:			
	Current tax		334.69	89.82
	Prior period short / (excess) provision of tax		467.73	(0.93)
	Deferred tax		68.03	158.39
	<b>Total Tax Expense</b>		<b>870.45</b>	<b>247.27</b>
<b>(VI)</b>	<b>Profit for the year</b>		<b>740.58</b>	<b>458.43</b>
<b>(VII)</b>	Other Comprehensive Income/(Expense) (net off tax)			
	(i) Items that will not be re-classified subsequently to profit or loss		-	-
	Re-measurement on defined benefit plans		(27.69)	9.40
	Change in Fair value of Current Investments through other comprehensive income		30.02	12.72
	Realised gains on Investments classified as FVOCI		1.77	12.25
<b>(VIII)</b>	<b>Total Other Comprehensive Income</b>		<b>4.10</b>	<b>34.36</b>
<b>(IX)</b>	Total Comprehensive Income		744.68	492.79
<b>(X)</b>	<b>Earnings per equity share (Rs)</b>	28		
	(1) Basic EPS [Face Value Rs 1 Per Share (P.Y Rs 1 Per Share)]		0.30	0.19
	(2) Diluted EPS [Face Value Rs 1 Per Share (P.Y Rs 1 Per Share)]		0.30	0.19
The accompanying notes are an integral part of the Standalone financials statement (refer Notes 1-55) As per our report of even date attached				
<b>For Jayesh Dadia &amp; Associates LLP</b> Chartered Accountants Firm Registration Number :121142W/W100122		<b>For and on behalf of the Board of Directors</b>		
<b>Jayesh Dadia</b> Partner Membership Number : 143181  Place : Mumbai Date : 17th May, 2024		<b>Asit D Javeri</b> Executive Chairman	<b>Priyam S Jhaveri</b> Director	
		<b>Abhishek A Javeri</b> Managing Director	<b>Rakesh Kothari</b> Chief Financial Officer	
		<b>Smt. Seema A Javeri</b> Executive Director Administration	<b>Nitin R Jan</b> Company Secretary	



<b>Sadhana Nitro Chem Limited</b>				
<b>Standalone Statement of Cash Flows for the year ended 31st March 2024.</b>				
<b>(Amount in Rs. Lakhs)</b>				
<b>Particulars</b>	<b>For the year ended March 31, 2024</b>		<b>For the year ended March 31, 2023</b>	
A. Cash flow from operating activities				
Profit before tax		1,611.03		705.70
Adjustments for:				
Depreciation and amortisation expenses	1491.17		760.50	
Interest on Lease Liability	80.95		96.37	
Interest expenses on borrowings	1628.91		692.27	
Interest Income	(71.48)		(74.74)	
Unrealised Foreign Exchange (Gain)/Loss	3.57		76.95	
(Gain) / Loss on Fair Valuation of Forward Contracts	(32.79)		60.30	
Sundry balance Written back	(214.60)		(23.30)	
Provision for Doubtful Debts/ Bad Debts	37.30		12.80	
Dividend Received from Subsidiary Company	(4.26)		(4.58)	
Notional Interest & Rent on Deposits	(1.21)		(0.85)	
(Gain) / Loss on Fair Valuation of Lease Liability	10.47		(54.41)	
Sundry Balances Written off	11.68		36.82	
Profit of on sale of assets	(0.02)		-	
Reversal of Diminution in value of investment	(5.08)		-	
		<b>2,934.61</b>		<b>1,578.13</b>
Operating profit / (loss) before working capital changes		<b>4,545.64</b>		<b>2,283.83</b>
<b>Changes in working capital:</b>				
Inventories	522.20		(1,026.63)	
Trade receivables	(6,540.26)		(4,315.72)	
Loans & Advances	(21.46)		10.55	
Other Current Assets & financial assets	862.76		(7.52)	
Trade Payables	33.79		(134.03)	
Other Liabilities	438.61		(28.19)	
Provisions	31.63		(74.04)	
		(4,672.74)		(5,575.59)
<b>Cash generated from operations</b>		(127.10)		(3,291.76)
a. Direct Taxes (Paid)		(98.87)		(506.34)
<b>Net cash flow from / (used in) operating activities (A)</b>		(225.96)		(3,798.09)
<b>B. Cash flow from / (used in) investing activities</b>				
Purchase Of Property, plant and equipment	(6578.02)		(4,830.16)	
Proceeds from sale of Property, plant and equipment	(0.04)		-	
Redemption/(investment) in margin deposits (Net)	(2.45)		(572.01)	
Repayment received for loans given	-		0.61	
(Acquisition)/Sale Proceeds of Investment (Net)	36.74		115.35	
Dividend received	4.26		4.58	
Interest received	49.33		8.13	



<b>Sadhana Nitro Chem Limited</b>				
<b>Standalone Statement of Cash Flows for the year ended 31st March 2024.</b>				
<b>(Amount in Rs. Lakhs)</b>				
<b>Particulars</b>	<b>For the year ended March 31, 2024</b>		<b>For the year ended March 31, 2023</b>	
Net cash flow from / (used in) investing activities (B)		(6,485.20)		(5,273.49)
		(6,485.20)		(5,273.49)
<b>C. Cash flow from / (used in) financing activities</b>				
Borrowings - Net of Repayment	6916.56		2,517.50	
Short Term Borrowings - Net of Repayment	(552.68)		(1,132.75)	
Interest Paid	(1291.09)		(581.39)	
Money received against share warrant	-		7,500.00	
Dividend paid	(370.59)		(293.43)	
Expenses paid for fund raising	-		(350.00)	
Payment towards lease liabilities	(585.63)		(493.92)	
		4,116.58		7,166.02
Net cash flow from / (used in) financing activities		4,116.58		7,166.02
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		(2,594.58)		(1,905.57)
Cash and cash equivalents at the beginning of the year		(1,360.86)		544.71
<b>Cash and cash equivalents at the end of the year</b>		(3,955.44)		(1,360.86)
<b>Cash and Cash equivalent as per above comprises of the following</b>				
Cash and cash equivalent as per Note 11				
- cash in hand		2.04		1.16
- Balances with Banks (on current accounts)		4.20		108.07
		6.23		109.23
- Bank overdraft / cash credit (Note 15)		(3,961.67)		(1,470.09)
Balance as per statement of cash flows		(3,955.44)		(1,360.86)
Figures in brackets represent outflows				
<b>Notes :</b>				
1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.				
2. Addition to property, plant and equipment include movements of capital work progress during the year.				
<b>As per our report of even date attached</b>				
<b>For Jayesh Dadia &amp; Associates LLP</b>		<b>For and on behalf of the Board of Directors</b>		
<b>Chartered Accountants</b>				
<b>Firm Registration Number: 121142W/W100122</b>				
		<b>Asit D Javeri</b>	<b>Priyam S Jhaveri</b>	
		Executive Chairman	Director	
		<b>Abhishek A Javeri</b>	<b>Rakesh Kothari</b>	
		Managing Director	Chief Financial Officer	
		<b>Smt. Seema A Javeri</b>	<b>Nitin R Jan</b>	
		Executive Director	Company Secretary	
		Administration		
<b>Jayesh Dadia</b>				
Partner				
Membership Number : 033973				
Place : Mumbai				
Date : 17th May, 2024				

**Sadhana Nitro Chem Limited**  
**Standalone Statement of Changes in Equity for the year ended 31st March, 2024**

A) Equity Share Capital		(Amount in Rs. Lakhs)
Balance As April 01, 2022		1,956.18
Issue of Equity shares on preferential basis (65,20,606 No. of equity shares of Rs. 1 Each)		65.21
Balance at March 31, 2023		2,021.39
Issue of Bonus Shares (4,49,19,719 of equity shares of Rs. 1 Each)		449.20
Balance at March 31, 2024		2,470.58

Particulars	(Amount in Rs. Lakhs)									
	Equity Share Capital Subscribed	General reserve	Capital Redemption Reserve	Capital reserve	Transition reserve	Securities Premium	Retained earnings	Other Comprehensive Income	Other Equity	Total Equity
<b>Balance as at April 1, 2022</b>	1,956.18	1,333.30	34.10	0.94	884.49	-	9,732.73	(15.62)	14,469.94	16,426.12
Profit for the year	-	-	-	-	-	-	458.43	-	458.43	458.43
Other Comprehensive income for the year, net of income tax	-	-	-	-	-	-	34.36	34.36	34.36	34.36
Total comprehensive income	-	-	-	-	-	-	458.43	34.36	492.79	492.79
Less: Fund Raising Expense	-	-	-	-	-	-	350.00	-	350.00	350.00
Less: Loss of Spidigo Net Private Limited absorbed on merger	-	-	-	-	-	-	920.66	-	920.66	920.66
Less: Dividend Paid	-	-	-	-	-	-	293.43	-	293.43	293.43
Proceeds from issue of Equity Shares	65.21	-	-	-	-	9,934.80	-	-	9,934.80	10,000.00
Less: Money received against share warrants in the previous year, converted into equity	-	-	-	-	-	-	-	-	2,500.00	2,500.00
<b>Balance as at 31st March 2023</b>	2,021.39	1,333.30	34.10	0.94	884.49	9,934.80	8,627.07	18.74	20,833.44	22,854.83

Particulars	(Amount in Rs. Lakhs)									
	Equity Share Capital Subscribed	General reserve	Capital Redemption Reserve	Capital reserve	Transition reserve	Securities Premium	Retained earnings	Other Comprehensive Income	Other Equity	Total Equity
<b>Balance as at April 1, 2023</b>	2,021.39	1,333.30	34.10	0.94	884.49	9,934.80	8,627.07	18.74	20,833.44	22,854.83
Profit for the year	-	-	-	-	-	-	740.58	-	740.58	740.58
Other Comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	4.10	4.10	4.10
Total comprehensive income	-	-	-	-	-	-	740.58	4.10	744.68	744.68
Less: Dividend Paid	-	-	-	-	-	-	370.59	-	370.59	370.59
Issue of Bonus Share	449.20	-	(34.10)	-	-	(415.10)	-	-	(449.20)	-
<b>Balance as at March 31, 2024</b>	2,470.58	1,333.30	-	0.94	884.49	9,519.10	8,997.06	22.84	20,788.33	23,228.92

**For and on behalf of the Board of Directors**

**For Jayesh Dadia & Associates LLP**

**Chartered Accountants**

**Firm Registration Number: 121142W/W100122**

**Jayesh Dadia**  
Partner  
Membership Number : 033973

Place : Mumbai  
Date : 17th May, 2024

**Priyam S Jhaveri**  
Director

**Rakesh Kothari**  
Chief Financial Officer

**Nitin R Jani**  
Company Secretary

**Asit D Javeri**  
Executive Chairman

**Abhishek A. Javeri**  
Managing Director

**Smt. Seema A Javeri**  
Executive Director  
Administration



**Sadhana Nitro Chem Limited**  
**Notes to Standalone financial statements for 31st March, 2024**

**1. CORPORATE INFORMATION**

The Company was incorporated on July 21, 1973. The Company is engaged in Manufacturing of chemical intermediates, heavy organic chemicals and performance chemicals and wireless network equipment and services. As on 31st March, 2024 Manekchand Panachand Trading Investment Company Pvt Ltd, holding company owned 61.91 % of the company's equity share capital. The Company's registered office is located at Mumbai, Maharashtra India and manufacturing facility is located at Roha, Raigad District, Maharashtra, India. The company shares are listed in Bombay Stock Exchange (BSE)

**2. SIGNIFICANT ACCOUNTING POLICIES:**

**2.1 Statement of Compliance**

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the "Act") and other relevant provisions of the Act. These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual report date, March 31, 2024. These standalone financial statements were authorized for issuance by the Company's Board of Directors on May 17, 2024.

**2.2 Basis of preparation and presentation**

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

**2.3 Use of estimate**

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

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

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

**Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**Valuation of deferred tax assets & Liabilities**

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

**Provisions and contingent liabilities**

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

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



settle the obligation, the provision is reversed.

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

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

#### **Fair value measurements and valuation processes**

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

In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the company engages third party qualified valuers to perform the valuation. The qualified external valuers establish the appropriate valuation techniques and inputs to the model. The external valuers report to the management of the Company their findings for every reporting period to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes no 39.

## **2.4 Revenue Recognition**

### **i. Sale of goods**

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

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

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

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

### **ii. Other Income**

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

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



## 2.5 Leases

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

### Company as a lessee

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

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

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

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

## 2.6 Foreign Currency Transactions & Translations

The functional currency of the Company is Indian rupee.

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

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

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

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

## 2.7 Borrowing Costs

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

## 2.8 Government grants

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

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

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

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets is accounted for as deferred income. The grant is recognised as income over the life of a depreciable asset by accounting deferred income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

**(iii) Export Incentives**

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

**2.9 Employee benefits****(1) Defined Contribution Plan:**

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

**(2) Defined Benefit Plan:**

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

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

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

**(i) Gratuity:**

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

**(ii) Compensated Absences:**

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

**2.10 Taxation**

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

**Current income tax**

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





The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### **Deferred income taxes**

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

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

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

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

#### **2.11 Property, Plant and Equipment**

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

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

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

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

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

Freehold land is not depreciated.

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

#### **2.12 Intangible Assets**

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



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

#### **2.13 Impairment of tangible and intangible assets other than goodwill:**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

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

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

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

#### **2.14 Inventories**

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

#### **2.15 Financial instruments**

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

##### **Cash and cash equivalents**

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

##### **Financial assets at amortised cost**

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

##### **Financial assets at fair value through other comprehensive income**

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

##### **Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the



acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

#### **Investment in subsidiaries**

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

#### **Financial liabilities**

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

#### **Financial guarantee contracts:**

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

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

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

#### **Equity instruments**

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

#### **Reclassification of Financial Assets**

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

#### **Offsetting of financial instruments**

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

### **2.16 Earnings Per Share (EPS)**

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

### **2.17 Current/Non-Current Classification**

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

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

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

All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

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

The Company classifies all other liabilities as non-current.

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



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

## 2.18 Share Capital

### Ordinary Shares

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

## 2.19 Fair Value Measurement

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

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation Techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

### Determination of Fair Value

#### 1) Financial Assets - Debt Instruments at amortized cost

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

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

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

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

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

#### 4) Equity Instruments at Fair Value through Other Comprehensive Income

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

#### 5) Financial Liabilities

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



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

#### **Subsequent Measurement**

##### **Fair value through Profit & Loss**

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

##### **Loans and Borrowings**

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

#### **2.20 Dividend**

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

#### **2.21 Segment Reporting**

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

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

**Sadhana Nitro Chem Limited**  
**Notes forming part of the Standalone financial statements for the year ended 31st March, 2024**

Note 3 : Property Plant and Equipment & Intangible Assets (Amount in Rs. Lakhs)

Particulars	Freehold Land	Factory Buildings	Non factory Buildings	Plant & Equipment	Furnitures & Fixtures	Computers	Vehicles	Software	Right To use of assets	Lease Office	Total	Capital work-in-progress	Intangible Under Development
<b>Gross Carrying amount</b>													
<b>Balance as at April 1, 2022</b>	1,651.44	614.85	194.49	4,493.47	31.99	75.98	490.98	110.00	723.52	31.87	8,418.58	6,544.31	305.67
Additions	-	2,589.39	30.17	4,748.93	1.24	2.48	-	-	912.18	-	8,284.40	841.07	94.88
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount capitalized from opening CWIP	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition with Merger (Refer Note iii)	-	-	-	442.01	17.89	26.50	-	-	-	-	486.40	4,935.84	-
<b>Balance as at March 31, 2023</b>	1,651.44	3,204.24	224.66	9,684.41	51.11	104.97	490.98	110.00	1,635.70	31.87	17,189.38	2,449.54	400.55
Additions	-	354.08	123.70	827.48	1.01	4.14	-	400.55	1,023.64	-	2,734.60	2,860.29	-
Disposals (Refer Foot Note iii)	-	-	-	0.04	-	-	-	-	28.29	-	28.33	-	400.55
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition with Merger (Spidigo)	-	-	-	-	-	-	-	-	-	-	-	-	-
(Refer Foot Note iv)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2024</b>	1,651.44	3,558.32	348.36	10,511.85	52.12	109.11	490.98	510.55	2,631.05	31.87	19,895.65	5,309.83	-
<b>Accumulated Depreciation</b>													
<b>Balance as at April 1, 2022</b>	-	145.09	27.28	898.84	11.17	50.13	195.98	49.50	326.28	19.12	1,723.39	-	-
Depreciation for the Year	-	51.74	8.63	356.01	4.66	11.30	62.16	22.00	237.63	6.37	760.50	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition on account of Merger (Refer Note iii)	-	-	-	292.86	14.88	25.18	-	-	-	-	332.72	-	-
<b>Balance as at March 31, 2023</b>	-	196.83	35.91	1,547.51	30.71	86.61	258.14	71.50	563.92	25.50	2,816.62	-	-
Additions (Depreciation for the Year)	-	109.33	12.22	547.63	2.54	5.56	61.92	42.03	703.57	6.37	1,491.17	-	-
Disposals (Refer Foot Note iii)	-	-	-	0.02	-	-	-	-	-	-	0.02	-	-
Addition Depreciation on Merger	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2024</b>	-	306.16	48.13	2,095.13	33.25	92.17	320.06	113.53	1,267.49	31.87	4,307.77	-	-
<b>Net carrying amount</b>													
<b>Balance as at March 31, 2023</b>	1,651.44	3,007.41	188.76	8,136.90	20.41	18.36	232.84	38.50	1,071.78	6.37	14,372.76	2,449.54	400.55
<b>Balance as at March 31, 2024</b>	1,651.44	3,252.16	300.24	8,416.73	18.88	16.93	170.92	397.02	1,363.56	-	15,587.88	5,309.83	-

**Foot Note :**

- (i) Plant & Equipment includes Office Equipments
- (ii) Refer Note 15(a)(b) & (d) for information on Property plant & equipment pledged as security by the company.
- (iii) Pursuant to the Scheme of Merger (by absorption) sanctioned by the Honorable National Company Tribunal, Mumbai & Ahmedabad bench vide their orders dated February, 2023 & 24th November, 2021, Spidigo Net Private Limited, a wholly owned subsidiary of the Company, has been merged with the Company with effect from 1st April, 2020 (the appointed date). The Company has accounted for the merger 'pooling of interest method' under which assets, liabilities & reserves of Spidigo Net Private Limited have been recorded in the Company's books at their respective book values as at 01.04.2022. Accordingly, the same have been added to the gross block & accumulated depreciation.
- (iv) During the financial year ended 31st March, 2023, the Company has successfully started its plant for the manufacture & production of Para-Amino Phenol (PAP). The Company had initially started the test production under the batch process methodology but subsequently migrated to the continuous process methodology for the commercial production on achieving the desired quality & output levels. Accordingly on the plant being ready for use for commercial production under continuous process the same along with the factory building has been capitalized.





**Sadhana Nitro Chem Limited**  
Notes forming part of the Standalone financial statements for the year ended 31st March, 2024

**Capital Work in Progress**

**The ageing of Capital Work in Progress for Projects**

For the year	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Ended 31.03.2023	2,449.54	841.07	116.01	92.31	1,400.15
Ended 31.03.2024	5,309.83	2,905.18	841.07	116.01	1,447.56

**Ageing of Capital Work in Progress as at 31.03.2024**

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	4,078.33	2,905.18	617.49	97.08	458.58
Projects temporarily suspended	1,231.50	-	553.58	18.93	988.98
<b>Total</b>	<b>5,309.83</b>	<b>2,905.18</b>	<b>841.07</b>	<b>116.01</b>	<b>1,447.56</b>

**Ageing of Capital Work in Progress as at 31.03.2023**

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	1,608.97	841.07	116.01	92.15	559.73
Projects temporarily suspended	840.57	-	-	0.16	840.41
<b>Total</b>	<b>2,449.54</b>	<b>841.07</b>	<b>116.01</b>	<b>92.31</b>	<b>1,400.15</b>

**Intangible Assets Under Development**

**The ageing of Intangible Assets Under Development**

For the year	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Ended 31.03.2023	400.55	94.88	135.02	130.65	40.00
Ended 31.03.2024	-	-	-	-	-

**Ageing of Intangible Assets Under Development as at 31.03.2024**

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Ageing of Intangible Assets Under Development as at 31.03.2023**

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	400.55	94.88	135.02	130.65	40.00
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>400.55</b>	<b>135.02</b>	<b>130.65</b>	<b>40.00</b>	<b>-</b>



**Sadhana Nitro Chem Limited**  
Notes forming part of the standalone financial statements for the year ended 31st March 2024

**Note 4 : Investments****Non Current Investments**

(Amount in Rs. Lakhs)

Sr. No	Particular	Face Value	As at March 31, 2024		As at March 31, 2023	
			No. of shares	Rs	No. of shares	Rs
(i)	<b>Non-current investments</b>					
	<b>Unquoted</b>					
	<b>Investment in equity instruments of subsidiaries (Fully paid up)</b>					
	<b>Unquoted</b>					
	Subsidiaries (at cost)					
	Anuchem B.V.B.A- Belgium	Euro 25	750	7.72	750	7.72
	<b>Total (A)</b>		<b>750</b>	<b>7.72</b>	<b>750</b>	<b>7.72</b>
(ii)	<b>Other Investments (At fair value through other comprehensive income)</b>					
	<b>Quoted</b>					
	Anco Communication Ltd	Rs 10	500	0.72	500	0.72
	Enarai Finance Ltd	Rs 10	3,900	0.78	3,900	0.78
	Indian Extractions Ltd	Rs 10	-	-	18,000	5.08
	Indo-biotech Ltd	Rs 10	5,000	1.91	5,000	1.91
	First object Technoliges Ltd	Rs 10	2,000	0.81	2,000	0.81
	Maxworth orchards Ltd	Rs 10	1,300	0.13	1,300	0.13
	Ojas Technochem Products Ltd		5,000	1.31	5,000	1.31
			<b>17,700</b>	<b>5.67</b>	<b>35,700</b>	<b>10.75</b>
	Less: Provision for decline other than temporary, in value of non current investments			<b>5.67</b>		<b>10.75</b>
	<b>Total (B)</b>		17,700	-	35,700	-
	<b>Total (A+B)</b>		<b>18,450</b>	<b>7.72</b>	<b>36,450</b>	<b>7.72</b>
	Footnotes :					
	(i) Aggregate cost of quoted investments			<b>5.67</b>		<b>10.75</b>
	(ii) Aggregate market value of quoted investments			-		-
	(iii) Aggregate value of unquoted investments			7.73		7.73
	(iv) Aggregate amount of impairment in value of investments			<b>5.67</b>		<b>10.75</b>

**Current Investments**

(Amount in Rs. Lakhs)

Sr. No	Particular	Face Value	March 31, 2024		March 31, 2023	
			No. of Units	Rs	No. of Units	Rs
(i)	<b>Investments measured at fair value through other comprehensive income</b>					
	<b>In Mutual Funds</b>					
	<b>Quoted</b>					
	HDFC Long Duration Growth		11,75,141.581	303.47	12,98,141.581	312.18
	HDFC Low Duration Fund - Regular Plan - Growth		5,38,656.778	283.63	5,38,656.778	264.38
	<b>Total</b>			<b>587.10</b>	<b>-</b>	<b>576.56</b>
	(i) Aggregate cost of quoted investments			423.67		453.25
	(ii) Aggregate market value of quoted investments			587.10		576.56

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





**Sadhana Nitro Chem Limited**  
Notes forming part of the standalone financial statements for the year ended 31st March 2024

**Note 5: Loans**

(Amount in Rs. Lakhs)

Sr No	Particular	As at March 31, 2024	As at March 31, 2023
	<b>Non Current Loans</b>	-	-
	<b>Total</b>	-	-

Sr No	Particular	As at March 31, 2024	As at March 31, 2023
	<b>Current Loans (Unsecured Considered Good, unless otherwise stated)</b>		
(i)	Loan to staff	47.54	26.08
(ii)	<b>(Secured, Considered Good)</b> Inter Corporate Deposits	55.00	305.30
	<b>Total</b>	<b>102.54</b>	<b>331.38</b>

**Note 6: Other financial assets**

(Amount in Rs. Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
	<b>Non Current Financial Assets (Unsecured, Considered Goods)</b>		
	Security Deposits with Public Bodies and others	391.06	283.84
	<b>Total</b>	<b>391.06</b>	<b>283.84</b>
	<b>Current Financial Assets (Considered Goods)</b>		
	(i) Interest Accrued on Inter Corporate Deposits	28.65	59.86
	(ii) Interest Accrued on Bank Deposits	27.51	23.08
	(iii) Other receivable	13.42	30.29
	(iv) Advance to Vendors	61.72	288.73
	<b>Total</b>	<b>131.29</b>	<b>401.96</b>



**Sadhana Nitro Chem Limited**  
Notes forming part of the standalone financial statements for the year ended 31st March 2024

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

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	<b>Deferred Tax Liability</b>		
(i)	Depreciation on fixed assets	727.37	562.85
(ii)	Fair Valuation	56.35	114.87
	<b>Gross Deferred Tax Liability</b>	<b>783.72</b>	<b>677.72</b>
	<b>Deferred Tax Asset</b>		
(i)	Employee Benefit obligations	(172.40)	(146.72)
(ii)	Other disallowable expenses	(14.75)	(3.23)
	<b>Gross Deferred Tax Asset</b>	<b>(187.15)</b>	<b>(149.96)</b>
	<b>Net Deferred Tax Liability/(Asset)</b>	<b>596.58</b>	<b>527.77</b>

**Movement in Deferred taxes during the year**

For the year ended March 31, 2024	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Deferred Tax Liability				
Plant Property Equipment	562.85	164.52	-	727.37
Fair Valuation	114.87	(48.42)	(10.10)	56.5
<b>Gross Deffered Tax Liability (1)</b>	<b>677.72</b>	<b>116.10</b>	<b>10.10</b>	<b>677.72</b>
Deferred Tax Asset				
Employee Benefit obligations	(146.72)	(34.99)	9.31	(172.40)
Other Disallowable Expenses	(3.23)	(11.51)	-	(14.75)
<b>Gross Deffered Tax Asset (2)</b>	<b>(149.96)</b>	<b>(46.51)</b>	<b>9.31</b>	<b>(187.15)</b>
<b>Net Deferred Tax Liability/(Asset) (1-2)</b>	<b>527.77</b>	<b>69.59</b>	<b>(0.78)</b>	<b>596.58</b>

**Note 8: Other Assets**

(Amount Rs. In Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
(i)	<b>Non Current Other Assets</b>		
	Capital advance	5,438.25	2,731.68
	<b>Total</b>	<b>5,438.25</b>	<b>2,731.68</b>
(i)	<b>Current Other Assets</b>		
(ii)	Balance with Statutory/Revenue Authorities	656.66	1,413.34
	Prepaid Expenses	90.67	58.87
	<b>Total</b>	<b>747.33</b>	<b>1,472.22</b>

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

(Amount in Rs. Lakhs)

Sr No	Particular	As at March 31, 2024	As at March 31, 2023
	<b>Valued &amp; certified by the Management</b>		
(i)	Raw materials (Include Packing Materials)	2405.42	2,083.35
(ii)	Work-in-progress	2409.85	2,661.22
(iii)	Finished Goods	4241.62	4,925.75
(iv)	Goods in Transit (Raw Material)	137.61	23.66
(v)	Stores & Spares	724.47	730.96
(vi)	Others (Fuel, scrap, etc.)	6.37	22.61
	<b>Total</b>	<b>9,925.35</b>	<b>10,447.55</b>



**Sadhana Nitro Chem Limited**  
Notes forming part of the standalone financial statements for the year ended 31st March 2024

**Note 10: Trade receivables**

(Amount Rs. in Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	<b>Unsecured, Undisputed</b> Considered good	14,571.44	7,986.77
(ii)	Considered doubtful	53.98	37.48
	Less : Allowance for doubtful debts	14,625.42 (53.98)	8,024.48 (17.57)
	<b>Total</b>	<b>14,571.44</b>	<b>8,006.68</b>

**Footnotes :**

- 1) Trade receivables are dues in respect of goods sold in the normal course of business.
- 2) The normal credit period allowed by the company ranges from 60 to 90 days.
- 3) Refer Note no 15C(d) for information on Trade Receivables mortgaged as security for borrowings .
- 4) Refer note no 26(i) for Credit Risk

<b>Ageing of Trade Receivables</b> (Outstanding for following periods from due date of payment)			
<b>Undisputed Trade Receivables</b>			
<b>- Considered Good</b>			
	Less than 6 months	10,095.95	6,942.98
	6 months to 1 year	3,441.85	890.47
	1 to 2 years	890.47	7.65
	2 to 3 years	25.02	1.92
	More than 3 years	118.15	143.75
<b>- Considered doubtful</b>			
	Less than 6 months	-	-
	6 months to 1 year	-	-
	1 to 2 years	-	-
	2 to 3 years	-	-
	More than 3 years	53.98	37.48
	<b>Total</b>	<b>14,625.42</b>	<b>8,024.25</b>

**Note 11: Cash and Cash Equivalents**

(Amount Rs. in Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
(i)	Cash in hand	2.04	1.16
(ii)	Balance with bank --- in current account	4.20	108.07
	<b>Total</b>	<b>6.23</b>	<b>109.23</b>

**Note 12: Other Bank Balances**

(Amount Rs. in Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
(i)	<u>Call and short term deposit accounts</u> Deposits (under lien) with original Maturity <12 Months [Refer note below]	749.59	752.04
(ii)	Balance with banks for unclaimed dividends	23.65	11.06
	<b>Total</b>	<b>773.23</b>	<b>763.10</b>



**Sadhana Nitro Chem Limited**  
**Notes forming part of the standalone financial statements for the year ended 31st March 2024**

**Footnotes :**

- (i) Deposit with carrying amount of Rs 75.04 Lakhs (31st March 2023 Rs 13.00 Lakhs) are subject to first charge against bank guarantees.
- (ii) Deposit with carrying amount of Rs. 50.00 Lakhs (31st March 2023 Rs 50.00 Lakhs) has been given as a security deposit to the Ministry of Pharmaceuticals, Chemicals & Fertilizers towards the PLI Scheme.
- (iii) Deposit with carrying amount of Rs. 110.79 Lakhs (31st March 2023 Rs. 110.79 Lakhs) has been given as a security deposit to Northern Arc Pvt Ltd against the borrowing of Rs. 10 crores from them.
- (iv) Deposit with carrying amount of Rs. 247.37 Lakhs (31st March 2023 Rs. 238.24 Lakhs) has been given as a security deposit to Vivriti Capital Pvt Ltd against the borrowing of Rs. 20 crores from them.
- (v) Deposit with carrying amount of Rs. 331.34 Lakhs (31st March 2023 Rs 328.82 Lakhs) has been given as a security against Overdraft facility and Term Loan facilities availed from them+B190.

**Note 13: Equity Share Capital**

(Amount Rs. in Lakhs)

Sr. No	Particular	Amarch 31, 2024	March 31, 2023
	<b>Authorised Capital:*</b> 60,00,00,000 Equity Shares of Rs.1/- each (March 31, 2023: 30,00,00,000 Equity Shares of Rs 1/- each)	6,000.00	3,000.00
	<b>Total</b>	<b>6,000.00</b>	<b>3,000.00</b>
	<b>Issued Subscribed &amp; Paid up:</b> 24,70,58,454 Equity Shares of Rs.1/- each fully paid (Refer note no (iii) below) (March 31, 2023 20, 21, 38, 735 Equity Shares of Rs 1/- each) (Refer note no (i) below)	2,470.58	2,021.39
	<b>Total</b>	<b>2,470.58</b>	<b>2,021.39</b>

**Footnotes:**

- (i) During the year ended 31st March, 2024, the Company has issued and allotted 4,49,19,719 equity shares of Re. 1/- each to eligible shareholders of equity shares on the book closure date (i.e. 5th July, 2023) as fully paid up bonus equity shares by capitalizing reserves
- (ii) The company has converted 65,20,606 share warrants into equivalent no of equity shares of Rs 1 each at a premium of Rs 152.36 /- per equity shares on preferential basis during the year ended 31-03-2023. These shares are under lock-in for a period of one year from the date of issue and consequently restricted for transfer.
- (iii) During the year ended 31st March, 2022, the Company has issued and allotted 5,58,90,894/- equity shares of Re. 1/- each to eligible shareholders of equity shares on the book closure date (i.e. 19th July, 2021) as fully paid up bonus equity shares by capitalizing reserves.
- (iv) During the year ended 31st March, 2021, the Company has issued and allotted 4,65,75,745/- equity shares of Re. 1/- each to eligible shareholders of equity shares on the book closure date (i.e. 17th September, 2020) as fully paid up bonus equity shares by capitalizing reserves.

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Equity Share		Equity Share	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity</b>				
No of shares outstanding at the beginning of the year	202,138,735	2,021.39	195,618,129	1,956.18
Add : Additional shares issued during the year	-	-	6,520,606	65.21
Add : Increase on account of shares sub-divided during the year (Refer Footnote no (ii) above)	-	-	-	-
Add : Bonus Issue in the ratio of 2:9 (Refer Footnote no. (i))	44,919,719	449.20	-	-
Less: Shares forfeited/Bought back during the year	-	-	-	-
<b>No. of shares outstanding at the end of the year</b>	<b>247,058,454</b>	<b>2,470.50</b>	<b>202,138,735</b>	<b>2,021.39</b>

**(b) Terms/Rights attached to Equity shares:**

The company has only one class of equity shares having at par value of ₹ 1/- (P.Y. ₹ 1/-)per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the share holders in the ensuing annual general meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to number of shares held by share holder.



**Sadhana Nitro Chem Limited**  
Notes forming part of the standalone financial statements for the year ended 31st March 2024

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Equity Share		Equity Share	
Equity Shares of Rs. 1/- each (P.Y. Rs. 1/-) fully paid	No. of Shares	% of Holding	No. of Shares	% of Holding
Manekchand Panachand Trading Investment Co. Pvt Ltd	152,958,115	61.91%	125,172,831	61.92%
Asit Javeri	4,605,811	1.86%	11,691,771	5.78%

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

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Manekchand Panachand Trading Investment Co. Pvt Ltd	152,958,115	61.91%	125,172,831	61.92%

**(e) Details of changes in shareholding of promoters**

Particulars	As at March 31, 2024		As at March 31, 2023		(Decrease) % of holding
	No. of Shares	% of Holding	No. of Shares	% of Holding	
<b>Promoters' Holding (including Promoter Group)</b>					
Manekchand Panachand Trading Investment Co Pvt Ltd	152,958,115	61.91%	125,172,831	61.92%	-0.01%
Asit A Javeri	4,605,811	1.86%	11,691,771	5.78%	-3.92%
Abhishek A Javeri	2,014,729	0.82%	5,902,764	2.39%	-1.57%
Seema A Javeri	470,393	0.19%	3,845,867	1.56%	-1.37%

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

**Note 14: Other Equity**

(Amount Rs. In Lakhs)

Sr. No	Particulars	March 31, 2024	March 31, 2023
	<b>Reserves and Surplus</b>		
(i)	<b>Capital Reserve</b>		
	Opening and Closing balance (CR)	0.94	0.94
	Additions:	-	-
	Closing balance	0.94	0.94
(ii)	<b>Capital Redemption Reserve</b>		
	Opening balance (CRR)	34.10	34.10
	Less: Utilized for issued of Bonus shares	(34.10)	-
	Closing balance	-	34.10
(iii)	<b>Securities Premium Account</b>		
	Opening balance	9,934.80	-
	Add: Received during the year on issue of equity shares on preferential basis	-	9,934.80
	Less: Utilized for issued of Bonus shares	(415.10)	-
	Closing balance	9,519.70	9,934.80
(iv)	<b>Retained Earnings</b>		
	Opening balance (Retained Earnings)	9,717.11	9732.73
	Profit for the year	740.58	458.43
	Less: Loss of Spidigo Net Private Limited absorbed on merger (Refer Note No. 49)	-	(920.66)
	Less: Dividend Paid	(370.59)	(293.43)
	Less: Fund Raising Expense	-	(350.00)
	Closing Balance	8,997.06	8627.07



**Sadhana Nitro Chem Limited**  
Notes forming part of the standalone financial statements for the year ended 31st March 2024

**Note 14: Other Equity**

(Amount Rs. In Lakhs)

Sr. No	Particulars	March 31, 2024	March 31, 2023
(v)	<b>Other Comprehensive Income</b>		
	Opening balance	18.74	(15.62)
	Add: Gain / (Loss) on fair value of Defined Benefit Plan (Net of Tax)	(27.69)	9.40
	Add: Gain / (Loss) on fair value of investments	30.02	12.72
	Add: Gain / (Loss) on sale of investments	1.77	12.25
	Closing balance	<b>22.84</b>	<b>18.74</b>
(vi)	<b>Transition Revaluation Reserve</b>		
	Opening balance (TRR)	884.49	884.49
	Add: Additions		
	Closing balance	<b>884.49</b>	<b>884.49</b>
(vii)	<b>General Reserve</b>		
	Opening balance	1,333.30	1,333.30
	Add: additions	-	-
	Closing Balance	<b>1,333.30</b>	<b>1,333.30</b>
(viii)	<b>Money received against Share Warrant</b>		
	Opening balance	-	2,500.00
	Add: additions (SW)	-	(2,500.00)
	Closing Balance	-	-
	<b>Total</b>	<b>20,833.44</b>	<b>14,469.94</b>

**Capital Reserve:**

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

**Capital Redemption Reserve**

Capital redemption reserve represents reserve created on redemption of preference shares. It is non distributable reserve. During the year ended March 31, 2024 the company has utilised Rs. 34.10 Lakhs of the reserve towards issued of fully paid up bonus shares.

**Securities Premium Reserve**

Capital redemption reserve represents reserve created on redemption of preference shares. It is non distributable reserve. During the year ended March 31, 2024 the company has utilised Rs. 415.07 Lakhs of the reserve towards issued of fully paid up bonus shares.

**Retained Earnings**

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

**Transition Revaluation Reserve**

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

**General Reserve**

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



**Sadhana Nitro Chem Limited**  
Notes forming part of the standalone financial statements for the year ended 31st March 2024

**Note 15 : Borrowings**

(Amount in Rs. Lakhs)

Sr No	Particular	As at March 31, 2024	As at March 31, 2023
	<b>Non Current Borrowings</b>		
(a)	<b>Secured Borrowings:</b>		
(i)	Term loan - Bank (Refer Note 15(a) below)	3,445.35	2,246.91
(ii)	Term Loan - Others (Refer Note 15 (b) below)	2,883.58	5,797.00
		6,328.93	8,043.92
	Less: Current Maturity of Long term borrowings disclosed under the head Short Term Borrowings	2,243.17	2,066.51
(b)	<b>Unsecured Borrowings</b>		
(i)	Loan from Holding Company	1,181.21	-
(ii)	Loan From Director	7,627.00	-
	<b>Balance</b>	<b>12,893.97</b>	<b>5,977.40</b>
	<b>Total</b>	<b>12,893.97</b>	<b>5,977.40</b>
	<b>Current Borrowings</b>		
(a)	<b>Secured Borrowings</b>		
(i)	Working Capital Loan from Banks denominated in [Refer Note (i) and (ii)]		
	Foreign Currency	833.74	1,397.69
	Indian Currency - Overdraft & Cash Credit [	39,616.74	1,470.09
	Indian Currency - Export Credit	1,067.52	1,565.48
(b)	<b>Unsecured Borrowings</b>		
(i)	From Financial Institutions	-	-
(ii)	Inter Corporate Deposit [Refer footnote (d) below]	425.55	331.08
(iii)	Loan From Director	647.11	377.58
(c)	Current Maturity of Long term borrowings disclosed under the head Short Term Borrowings	2243.17	2066.51
	<b>Total</b>	<b>9178.77</b>	<b>7208.42</b>

**Footnotes:**

- (a) Term loan from banks & other financial institutions are secured by charge created on plant & machinery, motor vehicles and factory land and building and residential property situated at Roha Raigad. Refer Note (e) below for terms of repayment, rate of interest etc. Further, these loans are secured by a lien on amounts invested in fixed deposits as mentioned in Note No. 12 to these financial statements. Further, these loans are also secured by the personal guarantees of Mr. Asit Javeri & Abhishek Javeri, Chairman and Managing Director, and Corporate guarantee of Manekchand Panachand Trading Investment Co Pvt Ltd, holding company of the Company and shares of the Company held by the holding Company.
- (b) The company has foreign currency working capital facilities from a Bank at interest rate of 7.75% p.a. These facilities are secured by exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery. Further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantee of Holding Company.
- (c) Further, the Company has working capital facilities in Indian currency from a banks carrying interest rate ranging between 6.60% to 12.75 % p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116, investments in Mutual Funds and further secured by personal guarantee of Chairman and Managing Director of the company and Corporate guarantee of Manekchand Panachand Trading Investment Co Pvt Ltd, holding company of the Company.
- (d) Further, the Company has working capital facilities in Indian currency from a bank carrying interest rate ranging between 6.65% to 12.00 % p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116 and further secured by personal guarantee of Chairman and Managing Director of the company.
- (e) Inter Corporate Deposits are carrying interest rate in the range of 10-15% and repayable on or before March 31, 2025,



**Sadhana Nitro Chem Limited**  
Notes forming part of the standalone financial statements for the year ended 31st March 2024

(e) Terms of repayment

(Amount Rs. In Lakhs)

Particulars	Rate of Interest	Year of Maturity	March 31, 2024		March 31, 2023	
			No of Installments Left	Amount Outstanding as at March 31, 2024	No of Installments Left	Amount Outstanding as at March 31, 2023
<b>Term Loan - Banks</b>						
<b>Bank Name</b>						
HDFC Bank	8.50%	2023-24	-	-	2	0.82
HDFC Bank	8.50%	2023-24	-	-	2	0.82
ICICI Bank	9.25%	2025-26	14	233.33	26	433.33
HDFC Bank	9.84%	2033-34	103	1,073.99	115	1,141.33
HDFC Bank	9.84%	2024-25	4	66.75	16	283.62
HDFC Bank	9.25%	2026-27	25	273.19	37	387.00
CSB Bank	9.60%	2031-32	87	1,798.07	-	-
			<b>Total</b>	<b>3,445.35</b>	<b>Total</b>	<b>2,246.91</b>
	Less : Current maturity of long term borrowings			646.64	-	223.54
			<b>Balance</b>	<b>2,798.71</b>		<b>2,023.37</b>
<b>Term Loan - Others</b>						
<b>Financial institution</b>						
Kotak Mahindra Prime Ltd	9.15%	2023-24	-	-	11	10.95
Kotak Mahindra Prime Ltd	9.15%	2023-24	-	-	11	10.95
Bajaj Finance Ltd.	10.70%	2026-27	26	867.70	38	1,212.07
Aditya Birla Finance Ltd.	13.60%	2033-34	-	-	129	1938.70
North Arc Capital Ltd.	15.45%	2025-26	16	543.65	28	874.33
Vivriti Capital Pvt Ltd-Tranche 1	14.80%	2025-26	18	250.00	30	416.67
Vivriti Capital Pvt Ltd-Tranche 2	14.80%	2025-26	18	250.00	30	416.67
Vivriti Capital Pvt Ltd-Tranche 3	14.90%	2025-26	21	291.67	33	458.33
Vivriti Capital Pvt Ltd-Tranche 4	14.75%	2025-26	21	291.67	33	458.33
Vivriti Capital Pvt Ltd-Tranche 5	14.50%	2026-27	28	388.89	-	-
			<b>Total</b>	<b>2,883.58</b>	<b>Total</b>	<b>5,797.00</b>
	Less : Current maturity of long term borrowings			1,596.53	-	1,842.97
			<b>Balance</b>	<b>1,287.05</b>		<b>3,954.03</b>
			<b>Total Balance</b>	<b>4,085.76</b>		<b>5,977.40</b>





**Sadhana Nitro Chem Limited**  
Notes forming part of the standalone financial statements for the year ended 31st March 2024

**Note 16 : Lease Liabilities**

(Amount Rs. In Lakhs)

Sr No	Particular	As at March 31, 2024	As at March 31, 2023
A	<b>Non Current</b>	688.31	247.96
B	<b>Current</b>	502.64	441.85
	<b>Total</b>	<b>1,190.95</b>	<b>689.80</b>

Effective from April 1, 2019, the company adopted Ind AS 116 "Lease", applied to all lease contracts existing on April 1, 2019 using the modified retrospective approach and has taken the cumulative adjustment to retained earnings, on date of initial application. Due to transition, the nature of expenses in respect of certain leases under erstwhile standard has changed from 'Lease Rental' to Depreciation & Amortization expenses and Finance cost' for the Right to use assets and on Lease Liability respectively. Due to the accounting treatment as per this Standard, the current year profit has been Reduced by Rs. 198.90 Lakhs

(Previous Year profit Increased by Rs. 159.92 Lakhs)

Details of Payments to be made towards Lease obligations

(Amount Rs. In Lakhs)

Particular	As at March 31, 2024	As at March 31, 2023
Lease obligations paid during the year	<b>585.63</b>	<b>493.92</b>
Lease obligations payable not more than 1 year	<b>626.80</b>	<b>138.77</b>
Lease obligations payable not more than 5 year	<b>783.71</b>	<b>479.11</b>

**Note 17: Provisions**

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	<b>Non Current</b>		
	<b>Employee Benefit Obligations</b>		
	(i) Compensated absences	210.38	192.20
	(ii) Gratuity (Refer Note No. 29)	357.08	282.23
	<b>Total</b>	<b>567.47</b>	<b>474.43</b>
	<b>Current</b>		
	<b>Employee Benefit Obligations</b>		
	(i) Compensated absences	14.43	37.62
	(ii) Gratuity (Refer Note No. 29)	35.78	36.99
	<b>Total</b>	<b>50.21</b>	<b>74.61</b>
	<b>Movement in provisions</b>		
			<b>Gratuity</b>
	Opening balance	319.21	317.10
	Add/Less : Provision recognised / (reversed) during the year	73.65	2.12
	Closing balance	<b>392.86</b>	<b>319.21</b>

**Note 18: Trade Payables**

(Amount Rs. In Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
(i)	Micro and Small Enterprises	152.12	206.53
(ii)	Others	2,994.78	3,108.38
	<b>Total</b>	<b>3,146.91</b>	<b>3,314.92</b>



**Sadhana Nitro Chem Limited**  
Notes forming part of the standalone financial statements for the year ended 31st March 2024

<b>(a)</b>	<b>Ageing of Trade Payables</b> (Outstanding for following periods from due date of payment)		
	<b>i) Micro and Small Enterprises</b>		
	Less than 1 year	105.20	203.86
	1-2 year	46.05	2.67
	2-3 year	0.87	-
	More than 3 years	-	-
	<b>ii) Undisputed</b>		
	Less than 1 year	2,612.66	2,616.32
	1-2 year	23.75	162.28
	2-3 year	136.99	42.68
	More than 3 years	221.38	112.93
	<b>iii) Disputed</b>		
	Less than 1 year	-	-
	1-2 year	-	-
	2-3 year	-	-
	More than 3 years	-	174.17
	<b>Total</b>	<b>3,146.91</b>	<b>3,314.92</b>

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

(Amount Rs. In Lakhs)		
Particular	As at March 31, 2024	As at March 31, 2023
a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year:		
- Principal amount due to Micro and small enterprises:	152.12	206.53
- Interest due on above:	14.55	8.55
b) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointment day during each accounting year	-	-
c) the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act 2006 is not paid)	5.99	6.93
d) the amount of interest accrued and remaining unpaid at the end of accounting year.	14.55	8.55
e) the amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under section 23.	-	-

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

(d) All trade payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note no 27(ii)

**Note 19 : Other financial liabilities**

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	<b>Current</b>		
(i)	Interest accrued but not due on borrowings	518.01	180.18
(ii)	Unclaimed Dividened	23.85	11.34
(iii)	Creditors for Capital Expenditure	1,273.51	783.93
(iv)	Advance From Customer	3.13	95.91
(v)	Other payables	104.62	111.09
	<b>Total</b>	<b>1,923.12</b>	<b>1,182.44</b>



**Sadhana Nitro Chem Limited**  
Notes forming part of the standalone financial statements for the year ended 31st March 2024

**Note 20 : Other Liabilities**

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	<b>Current</b>		
(i)	Statutory Dues	238.20	228.74
(ii)	Employee Dues	329.73	290.86
	<b>Total</b>	<b>567.94</b>	<b>519.60</b>

**Note 21 : Revenue from operation**

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	<b>Sale of Product</b>		
(i)	(a) Chemical Intermediates	18704.59	14,378.81
	(b) Wireless Network Equipment	51.54	79.32
(ii)	<b>Sale Of Service</b>	-	-
(iii)	<b>Other Operating Revenue</b>		
	(a) Sale of scrap & sales other	5.60	9.41
	(b) Export Benefit	123.74	117.63
	<b>Total</b>	<b>18,885.47</b>	<b>14,585.16</b>

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

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(a)	<b>Sale of product</b>		
	<b>Product Type</b>		
	MAP	8,689.87	8,411.87
	SND 27 (ODB2)	6,873.59	4,125.63
	PAP	2,392.11	673.27
	Other	806.15	1,256.77
	<b>Total</b>	<b>18,761.73</b>	<b>14,467.54</b>

**Note 22: Other Income**

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	<b>Interest income on</b>		
	Bank deposits	35.22	25.05
	Others	36.26	49.69
(ii)	Dividend income from Subsidiaries	4.26	4.58
(iii)	Foreign Exchange Gain	7.73	8.45
(iv)	Mark To Market Gain of Forward Contracts	32.79	-
(v)	Miscellaneous Income	60.18	2.96
(vi)	National Interest on Deposit	4.06	3.11
(vii)	Fair Value Lease Liabilities	-	54.41
(viii)	Reversal of Provision in Diminution in value of Investment	5.08	-
(ix)	Sundry liabilities written back	214.60	23.30
	<b>Total</b>	<b>400.19</b>	<b>171.54</b>



**Sadhana Nitro Chem Limited**  
Notes forming part of the standalone financial statements for the year ended 31st March 2024

**Note 23: Cost of materials and packing materials consumed** (Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	<b>Cost of materials and packing materials consumed</b>		
	Inventory at the beginning of the year	2,083.35	1,596.76
	Add: Purchases	7,510.19	8,363.41
	Total	9,593.53	9,960.17
	Less: Inventory at the end of the year	(2,405.42)	(2,083.35)
	<b>Cost of materials consumed</b>	<b>7,188.11</b>	<b>7,876.82</b>
	<b>Total</b>	<b>7,188.11</b>	<b>7,876.82</b>

**Particulars of Raw material & packaging materials Consumed** (Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Benzne	800.89	1006.36
(ii)	Nitric Acid	396.80	690.37
(iii)	Cast iron powder	596.94	497.77
(iv)	Oleum 65%	129.81	132.95
(v)	Packaging Material	43.36	29.57
(vi)	M.M.D.P.A	1,560.87	1316.78
(vii)	Caustic Soda	349.40	519.80
(viii)	Caustic Potash Lye	874.09	1000.42
(ix)	Soda Ash Light	237.09	235.77
(x)	N-Buty1 Bromide	396.36	277.35
(xi)	Other	1,802.51	2169.68
	<b>Total</b>	<b>7,188.11</b>	<b>7876.82</b>

**Note 23 : Change in inventories of finished goods and work in- progress** (Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	<b>Opening Stock</b>		
	Work in progress	2,661.22	2,073.79
	Finished goods	4,925.75	4,935.66
	Scrap	3.50	3.50
	<b>Total (i)</b>	<b>7,590.47</b>	<b>7,012.94</b>
(ii)	<b>Closing Stock</b>		
	Work in progress	2,409.85	2661.22
	Finished goods	4,241.62	4925.75
	Scrap	3.00	3.50
	<b>Total (ii)</b>	<b>6,654.47</b>	<b>7,590.47</b>
	<b>Changes in Inventories Decrease/(Increase)(i-ii)</b>	<b>936.00</b>	<b>(577.53)</b>
	<b>Total</b>	<b>936.00</b>	<b>(577.53)</b>

**Note 24: Employee Benefit Expenses** (Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	<b>Employee Benefit Expenses</b>		
(i)	Salaries & bonus	2,098.15	1661.90
(ii)	Contribution to provident fund, group gratuity, ESIC & other funds	109.18	98.90
(iii)	Gratuity (Refer Note No. 29)	39.24	43.38
(iv)	Leave Encashment expense	(4.85)	(84.88)
(v)	Staff welfare & Medical Expenses	0.39	0.53
	<b>Total</b>	<b>2,242.11</b>	<b>1719.82</b>



**Sadhana Nitro Chem Limited**  
**Notes forming part of the standalone financial statements for the year ended 31st March 2024**

24.1 During the financial year ended 31st March, 2023, the management has changed the policy with regards to leave encashment. As per the revised leave policy, there will be no leave encashments post 1st April, 2022 and unavailed leave counting to a maximum of 15 days in a year will be allowed to be carried forward subject to a maximum accumulation upto 45 days of leave. This change in policy has resulted in a significant decrease in accumulated leave encashment liability which has resulted in the reversal of provisions of earlier years during the year ended 31st March, 2023

**Note 25: Finance Cost**

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Interest expense on term loans, working capital facilities & ICDs	1,547.09	621.44
(ii)	Interest on lease liability	80.95	96.37
(iii)	Interest on delayed Payment of tax & statutory dues	49.43	185.43
(iv)	Bank Charges & Other finance cost	48.56	70.83
	<b>Total</b>	<b>1,726.03</b>	<b>974.06</b>

**Note 3: Depreciation & Amortization**

(Amount Rs. In Lakhs)

Sr No	Particular	March 31, 2024	March 31, 2023
(i)	Depreciation of tangible assets	1,419.67	738.50
(ii)	Amortization of intangible assets	71.50	22.00
	<b>Total</b>	<b>1,491.17</b>	<b>760.50</b>

**Note 26: Other Expenses**

(Amount Rs. In Lakhs)

Sr No	Particular	March 31, 2024	March 31, 2023
(i)	Power and fuel	1623.80	1060.33
(ii)	Rent & Subletting Charges	8.50	13.83
(iii)	Rates & Taxes	90.82	24.92
(iv)	Insurance	82.60	70.89
(v)	Printing & Stationery	8.34	7.36
(vi)	Postage, Telegram & Telephone & Internet (Communication Expenses)	17.98	15.63
(vii)	Travelling & Conveyance Expenses	241.62	235.95
(viii)	Legal & Professional fees	248.34	160.34
(ix)	Directors Fees	2.32	3.12
(x)	Electricity charges	14.37	14.69
(xi)	Security Charges	99.31	57.68
(xii)	Stores & spares Consumed	384.08	215.91
(xiii)	<b>Repairs &amp; Maintenance</b>		
	Plant & Machinery	6.13	9.64
	Others (R&M)	55.98	77.12
(xiv)	Other Manufacturing Expenses	193.67	92.26
(xv)	Effluent Expenses	233.05	197.20
(xvi)	Research & Development Expenses	8.62	11.20
(xvii)	Payment to auditors (Refer Note 26(i)below)	16.60	13.78
(xviii)	<b>Selling Expenses</b>		
	Freight and Forwarding Expenses	89.96	222.40
	Commission Charges	188.68	12.70
	Local Freight & other expenses	157.71	256.05
(xix)	Bad debts & Provision for Doubtful Debts	37.30	12.80
(xx)	Miscellaneous Expenses	186.53	160.31
(xxi)	Foreign exchange fluctuation	-	139.01
(xxii)	Loss on forward contracts	16.79	138.57
(xxiii)	CSR Expenses	50.00	34.56
(xxiv)	Sundry Balances Written off	11.68	36.82
(xxv)	Merger Expenses	3.10	-
(xxvi)	Notional Rent (Ind As)	2.85	2.26
(xxvii)	Fair Value Lease Liabilities	10.47	-
	<b>Total</b>	<b>4,091.21</b>	<b>3,297.32</b>



**Sadhana Nitro Chem Limited**  
**Notes forming part of the standalone financial statements for the year ended 31st March 2024**

Footnotes:

(i) Payment to Auditors

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	As Auditor*		
(i)	Statutory Audit Fee	12.00	10.00
(ii)	Tax Audit Fee	1.00	1.00
(iii)	Tax Matters & Certification	3.60	2.78
	<b>TOTAL</b>	<b>16.60</b>	<b>13.78</b>

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

**Capital Management**

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

(Amount Rs. In Lakhs)

Particular	March 31, 2024	March 31, 2023
Total equity attributable to equity shareholders of the company	23,229	22,855
As a percentage of total capital	51%	63%
Long term borrowings	12,894	5,977
Short term borrowings	9,179	7,208
Total borrowings	22,073	13,186
As a percentage of total capital	49%	37%
<b>Total Capital (Equity and Borrowings)</b>	<b>45,302</b>	<b>36,041</b>

**Financial Risk Management Framework**

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

- a) Credit risk
- b) Liquidity risk
- c) Market risk

**i) Credit Risk**

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

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

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

(In %)

Particular	March 31, 2024	March 31, 2023
Revenue from top five customers	60.00%	58.17%

The company establishes an allowance for impairment that represents fixed estimate of expected losses in respect of trade and other receivable. The maximum exposure to credit risk as at reporting date is primarily from trade receivable amounting to Rs. 14,574.44 Lakhs (P.Y. Rs. 8,006.68 Lakhs). The movement in allowance for impairment in trade and other receivables during the year was as follows :



**Sadhana Nitro Chem Limited**  
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Allowance for impairment	March 31, 2024	March 31, 2023
Opening balance	17.57	8.20
Impairment loss recognised / (reversed)	36.42	9.37
Closing balance	<b>53.98</b>	<b>17.57</b>

Majority of the balance of trade receivables of the Company are from eight (P.Y. seven) customers of which one is a wholly owned subsidiary of the Company.

The total outstanding from these customers as at year end is Rs. 11846.27 Lakh (P.Y. Rs. 6618.70 Lakh)

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

**ii) Liquidity risk**

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

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

The company has foreign currency working capital facilities from a Bank at interest rate of 7.75% p.a. These facilities are secured by exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery. Further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantee of Holding Company.

Further, the Company has working capital facilities in Indian currency from a banks carrying interest rate ranging between 6.60% to 12.75 % p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116, investments in Mutual Funds and further secured by personal guarantee of Chairman and Managing Director of the company and Corporate guarantee of Manekchand Panachand Trading Investment Co Pvt Ltd, holding company of the Company.

**The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2024**

(Rs. Lakhs)

Particulars	Less than 1 year	1 to 2 years	2 - 5 years	5 - 10 years	Total
Long term borrowings	2,243.17	2,798.43	4,971.55	5,123.99	15,137.14
Short term borrowings	6,935.60	-	-	-	6,935.60
Trade payable	3,146.91	-	-	-	3,146.91
Other financial liabilities	1,923.12	-	-	-	1,923.12
<b>Total</b>	<b>14,248.79</b>	<b>2,798.43</b>	<b>4,971.55</b>	<b>5,123.99</b>	<b>27,142.76</b>

**The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2023**

(Rs. Lakhs)

Particulars	Less than 1 year	1 to 2 years	2 - 5 years	5 - 10 years	Total
Long term borrowings	2,066.51	2,014.49	1,942.17	2,020.74	8,043.91
Short term borrowings	5,141.91	-	-	-	5,141.91
Trade payable	3,314.92	-	-	-	3,314.92
Other financial liabilities	1,182.44	-	-	-	1,182.44
<b>Total</b>	<b>11,705.77</b>	<b>2,014.49</b>	<b>1,942.17</b>	<b>2,020.74</b>	<b>17,683.17</b>



**Sadhana Nitro Chem Limited**  
**Notes forming part of the standalone financial statements for the year ended 31st March 2024**

**iii) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

**Foreign Currency exchange rate risk**

The Company operates internationally and major portion of the business is transacted in several currencies and consequently the company is exposed to foreign exchange risks through operating activities in foreign currency.

**1) Details of foreign currency exposures as at the year end :**

Particulars	Currency	Amount in foreign currency		Equivalent amount (Rs. Lakhs)	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Financial Assets</b>					
Trade Receivables	EUR	24,07,505	14,75,550	2,172.00	1,322.20
	USD	52,07,350	37,49,952	4,341.57	3,083.09
<b>Advance to Vendors</b>	USD	-	3,37,759	-	277.69
Balance with bank in foreign currency	USD	-	2,831	-	2.33
<b>Financial Liabilities</b>					
Trade Payables	USD	1,52,957	1,41,759	127.53	116.55
	EUR	800	-	0.72	-
Advance Received from customer	USD	-	1,31,026	-	107.73
Working Capital Borrowings	USD	-	-	-	-
	USD	10,00,000	17,00,000	833.74	1,397.68
<b>Net Asset / (liability)</b>	<b>EUR</b>	<b>24,06,705</b>	<b>14,75,550</b>	<b>2,171.28</b>	<b>1,322.20</b>
<b>Net Asset / (liability)</b>	<b>USD</b>	<b>40,54,393</b>	<b>21,17,757</b>	<b>3,380.31</b>	<b>1,741.16</b>

**2) Details of forward contracts outstanding at the year end used to hedge the outstanding foreign currency exposures**

Particulars	Currency	Amount in foreign currency		Equivalent amount (Rs. Lakhs)	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Forward contracts entered into to hedge the receivable exposure	USD	12,80,773	35,92,719	1,067.83	2953.82
Forward contracts entered into to hedge the receivable exposure	EURO	3,00,000	4,93,809	270.65	442.49
Forward contracts entered into to hedge the payable exposure	USD	8,00,000	-	666.99	-

The Company enters into forward contracts to offset foreign currency risks arising from the amounts denominated in currencies other than the Indian Rupee. The counter party in such forward contracts is a bank. These contracts are entered to hedge the foreign currency risks on the firm commitments.

**Note 28 : Earnings Per Share**

**Basic Earning Per Share**

(Amount Rs. In Lakhs)

Sr. No	Particulars	March 31, 2024	March 31, 2023
a)	Net Profit for the year attributable to the equity shareholders	740.58	458.43
b)	Opening number of equity shares outstanding	24,70,58,454	24,70,58,454
c)	Closing Number of Equity shares outstanding	24,70,58,454	24,70,58,454
d)	Effective weighted average no. of shares outstanding during the year (Refer Note 28.1 below)	24,70,58,454	24,70,58,454
e)	Basic earning per share (₹ 1/- per share) (P. Y. Rs. 1/- per share)	0.30	0.19





**Sadhana Nitro Chem Limited**  
Notes forming part of the standalone financial statements for the year ended 31st March 2024

**Diluted Earning Per Share**

(Amount in Rs.Lakhs)

Sr. No	Particulars	March 31, 2024	March 31, 2023
a)	Net Profit for the year attributable to the equity shareholders	740.58	4,58,42,701.38
b)	Opening number of equity shares outstanding on diluted basis	20,21,38,735	19,56,18,129
c)	Closing Number of Equity shares outstanding on diluted basis	24,70,58,454	20,21,38,735
d)	Effective weighted average no. of shares outstanding during the year (Refer Note 28.1 below)	24,70,58,454	19,61,36,205
e)	Basic earning per share (₹ 1/- per share) (P. Y. Rs. 1/- per share)	0.30	0.23

28.1 During the previous year ended 31st March, 2024, the Company has issued and allotted 4,49,19,719 equity shares of Re. 1/- each to eligible equity shareholders on the book closure date (i.e. 5th July, 2023) as fully paid up bonus equity shares by capitalizing reserves.

The earning per share figures for the previous year have been restated to give effect of the allotment of the bonus shares, as required by IND-AS 33, 'Earning Per Share'. Accordingly the opening & closing no. of outstanding equity shares has been restated and consequently the EPS for the previous year has also been restated.

**Note 29 : Employee benefits****(a) Defined Contribution Plan**

The Company makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. The Company has recognized Rs. 108.98 Lakhs towards Provident Fund and other fund contributions (March 31, 2023: Rs. 98.68 Lakhs) in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Company are in accordance with rules framed by the Government from time to time.

**(b) Defined Benefit Plans:****Gratuity**

The employee's gratuity fund scheme managed by a trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

The estimated rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary. The expected rate on plan assets is determined considering several applicable factor, mainly the composition of plan assets held assessed risk, historical result of return on plan assets and the company's policy for plan assets management.

The Company has a defined benefit plan for every employee who has completed five year or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

The Company has a defined unfunded obligation for leave encashment. Generally the leave encashment is paid to employees as and when claimed.



**Sadhana Nitro Chem Limited**  
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**Defined benefit plans 1 - as per actuarial valuation on 31st March, 2024**

(Amount Rs. In Lakhs)

Particulars	Un-funded Plan Gratuity	
	March 31, 2024	March 31, 2023
Service Cost		
Current Service Cost	15.33	10.18
Past service cost and (gains)/losses from settlements	-	-
Net interest expense	23.91	23.05
Components of defined benefit costs reconised in profit or loss	39.24	33.24
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	-	-
Actuarial gains and loss arising form changes in financial assumptions	7.48	(4.64)
Actuarial gains and loss arising form experience adjustments	29.53	(12.35)
Actuarial gains and loss arising from demographic adjustments	-	-
Componenets of defined benefit costs recognised in other comprehensive income	37.01	(16.99)
<b>Total</b>	<b>76.25</b>	<b>16.24</b>
<b>I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March 24</b>		
1. Present value of defined benefit obligation as at 31st March 24	392.86	319.21
2. Fair value of plan assets as at 31st March 24	-	-
3. Surplus/(Deficit)	392.86	319.21
4. Current portion of the above		
5. Non current portion of the above		
<b>II. Change in the obligation during the year ended 31st March 24</b>		
1. Present value of defined benefit obligation at the beginning of the year	319.21	317.10
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	15.33	10.18
- Past Service Cost	-	-
- Interest Expense (Income)	23.91	23.05
4. Recognised in Other Comprehensive Income	-	-
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	-
ii. Financial Assumptions	7.48	(4.64)
iii. Experience Adjustments	29.53	(12.35)
iv) (Gain)/Loss on Curtailments And Settlements	-	-
5. Benefit payments	(2.59)	(14.13)
6. Others (Specify)		
<b>7. Present value of defined benefit obligation at the end of the year</b>	<b>392.86</b>	<b>319.21</b>
<b>III. Change in fair value of assets during the year ended 31st March, 24</b>		
1. Fair value of plan assets at the beginning of the year	-	-
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets	-	-
- Interest Income	-	-
4. Recognised in Other Comprehensive Income	-	-
Remeasurement gains / (losses)		
- Actual Return on plan assets in excess of the expected return	-	-
- Others (specify)		
5. Contributions by employer (including benefit payments recoverable)	-	-
6. Benefit payments	-	-
<b>7. Fair value of plan assets at the end of the year</b>	<b>-</b>	<b>-</b>



**Sadhana Nitro Chem Limited**  
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Particulars	March 31, 2024	March 31, 2023
<b>IV. The Major categories of plan assets</b> - List the plan assets by category here Insurance Fund	-	-
<b>V. Actuarial assumptions</b>		
1. Discount rate	7.49%	7.27%
2. Expected rate of return on plan assets	N.A.	N.A.
3. Salary Increase Rate	4.00%	4.00%
4. Rate of Employee Turnover	2.00%	2.00%
5. Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)(Urban)	Indian Assured Lives Mortality (2012-14)(Ultimate)
6. Mortality Rate After Employment	N.A.	N.A.
<b>VI. Other Details</b>		
1. No of Active Members	206.00	191.00
2. Per Month Salary For Active Members	65.19	57.81
3. Weighted Average Duration of the Projected Benefit Obligation	8.00	6.00
4. Average Expected Future Service	16.00	15.00
5. Projected Benefit Obligation (PBO)	319.21	317.10
6. Prescribed Contribution For Next Year (12 Months)	-	-
<b>VII. Net Interest Cost</b>		
1. Interest Cost	23.91	23.05
2. Interest Income	-	-
3. Net Interest Cost (1-2)	23.91	23.05

**Maturity Analysis of Projected Benefit Obligation: From the Employer**

Particular	March 31, 2024	March 31, 2023
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	35.78	36.99
2nd Following Year	26.42	22.89
3rd Following Year	30.34	21.42
4th Following Year	59.50	39.34
5th Following Year	29.49	46.30
Sum of Year 6 To 10	206.38	137.76
Sum of Year 11 and Above	-	294.32

**Sensitivity Analysis**

Projected Benefit Obligation on Current Assumptions	392.86	319.21
Delta Effect of +1% Change in Rate of Discounting	(31.88)	(19.58)
Delta Effect of -1% Change in Rate of Discounting	22.02	22.19
Delta Effect of +1% Change in Rate of Salary Increase	15.79	17.62
Delta Effect of -1% Change in Rate of Salary Increase	(27.96)	(15.77)
Delta Effect of +1% Change in Rate of Employee Turnover	1.73	7.46
Delta Effect of -1% Change in Rate of Employee Turnover	(16.01)	(8.24)



**Sadhana Nitro Chem Limited**  
**Notes forming part of the standalone financial statements for the year ended 31st March 2024**

**Note 30 : Corporate Social Responsibility**

As required under Section 135 of the Companies Act, 2013, the Board of the Holding Company in its meetings held on 19th October, 2018 has constituted a Corporate Social Responsibility Committee (CSR Committee).

The Board of Directors of the Holding Company has approved the CSR policy based on the recommendation of the CSR Committee and is in the process of identifying the activities for CSR spends.

Particular	Rs. in Lakhs
(a) Amount remaining unspent from previous years to be spent by the company	218.19
(b) Gross amount required to be spent by the company during the year	19.10
(c) Amount spent during the year	50.00
(d) Excess amount spent during the year	30.90
(e) Amount carried forward and available for set off during the year	30.90
(f) Balance amount remaining unspent at the end of the year for previous years	218.19

**Reasons for not spending the amount**

The Company had undertaken a major expansion project which entailed a significant capital outlay over the past three years. Accordingly, majority of the Company's limited resources were utilized during this period towards the completion of the expansion project & towards the day to day operations of the Company.

However, the unprecedented Covid-19 pandemic, severely affected the market conditions globally which put tremendous strain on the working capital requirements and resulted in a financial squeeze on the operating margins of the Company.

During the current financial year, the company has completed a significant portion of its expansion. This coupled with an improvement in the global market conditions will help reduce the strain on the finances of the Company in the subsequent year which in turn will enable the Company to meet its past obligations with regards to Corporate Social Responsibility.

The Company has already spent the necessary amount towards Corporate Social Responsibility expenditure for the financial year ended 31st March, 2024 which was required to be spent in compliance with the provisions of Section 135 of the Companies Act, 2023. The Company shall strongly endeavour to meet its past CSR spending obligations by transferring the amount of Rs. 218.19 Lakhs to the funds prescribed under Schedule VII of the Companies Act at the earliest possible.

**Note 31 : Contingent liabilities and commitments (to the extent not provided for)**

Particular	March 31, 2024	March 31, 2023
(i) Contingent liabilities :		
(a) Contingent Liabilities for (Net of amount paid against the demand) :		-
- Income Tax Act 1961 (F.Y. 2013-14)	0.55	0.55
- Employees Provident Fund and Miscellaneous Provisions Act 1952#	-	58.77
- Employees Provident Fund and Miscellaneous Provisions Act 1952#	4.72	4.72

#The Company is subject to legal proceedings and claims which have arisen in the ordinary course of business from Direct tax laws (TDS), Indirect tax laws and Other Laws. Future cash outflow, if any in respect of these matters are determinable only on receipt of judgements /decisions pending at various stages before the appellate authorities. The Management is of the opinion that the matters would be resolved in favour of the Company. The Company Management does not reasonably expect that these legal action when ultimately concluded and determined would have a material and adverse effect on the Company's result of operations or financial condition.

(ii) The erstwhile subsidiary, Spidigo Net Private Limited, which merged with the Company during the current financial year (Refer Note No. 49) had received Demand notice u/s 14B under Employees Provident Funds and Miscellaneous Provisions Act, 1952 from the period 01/04/2016 to 31/05/2019 for Rs 16.98 Lakhs. Demand of Rs 16.98 Lakhs consist of followings:		
Particulars	(Rs. in Lakhs)	
Amount of Damages	11.28	
Amount of Interest	5.70	
<b>Total</b>	<b>16.98</b>	
Against the said demand, the subsidiary Company had paid Rs. 6.50 lakhs & preferred an appeal before the Central Government Industrial Tribunal & obtained a stay against recovery of the the balance amount.		
(iii) Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	<b>1,007.65</b>	<b>476.92</b>



**Sadhana Nitro Chem Limited**  
Notes forming part of the standalone financial statements for the year ended 31st March 2024

**Note 32****A. Value of imports calculated on CIF basis**

Particular	March 31, 2024	March 31, 2023
Raw Material, Stores and Components	861.04	869.70
Capital goods	-	-
<b>Total</b>	<b>861.04</b>	<b>869.70</b>

**B. Expenditure in foreign currency**

Particular	March 31, 2024	March 31, 2023
Other matters - Foreign travel, Corporate allocations etc.	38.63	32.28
Services Availed	12.49	42.65
<b>Total</b>	<b>51.12</b>	<b>74.93</b>

**C. Earnings in Foreign Currency :**

Particular	March 31, 2024	March 31, 2023
Export Revenue (FOB Value)	6,783.40	7,510.83
<b>Total</b>	<b>6,783.40</b>	<b>7,510.83</b>

\* Includes revenue from related parties amounting to Rs. 2,657.30 (P.Y. Rs. 1,875.01)

**Note 33****Transfer Pricing**

The Company has 'international transactions with associated enterprises' which are subject to Transfer Pricing regulations in India. These regulations, inter alia, require the maintenance of prescribed documents and information for the basis of establishing arm's length price including furnishing a report from an Accountant within the due date of filing the return of income.

For the fiscal year ended March 31, 2024, the Company has taken necessary steps including conducting a study as required by the regulations and the Accountant's report in this regard is awaited. In the opinion of the management, the transactions are carried out at arm's length and no adjustments is expected to arise thereon.

**Note 34****Segment Reporting**

In accordance with Ind AS 108, "Operating Segments", the Company has presented segment information on the basis of consolidated financial statements which form part of this report.

**Note 35****Borrowing Cost**

During the year, the Company has capitalized Rs. 566.70 (P.Y. Rs. 799.31 ) as part of cost of qualifying CWIP as borrowing costs.



**Sadhana Nitro Chem Limited**  
**Notes forming part of the standalone financial statements for the year ended 31st March 2024**

**Note 36 : Significant estimates and assumptions****Estimates and Assumptions**

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes will be reflected in the assumptions when they occur.

**Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amounts sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**Defined Benefit Plans (Gratuity Benefits)**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Details about gratuity obligations are given in Note 29.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value target and the discount factor.

The Company has valued its financial instruments through profit & loss which involves significant judgements and estimates such as cash flows for the period for which the instrument is valid, EBITDA of investee company, fair value of share price of the investee company on meeting certain requirements as per the agreement, etc. The determination of the fair value is based on expected discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.



**Sadhana Nitro Chem Limited**  
Notes forming part of the standalone financial statements for the year ended 31st March 2024

**Note 37: Related Party Transaction**

**I) List of related parties**

(A) Holding Company	Manekchand Panachand Trading Investment Co. Private Limited
(B) Subsidiary Companies	Anuchem B.V.B.A. Belgium
(C) Fellow Subsidiary Company	Fun Gateway Arena Private Limited

**(D) Key Management Personnel & Board of Directors**

i) Shri. Asit D. Javeri	Executive Chairman
ii) Shri. Anhishek A Javeri	Managing Director
iii) Smt. Seema A Javeri	Executive Director (Administration)
iv) Shri. Priyam S Jhaveri	Independent Director
v) Shri. Pradeep N Desai	Independent Director
vi) Shri. Amit M Mehta	Independent Director (Resigned w.e.f. 19th October, 2023)
vii) Smt. Ayesha S Patel	Independent Director
viii) Shri. Nitin R Jani	Company Secretary
ix) Shri. Rakesh Kothari	Chief Financial Officer (Appointed on 02.05.2022)

**(E) Associate Concerns / Companies under control / Significant influence of Key Managerial Personnel or the members of the Board of Directors**

- i) Lifestyle Networks Limited
- ii) Mirosa Marine Private Limited (Formerly known as DHPL Marine Private Limited)
- iii) Pthalo Color & Chemicals (India) Limited
- iv) Nanavati Speciality Chemicals Private Limited
- v) Nanavati Sons Private Limited
- vi) Phthalo Pigments Private Limited
- vii) Aayan Nanotech Private Limited
- viii) Tanishka Microencapsulation Private Limited
- ix) Trivo Enterprise LLP
- x) Finogra (India ) Private Limited
- xi) S.Amit Speciality Chemicals Private Limited
- xii) Perfo Chem (India) Private Limited
- xiii) S Amit & Co
- xiv) Chem Amit
- xv) Hi End Property Developers LLP
- xvi) Reaxa Chemistry Solutions LLP
- xvii) HG Partners LLP



**Sadhana Nitro Chem Limited**  
Notes forming part of the standalone financial statements for the year ended 31st March 2024

**II) Disclosure in respect of material related party transactions during the year.**

(Amount Rs. In Lakhs)

	Particular	March 31, 2024	March 31, 2023
<b>(A)</b>	<b>Remuneration paid / payable</b>		
	i) Shri. Asit D Javeri	168.00	168.00
	ii) Shri. Abhishek A Javeri	168.00	168.00
	iii) Smt. Seema A Javeri	168.00	168.00
	iv) Shri Nitin R Jani	130.59	124.27
	v) Shri. Rakesh Kothari	113.67	57.21
<b>(B)</b>	<b>Interest Paid</b>		
	i) Manekchand Panachand Trading Investment Co. Pvt. Ltd.	129.94	6.49
	ii) Shri. Asit D Javeri	274.80	77.14
	iii) Shri. Abhishek A Javeri	161.41	7.71
	iv) Smt. Seema A Javeri	12.01	28.09
	v) Nanavati Sons Pvt Ltd	-	1.47
<b>(C)</b>	<b>Revenue from sale of goods</b>		
	i) Anuchem B.V.B.A. Belgium	3,098.43	1,983.43
	ii) Aayan Nanotech Private Limited	80.85	176.40
	iii) Lifestyle Networks Ltd	-	0.56
<b>(D)</b>	<b>Purchase Of goods / Capital goods</b>		
	i) Aayan Nanotech Private Limited	629.00	864.50
	ii) Anuchem BVBA Belgium	9.83	-
<b>(E)</b>	<b>Interest received / receivable</b>		
	i) Nanavati Sons Pvt Ltd	0.46	0.53
<b>(F)</b>	<b>Director Sitting Fees</b>		
	i) Shri. Priyam S Jhaveri	0.98	1.22
	iii) Shri. Pradeep N Desai	0.42	1.10
	iv) Shri. Amit M Mehta	-	0.20
	v) Smt. Ayesha Patel	0.92	0.60
<b>(G)</b>	<b>Business Support Services Provided to</b>		
	i) Manekchand Panachand Trading Investment Co. Pvt. Ltd. -	60.00	-
<b>(H)</b>	<b>Guarantee Commission Paid</b>		
	i) Manekchand Panachand Trading Investment Co. Pvt. Ltd.	156.41	-
<b>(I)</b>	<b>Loan / Advances repayment received during the year</b>		
	i) Nanavati Sons Pvt Ltd	50.00	100.00
<b>(J)</b>	<b>Loan Repaid During the Year</b>		
	i) Shri. Asit D Javeri	356.63	600.23
	ii) Nanavati Sons Pvt. Ltd.	-	15.00
	iii) Manekchand Panachand Trading Investment Co. Pvt. Ltd.	483.15	65.50
	iv) Shri. Abhishek A Javeri	-	226.00
	v) Smt. Seema A Javeri	-	204.00
<b>(K)</b>	<b>Loans received during the year</b>		
	i) Shri. Asit D Javeri	5,305.00	398.00
	ii) Shri. Abhishek A Javeri	2,755.00	233.00
	iii) Smt. Seema A Javeri	-	95.00
	iv) Manekchand Panachand Trading Investment Co. Pvt. Ltd.	1,548.55	165.00
	v) Nanavati Sons Pvt. Ltd.	-	150.00





**Sadhana Nitro Chem Limited**  
Notes forming part of the standalone financial statements for the year ended 31st March 2024

<b>(L)</b>	<b>Closing Balances - Debit/(Credit)</b>		
	i) Shri. Asit D Javeri	(5,644.35)	(312.22)
	ii) Shri. Abhishek A Javeri	(2,998.43)	(82.02)
	iii) Smt. Seema A Javeri	(193.80)	(261.54)
	iv) Anuchem B.V.B.A. Belgium	3,579.05	2,583.15
	v) Lifestyle Networks Limited	-	1.28
	vi) Aayan Nanotech Private Limited	216.45	927.46
	vii) Manekchand Panachand Trading Investment Co. Pvt. Ltd.	(1,412.71)	(124.42)
<b>(M)</b>	The Holding Company, Manekchand Panachand Trading Investment Co. Pvt. Ltd, along with the Executive Chairman, Mr. Asit D Javeri and the Managing Director, Mr. Abhishek A Javeri have given corporate & personal guarantees respectively towards loans obtained by the Company amounting to Rs. 15,641.08 Lakhs (P.Y. Rs. 11,346.11 Lakhs)		

**Note 38 : Income Tax**

(Amount Rs. In Lakhs)

Tax Expenses	March 31, 2024	March 31, 2023
Recognised in the statement of profit & loss		
Current tax	334.69	89.82
Deferred tax	68.03	158.39
	402.72	248.21
Recognised in other comprehensive income		
Current tax	0.31	3.78
Deferred tax	0.78	7.44
	1.09	11.22
Total Taxes		
Current tax	335.00	93.60
Deferred tax	68.81	165.82
	<b>403.81</b>	<b>259.42</b>
The income tax expense for the year can be reconciled to the accounting profit		
	For the year ended March 31, 2024	For the year ended March 31, 2023
(Loss) / Profit before tax	1,611.03	705.70
Statutory income tax rate	0.25	0.25
Tax expenses	405.46	177.61
<b>Effect of :</b>		
Expenses disallowed for tax purposes	23.81	73.59
Non-taxable income	(10.16)	-
Income taxed at different rate	(1.94)	2.20
Others	(13.37)	6.03
	(1.66)	81.81
<b>Total Tax Expenses</b>	<b>403.81</b>	<b>259.42</b>



**Sadhana Nitro Chem Limited**  
Notes forming part of the standalone financial statements for the year ended 31st March 2024

**Note 39 : Fair Value Measurement****(a) Financial Instrument by category**

Tax Expenses	March 31, 2024	March 31, 2023
<b>Measured at Amortised Cost</b>		
- Trade Receivables	14,571.44	8,006.68
- Cash and Cash Equivalents	6.23	109.23
- Bank Balance other than Cash and Cash Equivalents	773.23	763.10
- Other Financial Assets	522.35	685.80
- Loans	102.54	331.38
<b>Measured at Fair Value through Profit &amp; Loss</b>	-	-
<b>Measured at Fair Value through other comprehensive income</b>		
- Investment - Non-current	7.72	7.72
- Investment - Current	587.10	576.56
<b>Financial Liabilities</b>		
<b>Measured at Amortised Cost</b>		
- Trade Payables	3,146.91	3,314.92
- Other Financial Liabilities	1,923.12	1,182.44
- Borrowings	22,072.74	13,185.82
- Lease Liability	1,190.95	689.80

**(b) Fair Value Hierarchy**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels :

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair value are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transaction in the same instrument nor are they based on available market data.

The Investments included in level 3 of fair value heirachy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within the range.

The Following table summarises fair value hierarchy of financial assets measured at fair value on recurring basis

As at March 31, 2024	Level 1	Level 2	Level 3
<b>Measured at Fair Value through Profit &amp; Loss</b>			
<b>Measured at Fair Value through other comprehensive income</b>			
- Investment - Non-current	-		7.72
- Investment - Current	587.10		-
As at March 31, 2023	Level 1	Level 2	Level 3
<b>Measured at Fair Value through Profit &amp; Loss</b>			
<b>Measured at Fair Value through other comprehensive income</b>			
- Investment - Non-current	-		7.72
- Investment - Current	576.56		-

**Note 40: Details of Benami Property held**

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.



**Sadhana Nitro Chem Limited**  
**Notes forming part of the standalone financial statements for the year ended 31st March 2024**

**Note 41: Wilful Defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or any other lender during the year.

**Note 42: Relationship with Struck Off Companies**

The Company does not have any transactions or balances with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the year and the previous year.

**Note 43: Registration of Charges or satisfaction with Registrar of Companies (ROC)**

During the year, there are no instances of any registration, modification or satisfaction of charges which are pending for registration, modification or satisfaction with Registrar of Companies (ROC) beyond the statutory period.

**Note 44: Compliance with number of layers of companies**

The Company is in compliance with the relevant provisions of the Companies Act, 2013 with respect to the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

**Note 45: Utilisation of Borrowed Funds and Share Premium under Rule 11(e)**

No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries").

No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties").

**Note 46:**

The Company does not have any transactions not recorded in books of accounts that has been surrendered or disclosed as income during the year and previous year in the tax assessments under the Income Tax Act, 1961.

**Note 47:**

The Company has not traded or invested in any crypto currency or virtual currency during the year and previous year.

**Note 48 :**

There has been no fraud by the Company or on the Company during the year and previous year.

**Note 49 :**

There is no scheme of arrangement approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year and hence, no disclosures are required to be made by the Company in these financial statements for the year ended 31st March, 2024

**Note 50: Dividend****Dividend paid during the year**

Dividends paid during the year ended March 31, 2024 include an amount of Rs 0.15 per equity share towards final dividend for the year ended March 31, 2023. Dividends paid during the year ended March 31, 2023 include an amount of Rs. 0.15 per equity share towards final dividend for the year ended March 31, 2022.



**Sadhana Nitro Chem Limited**  
**Notes forming part of the standalone financial statements for the year ended 31st March 2023**

**Dividend declared**

Dividends declared by the Company are based on the profits available for distribution. The Board of Directors have proposed a final dividend of 15% i.e. Rs. 0.15 (Previous year Rs. 0.15) per equity share amounting to Rs. 370.59 for the year 2023-24 ( Previous year Rs. 303.21) after the balance sheet date, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company and therefore, the proposed final dividend has not been recognised as the liability as at the balance sheet date in line with Ind AS 10 on 'Events after the reporting period'.

**Note 51: Rounding of Amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**Note 52: Borrowings from banks for Credit Facility**

There is no material or significant deviation in the quarterly returns or statements of current assets filed by the Company with the banks or financial institutions vis-à-vis the books of accounts for the year. The deviations, if any, have been intimated by the Company to the banks or financial institutions, wherever necessary.

Name of the Bank	Citibank NA			
	Quarter Ended	June 30, 2023	September 30, 2023	December 31, 2023
Particulars of Securities Provided	First Paripassu charge on stock & book debts and plant & machinery and factory land & building. Exclusive charge on debt mutual funds of 55 million			
Amount as per Books of Accounts (in Rs. Lakhs)	9,394.26	9,381.46	9,692.05	8,990.42
Amount as reported in the quarterly return/ statement (in Rs. Lakhs)	9,395.10	9,379.30	9,693.66	8,990.42
Amount of difference	(0.84)	2.15	(1.62)	(0.00)
Reason for material discrepancies	Refer Note (ii) below			

Name of the Bank	ICICI Bank			
	Quarter Ended	June 30, 2023	September 30, 2023	December 31, 2023
Particulars of Securities Provided	First Paripassu charge on immovable & movable fixed asset and current assets of the Company			
Amount as per Books of Accounts (in Rs. Lakhs)	10,114.40	10,091.71	10,407.42	9,714.91
Amount as reported in the quarterly return/ statement (in Rs. Lakhs)	10115.20	10,089.55	10,409.04	9,714.90
Amount of difference	(0.80)	2.15	(1.62)	(0.00)
Reason for material discrepancies	Refer Note (ii) below			

- (i) The stock statements submitted to ICICI bank includes stock of store spares which are not included in the stock statement of Citibank due to the difference in the definition of Inventories as prescribed by the respective banks.
- (ii) The above difference are due to the fact that the valuation of inventory of raw material, work in progress & finished goods submitted to the banks were based on the approximation / previous quarter's costing figures as the same were due for submission to banks within a fortnight of month closing, whereas in the books of accounts the valuation was done using the actual costing as at the quarter ending. The differences arisen due to these are not material.

**Note 53: Events Occuring after the balance sheet date**

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization.

**Note 54: Previous Year Figures**

Previous year's figures have been regrouped, rearranged & reclassified where ever considered necessary.



**Sadhana Nitro Chem Limited**  
Notes forming part of the standalone financial statements for the year ended 31st March 2024

**Note 55: Financial Ratios**

(Amount Rs. In Lakhs)

Sr No	Particulars	Numerator	Denominator	2023-24	2022-23	Variance %	Explanation for Variance
1	Current Ratio = Current Assets / Current Liabilities	26,845	15,604	1.72	1.77	-2.91%	
2	Debt-Equity Ratio = Total Debt / Shareholder's Equity	22,073	23,229	0.95	0.58	64.70%	The Company is into expansion phase for increasing the capacity of existing plants and going for backward integration for which company has raised its debt which is mostly from the promoters itself.
3	Debt Service Coverage Ratio = NPAT + Non-Cash Exp + Depr. + Int. / Debt Service	3,031	5,265	0.58	0.64	-9.42%	
4	Return on Equity Ratio = NPAT - Pref. Dividend / Avg. Shareholder's Equity	741	23,042	3.21%	2.33%	37.70%	During the year, the Company has earned higher margins on its orders which has resulted in improved profitability and a resultant increase in the Return on Equity Ratio.
5	Inventory Turnover Ratio = Cost of Goods Sold / Avg. Inventory	10,549	10,186	1.04	0.89	15.75%	
6	Trade Payable Turnover Ratio = Credit Purchase / Avg. Trade Payable	7,510	3,231	2.32	2.48	-6.11%	
7	Trade Receivable Turnover Ratio = Credit Sales / Avg. Receivable	18,885	11,289	1.67	2.43	-31.13%	During the year, the proportion of sales of the Company in the local market has increased significantly. The credit cycle in the local market is higher than that in the exports and accordingly the trade receivable turnover ratio has reduced during the year.
8	Net Capital Turnover Ratio = Net Sales / Avg. Working Capital	18,885	10,538	1.79	2.06	-13.20%	
9	Net Profit Ratio = Net Profit / Net Sales	741	18,885	3.92%	3.14%	24.76%	
10	Return on Capital Employed = EBIT / Capital Employed	3,207	44,990	7.13%	3.92%	81.76%	During the year, the Company has earned higher margins on its orders which has resulted in improved profitability and generated better returns resulting in an increase in the Return on Capital Employed Ratio.
11	Return on Investment = Income generated from investments / Average Investments	46	582	7.98%	5.73%	39.34%	The company had redeemed some of its investments which during the previous year. This resulted in lower base for the average investments. Combined with the general improvement in market returns, the Return on Investment ratio has improved during the year.

**For Jayesh Dadia & Associates LLP**  
Chartered Accountants  
Firm Registration Number : 121142W/W100122

**For and on behalf of the Board of Directors**

**Asit D Javeri**  
Executive Chairman

**Priyam S Jhaveri**  
Director

**Jayesh Dadia**  
Partner  
Membership Number : 033973

**Abhishek A Javeri**  
Managing Director

**Rakesh Kothari**  
Chief Financial Officer

**Smt. Seema A Javeri**  
Executive Director-  
Administration

**Nitin R Jani**  
Company Secretary

Place : Mumbai  
Date : 17th May 2024



**INDEPENDENT AUDITORS' REPORT**  
**To the Members of Sadhana Nitro Chem Limited**

**Report on the Consolidated Financial Statements**

**Opinion**

We have audited the consolidated financial statements of Sadhana Nitro Chem Limited (hereinafter referred to as the 'Company' or 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March, 2024, 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 subsidiary as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAS) specified under Section 143(10) of the Act. Our responsibilities under those SAS are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained by us and the audit evidence obtained by other auditors in thereon in terms of their report referred to in other matters section below is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

**Key Audit Matters**

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

The Key Audit Matter	How the matter was addressed in our audit
Recognition, Measurement, Presentation and disclosures of lease transactions in accordance with Ind-As 116 "Leases"	
<p>As described in note no. 2.5 to the consolidated financial statements, the Holding Company has adopted IND AS 116 Leases (Ind-AS 116) for accounting its lease transactions. The application of this accounting standard is an area of focus in our audit since the holding company has taken various premises and items of property, plant &amp; equipment under lease arrangements with different contract terms.</p> <p>Ind-As 116 introduced a new lease accounting model, wherein a lessee is required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payment during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgement &amp; estimates including</p>	<p>Our audit procedures on compliance with IndAs 116 include:</p> <ul style="list-style-type: none"> <li>Assessed the Holding Company's evaluation on the identification of leases based on the contractual agreements;</li> <li>Assessed the reasonableness of the discount rates applied in determining the lease liabilities.</li> <li>Tested completeness of the lease data by reconciling the Holding Company's operating lease commitments to data used in computing ROU asset and the lease liabilities.</li> <li>Assessed and tested the presentation and disclosures relating to Ind-As 116 including disclosures relating to transactions.</li> </ul>

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

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including



Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders information, but does not include the consolidated financial statements and our auditors' report thereon. The Holding Company's Annual report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management & Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(f) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and such companies incorporated in India which are its subsidiary companies have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related



disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Company and its subsidiary) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

- (a) We did not audit the financial statements of one wholly owned subsidiary, located outside India, included in these consolidated financial statements of the Group. This subsidiary accounts for total assets of Rs. 2,729.79 Lakhs as at 31st March, 2024, total revenue of Rs. 3,227.53 Lakhs and a net loss after amounting to Rs. 86.78 Lakhs for the year ended on that date. These financial statements have been audited for the calendar year ended 31st December, 2023 by other auditors whose reports have been furnished to us by the Holding Company's management. Further the accounts of the subsidiary have been drawn upto 31st March, 2024 and have been approved by the management and not subjected to audit.

This subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures





included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit reports of other auditors for the calendar year ended 31<sup>st</sup> December, 2023 and management accounts drawn upto 31<sup>st</sup> March, 2024.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiary 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 except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit & Auditors) Rule, 2014.
  - 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 31<sup>st</sup> March, 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of internal financial Controls with reference to the Consolidated Financial Statements which include a subsidiary company incorporated outside India (to whom reporting on internal financial control is not applicable), and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - h. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act. The remuneration paid to any director is not in excess of the limits laid down under Section 197 read with Schedule V of the Act.
  - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 subsidiary, as noted in the 'Other Matters' paragraph:
    - i. The consolidated financial statements disclose the impact of pending litigations as at 31<sup>st</sup> March, 2024 on the consolidated financial position of the Group. Refer Note No. 30 to the consolidated financial statements.
    - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.



- iii. There has not been any occasion in case of the Group during the year under report to transfer any sums to the Investor Education and Protection Fund. Therefore, the question of delay in transferring such sums does not arise.
- iv. (a) The Management of the Holding Company has represented that, to the best of its knowledge and belief, as disclosed in the note no. 40 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management of the Holding Company has represented, that, to the best of its knowledge and belief, as disclosed in the note no. 40 to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule II(e), as provided under (a) & (b) above, contain any material misstatement.
- (v) As stated in Note no. 48 to the consolidated financial statements:
- (a) The final dividend proposed in the previous year, declared & paid by the Holding Company during the year is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend.
- (b) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, to the extent it applies to declaration of dividend.
- (vi) The reporting under Rule II(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023

Based on our examination which included test checks, except for the instances as mentioned below, the companies in the Group, incorporated in India, have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

- (a) The feature of recording audit trail (edit log) facility was not enabled in the accounting software for the period from 1st April, 2023 to 15<sup>th</sup> June, 2023.

Further, for the periods after the audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, during the course of our audit, we did not come across any instance of audit trail feature being tampered with once it was implemented.

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

**Jayesh Dadia**  
**Partner**  
**Membership No. 033973**  
**Place of Signature: Mumbai**  
**Date: 17<sup>th</sup> May, 2024**  
**UDIN: 24033973BKCEKS5996**

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT on the consolidated Financial Statements of Sadhana Nitro Chem Limited for the year ended 31st March, 2024**

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanation given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavorable remarks given by the respective auditors in their reports under the companies (Auditor's Report) Order, 2020 (CARO)

Sr. No.	Name of the entities	CIN	Holding Company / Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Sadhana Nitrochem Limited	L24110MH1973PLC016698	Holding Company	Clause vii(b) &

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

Jayesh Dadia  
Partner  
Membership No. 033973  
Place of Signature: Mumbai  
Date: 17<sup>th</sup> May, 2024  
UDIN: 24033973BKCEKS5996

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") referred to in paragraph 1 (f) on Report on Other Legal and Regulatory Requirements of our report****Opinion**

We have audited the internal financial controls over financial reporting of Sadhana Nitro Chem Limited (hereinafter referred to as the "Company/" or "Holding Company") as at 31st March, 2024 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, holding company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2024, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the holding company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the holding company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the holding company.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



### **Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

**Jayesh Dadia**  
**Partner**  
**Membership No. 033973**  
**Place of Signature: Mumbai**  
**Date: 17<sup>th</sup> May, 2024**  
**UDIN: 24033973BKCEKS5996**



Sadhana Nitro Chem Limited				
Consolidated Balance Sheet as at 31st March, 2024				
(Amount in Rs. Lakhs)				
	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>A</b>	<b>ASSETS</b>			
<b>I</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	3	15,190.86	14,334.26
	(b) Intangible Assets	3	397.02	38.50
	(c) Capital work-in-progress	3	5,309.83	2,449.54
	(d) Intangible Assets under developments	3	-	400.55
	(e) Financial Assets			
	(i) Investments	4	-	-
	(ii) Other financial assets	6	391.06	283.84
	(f) Other non current assets	8	5,438.25	2,731.68
	<b>Total Non-current assets</b>		<b>26,727.01</b>	<b>20,238.38</b>
<b>II</b>	<b>Current assets</b>			
	(a) Inventories	9	11472.39	11585.95
	(b) Financial Assets			
	(i) Investments	4	587.10	576.56
	(ii) Trade receivables	10	12622.91	6556.01
	(iii) Cash and cash equivalents	11	18.13	132.92
	(iv) Bank Balances other than (iii) above	12	773.23	763.10
	(v) Loans & Advances	5	102.54	331.38
	(vi) Other financial assets	6	131.29	483.64
	(c) Income Tax Asset		-	469.44
	(d) Other current assets	8	754.15	1472.60
	<b>Total Current Assets</b>		<b>26,461.75</b>	<b>22371.60</b>
	<b>TOTAL</b>		<b>53,188.76</b>	<b>42,609.97</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>I</b>	<b>Equity</b>			
	(a) Equity Share capital	13	2,470.58	2,021.39
	(b) Other Equity	14	20,188.70	20,586.60
	<b>Total Equity</b>		<b>22,659.28</b>	<b>22,607.99</b>
<b>II</b>	<b>Liabilities</b>			
	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	15	12,893.97	5,977.40
	(ia) Lease Liabilities	16	688.31	247.96
	(b) Provisions	17	567.47	474.43
	(c) Deferred Tax Liabilities	7	596.58	527.77
	<b>Total Non current liabilities</b>		<b>14,746.32</b>	<b>7,227.56</b>
<b>III</b>	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	15	9,178.77	7208.42
	(ia) Lease Liabilities	16	502.64	441.85
	(ii) Trade payables	18		
	(a) Due to micro & small enterprises		152.12	206.53
	(b) Due to other than micro & small enterprises		3,172.56	3140.99
	(iii) Other financial liabilities	19	1,923.12	1182.44
	(b) Provisions	17	50.21	74.61
	(c) Income Tax Liabilities		234.43	-
	(d) Other current liabilities	20	569.31	519.60
	<b>Total Current liabilities</b>		<b>15,783.15</b>	<b>12,774.43</b>
	<b>TOTAL</b>		<b>53,188.76</b>	<b>42,609.97</b>

The accompanying notes are an integral part of the Consolidated financials statement (refere Notes 1-51)  
As per our report of even date attached

**For Jayesh Dadia & Associates LLP**  
Chartered Accountants  
Firm Registration Number : 121142W/W100122

**Jayesh Dadia**  
Partner  
Membership Number : 033973

Place : Mumbai  
Date : 17th May, 2024

**For and on behalf of the Board of Directors**

**Asit D Javeri**  
Executive Chairman

**Abhishek A Javeri**  
Managing Director

**Smt. Seema A Javeri**  
Executive Director  
Administration

**Priyam S Jhaveri**  
Director

**Rakesh Kothari**  
Chief Financial Officer

**Nitin R Jani**  
Company Secretary



**Sadhana Nitro Chem Limited**  
**Statement of Consolidated Profit and loss for the year ended 31st March 2024**

(Amount in Rs. Lakhs)

	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
(I)	<b>INCOME</b>			
	Revenue from operations	21	19,004.73	14,333.47
	Other Income	22	395.97	179.22
	<b>Total Income</b>		<b>19,400.69</b>	<b>14,512.69</b>
(II)	<b>Expenses</b>			
	Cost of raw materials & packing materials consumed	23	7,937.74	8,078.11
	Changes in inventories of finished goods and work-in-progress	23	527.35	(1,072.99)
	Employee benefits expense	24	2,242.11	1,719.82
	Finance costs	25	1,728.81	976.11
	Depreciation and amortization Expenses	3	1,491.17	760.50
	Other expenses	26	4,190.69	3,486.04
	<b>Total expenses</b>		<b>18,117.88</b>	<b>13,947.59</b>
(III)	Profit before exceptional items and tax		<b>1,282.81</b>	<b>565.10</b>
	Exceptional Items		-	-
(IV)	Profit Before Tax		<b>1,282.81</b>	<b>565.10</b>
(V)	Tax expense:			
	Current tax		336.05	89.83
	Prior period short / (excess) provision of tax		470.56	(0.93)
	Deferred tax		68.03	158.39
	<b>Total Tax Expense</b>		<b>874.64</b>	<b>247.28</b>
(VI)	Profit for the year		<b>408.17</b>	<b>317.82</b>
(VII)	Other Comprehensive Income/(Expense) (net off tax)			
	(i) <u>Items that will not be re-classified subsequently to profit or loss</u>			
	Re-measurement on defined benefit plans		(27.69)	9.40
	Change in Fair value of Current Investments through other comprehensive income		30.02	12.72
	Realised gains on Investments classified as FVOCI		1.77	12.25
(VIII)	Total Other Comprehensive Income		<b>4.10</b>	<b>34.36</b>
(IX)	Total Comprehensive Income		412.27	352.18
(X)	<b>Earnings per equity share (Rs)</b>	28		
	(1) Basic EPS [Face Value Rs. 1 Per Share (P.Y Rs. 1 Per Share)]		0.17	0.13
	(2) Diluted EPS [Face Value Rs. 1 Per Share (P.Y Rs. 1 Per Share)]		0.17	0.13

The accompanying notes are an integral part of the Consolidated financials statement (refer Notes 1-49)  
As per our report of even date attached

**For Jayesh Dadia & Associates LLP**  
Chartered Accountants  
Firm Registration Number : 121142W/W100122

**Jayesh Dadia**  
Partner  
Membership Number : 033973

Place : Mumbai  
Date : 17th May, 2024

**For and on behalf of the Board of Directors**

**Asit D Javeri**  
Executive Chairman

**Abhishek A Javeri**  
Managing Director

**Smt. Seema A Javeri**  
Executive Director  
Administration

**Priyam S Jhaveri**  
Director

**Rakesh Kothari**  
Chief Financial Officer

**Nitin R Jani**  
Company Secretary



**Sadhana Nitro Chem Limited**  
**Consolidated Statement of Cash Flows for the year ended 31st March 2024**

(Amount in Rs. Lakhs)

Particulars	for the period ended March 31, 2024		for the period ended March 31, 2023	
A. Cash flow from operating activities				
Profit before tax		1,282.81		565.10
Adjustments for:				
Depreciation and amortisation expenses	1,491.17		760.50	
Interest on Lease Liability	80.95		96.37	
Interest expenses	1,598.43		694.32	
Interest Income	(71.52)		(74.76)	
Unrealised Foreign Exchange (Gain)/Loss	10.93		(17.81)	
(Gain) / Loss on Fair Valuation of Forward Contracts	(32.79)		60.30	
Sundry balance Written back	(214.60)		(23.30)	
Surplus / (Deficit) share in profit of subsidiary on audit of its accounts for the previous year	-		(0.04)	
Provision for Doubtful Debts/ Bad Debts	37.30		12.80	
Notional Interest & Rent on Deposits	(1.21)		(0.85)	
(Gain) / Loss on Fair Valuation of Lease Liability	10.47		(54.41)	
Sundry Balances Written off	11.68		36.82	
Profit on sale of Assets	(0.02)			
Reversal of Provision for diminution in value of investments	(5.08)		-	
		<b>2,915.72</b>		<b>1,489.94</b>
Operating profit / (loss) before working capital changes		<b>4,198.53</b>		<b>2,055.04</b>
Changes in working capital:				
Inventories	113.55		(1,522.10)	
Trade receivables	(6,044.42)		2,563.00	
Loans & Advances	(21.46)		10.68	
Other Current Assets & financial assets	934.12		(12.12)	
Trade Payables	178.96		(1,044.79)	
Other Liabilities	439.98		(15.21)	
Provisions	31.63		(74.04)	
		<b>(4,367.65)</b>		<b>(5,330.57)</b>
Cash generated from operations		<b>(169.12)</b>		<b>(3,275.52)</b>
A. Direct Taxes (Paid)		(103.05)		(506.00)
Net cash flow from / (used in) operating activities (A)		<b>(272.17)</b>		<b>(3,781.53)</b>
B. Cash flow from / (used in) investing activities				
Purchase Of Property, plant and equipment	(6,578.02)		(4,830.16)	
Proceeds from sale of fixed assets	0.04		-	
Redemption/(investment) in margin deposits	2.45		(572.01)	
Repayment received for loans given	-		-	
(Acquisition)/Sale of Investment(Net)	36.74		115.35	
Interest received	53.26		8.15	
		<b>(6,485.54)</b>		<b>(5,278.67)</b>
Net cash flow from / (used in) investing activities (B)		<b>(6,485.54)</b>		<b>(5,278.67)</b>
C. Cash flow from / (used in) financing activities				
Borrowings - Net of Repayment	6,916.56		2,517.50	
Short Term Borrowings -Net of Repayment	(552.68)		(1,132.75)	
Interest Paid	(1,260.61)		(583.44)	
Money received against share warrant	-		7,500.00	
Dividend paid including dividend distribution tax	(366.32)		(293.43)	
Funds raising Expense	-		(350.00)	
Payment towards lease liabilities	(585.63)		(493.96)	
		<b>4,151.33</b>		<b>7,163.93</b>
Net cash flow from / (used in) financing activities (C)		<b>4,151.33</b>		<b>7,163.93</b>
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		<b>(2,606.38)</b>		<b>(1,896.27)</b>
Cash and cash equivalents at the beginning of the year		(1,337.16)		559.10
Cash and cash equivalents at the end of the year		<b>(3,943.55)</b>		<b>(1,337.16)</b>





**Sadhana Nitro Chem Limited**  
**Consolidated Statement of Cash Flows for the year ended 31st March 2024**

(Amount Rs. In Lakhs)

Particulars	for the period ended March 31, 2024	for the period ended March 31, 2023
Cash and Cash equivalent as per above comprises of the following		
Cash and cash equivalent as per Note 11		
- cash in hand	2.04	1.16
- Balances with Banks (on current accounts)	16.09	131.77
	18.13	132.92
- Bank overdraft / cash credit (Note 15)	(3,961.67)	(1,470.09)
Balance as per statement of cash flows	<b>(3,943.55)</b>	<b>(1,337.16)</b>
Figures in brackets represent outflows		

## Notes :

1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
2. Addition to property, plant and equipment include movements of capital work progress during the year.

**As per our report of even date attached**

**For Jayesh Dadia & Associates LLP**  
**Chartered Accountants**

Firm Registration Number :121142W/W100122

**Jayesh Dadia**  
 Partner

Membership Number : 033973

Place : Mumbai  
 Date : 17th May, 2024

**For and on behalf of the Board of Directors**

**Asit D Javeri**  
 Executive Chairman

**Priyam S Jhaveri**  
 Director

**Abhishek A Javeri**  
 Managing Director

**Rakesh Kothari**  
 Chief Financial Officer

**Smt. Seema A Javeri**  
 Executive Director  
 Administration

**Nitin R Jani**  
 Company Secretary

**Sadhana Nitro Chem Limited**  
**Consolidated Statement of Changes in Equity for the year ended 31st March, 2024**

A)		Equity Share Capital		Amount in Rs.Lakhs							
<b>Balance As April 01, 2022</b>				1,956.18							
Issue of Equity shares on preferential basis (65,20,606 No of equity shares of Rs 1 Each)				65.21							
<b>Balance at March 31, 2023</b>				2,021.39							
Issue of Bonus Shares (4,49,19,719 of equity shares of Re 1 Each)				449.20							
<b>Balance at March 31, 2024</b>				<b>2,470.58</b>							
B)											
Change In Other Equity											
(Amount in Rs. Lakhs)											
Particulars	Equity Share Capital Subscribed	General reserve	Capital Redemption Reserve	Capital reserve	Transition reserve	Securities Premium	Foreign Currency Translation Reserve	Retained earnings	Other Comprehensive Income	Other Equity	Total Equity
Balance as at April 1, 2022	1956.18	1333.30	34.10	2.49	884.49	-	-	9,290.91	15.92	14,061.21	16,017.39
Profit for the year	-	-	-	-	-	-	-	317.82	34.36	317.82	317.82
Other Comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	34.36	34.36
Total comprehensive income	-	-	-	-	-	-	-	317.82	34.36	352.18	352.18
Less: loss of Spidigo Net Spidigo Private Limited Observed on Merger	-	-	-	-	-	-	-	(636.23)	-	(636.23)	(636.23)
Less: Dividend Paid	-	-	-	-	-	-	-	(293.43)	-	(293.43)	(293.43)
Less: Fund Raise Expenses	-	-	-	-	-	-	-	(350.00)	-	(350.00)	(350.00)
Dividend declared by subsidiary	-	-	-	-	-	-	-	-	-	4.58	4.58
Proceeds from issue of Equity Shares	65.21	-	-	-	-	9,934.80	-	-	-	9,934.80	10,000.00
Less: Good will on Consolidation reserved on account of merger of subsidiary	-	-	-	-	-	-	13.49	-	-	(2500.00)	(2500.00)
Add/(Less) Foreign Currency Monetary item translation difference account	-	-	-	-	-	-	-	4.58	-	13.49	13.49
Add: Dividend declared by the Subsidiary	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 st March 2023</b>	<b>2,021.39</b>	<b>1,333.30</b>	<b>34.10</b>	<b>2.49</b>	<b>884.49</b>	<b>9,934.80</b>	<b>13.49</b>	<b>8,333.65</b>	<b>50.28</b>	<b>20,586.60</b>	<b>22,607.99</b>

**Sadhana Nitro Chem Limited**  
**Consolidated Statement of Changes in Equity for the year ended 31st March, 2024**

(Amount Rs. In Lakhs)

Particulars	b) Other Equity										Total Equity
	a) Equity Share capital	Equity Share Capital Subscribed	General reserve	Capital Redemption Reserve	Capital reserve	Transition reserve	Securities Premium	Foreign Currency Translation Reserve	Retained earnings	Other Comprehensive Income	
Balance as at April 1, 2023	2,021.39	1,333.30	34.10	2.49	884.49	9,934.80	13.49	8,333.65	50.28	20,586.60	22,607.99
Profit for the year	-	-	-	-	-	-	-	408.17	-	408.17	408.17
Other Comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	4.10	4.10	4.10
Total comprehensive income	-	-	-	-	-	-	-	408.17	4.10	412.27	412.27
Less: Dividend Paid	-	-	-	-	-	-	-	370.59	-	370.59	370.59
Dividend Declared By Subsidiary	-	-	-	-	-	-	-	4.26	-	4.26	4.26
Proceeds from issue of Equity Shares	449.20	-	(34.10)	-	-	(415.10)	-	-	-	(449.20)	-
Add: Issue Of Bonus Share	-	-	-	-	-	-	-	-	-	-	-
Add / (Less): Foreign Currency monetary item translation difference account	-	-	-	-	-	-	5.35	-	-	-	-
Balance as at 31 st March 2023	2,470.58	1,333.30	-	2.49	884.49	9,519.70	18.84	8,375.50	54.37	20,188.70	22,659.28

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

**Jayesh Dadia**  
Partner  
Membership Number : 033973

Place : Mumbai  
Date : 17th May, 2024

**For and on behalf of the Board of Directors**

**Asit D Javeri**  
Executive Chairman

**Abhishek A Javeri**  
Managing Director

**Smt. Seema A Javeri**  
Executive Director  
Administration

**Priyam S Jhaveri**  
Director

**Rakesh Kothari**  
Chief Financial Officer

**Nitin R Jani**  
Company Secretary



**Sadhana Nitro Chem Limited**  
**Notes forming part of Consolidated financial statements for 31st March, 2024**

## 1. CORPORATE INFORMATION

### 1.1 Nature of Operations

Sadhana Nitro Chem Limited (the Parent Company) was incorporated on July 21, 1973. The Group is engaged in Manufacturing of chemical intermediates, heavy organic chemicals and performance chemicals and wireless network equipment and services. As on 31st March, 2024 Manekchand Panachand Trading Investment Company Pvt Ltd, holding company owned 61.91 % of the parent company's equity share capital. The parent company's shares are listed on the Bombay Stock Exchange (BSE). The consolidated financial statements comprises financials of the parent company and its subsidiaries (referred to collectively as "the Group")

### 1.2 Statement of Compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the "Act") and other relevant provisions of the Act. These consolidated financial statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Company's annual report date, March 31, 2024 These consolidated financial statements were authorized for issuance by the Company's Board of Directors on 17th May, 2024

## 2. SIGNIFICANT ACCOUNTING POLICIES:

### 2.1 Basis of preparation and presentation

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

### 2.2 Principles of Consolidation

- 2.2.1 Subsidiaries are entities controlled by the Parent Company. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The financial statements of the subsidiaries are included in the consolidated Ind AS financial statements from the date on which control commences until the date on which the control ceases
- 2.2.2 The consolidated Ind AS financial statements comprise of the financial statement of the Parent Company and its subsidiaries referred herein in Para 2.2.9 below. The financial statements of the Parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra group transactions and unrealized profits resulting there from and are presented to the extent possible, in the same manner as the Group's independent financial statements
- 2.2.3 In case of foreign subsidiary, revenue items are converted at the average rates prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the "Foreign Currency Translation Reserve".
- 2.2.4 The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Parent Company i.e., year ended March 31, 2024
- 2.2.5 Non-controlling interests (NCI) in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.
- 2.2.6 Non-controlling interests in the net assets of consolidated subsidiaries consists of:
- The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
  - The non-controlling interests' share of movements in equity since the date parent subsidiary relationship came into existence.
  - The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Statement of Profit and Loss and Statement of Changes in Equity.



### 2.2.7 Loss of Control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in the Statement of Profit & Loss

### 2.2.8 Goodwill

Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deduction for liabilities, calculated on the date of acquisition. Goodwill is deemed to have an indefinite useful life and is reported at the acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Statement of Profit & Loss.

### 2.2.9 The subsidiary companies/entities considered in the consolidated financial statements are:

- (a) Anuchem BVBA, Belgium - Wholly Owned Subsidiary

## 2.3 Use of estimate

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

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

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

### Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

### Valuation of deferred tax assets & Liabilities

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

### Provisions and contingent liabilities

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

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

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

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.



#### Fair value measurements and valuation processes

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

In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the company engages third party qualified valuers to perform the valuation. The qualified external valuers establish the appropriate valuation techniques and inputs to the model. The external valuers report to the management of the Company their findings for every reporting period to explain the cause of fluctuations in the fair value of the assets and liabilities.

## **2.4 Revenue Recognition**

### **i. Sale of goods**

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

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

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

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

### **ii. Other Income**

- a. Dividend income from investments is recognised when the shareholder's right to receive payment has been established which is when the shareholders approve the dividend. (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).
- b. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## **2.5 Leases**

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

### **Group as a lessee**

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

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the company is reasonably certain to exercise that option and



payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

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

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

## 2.6 Foreign Currency Transactions & Translations

The functional currency of the Group is Indian rupee.

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

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

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

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

## 2.7 Borrowing Costs

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

## 2.8 Government grants

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

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

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

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets is accounted for as deferred income. The grant is recognised as income over the life of a depreciable asset by accounting deferred income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

### (iii) Export Incentives

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

## 2.9 Employee benefits

### (1) Defined Contribution Plan:

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

### (2) Defined Benefit Plan:

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

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



or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
  - net interest expense or income; and
  - remeasurement.
- (i) **Gratuity:** The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with Life Insurance Corporation for future payment of gratuity to the eligible employees.
- (ii) **Compensated Absences:** The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve month is treated as long-term employee benefit which are provided based on the number of days of un utilised compensated absence on the basis of an independent actuarial valuation.

## 2.10 Taxation

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

### Current income tax

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

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis

Taxes Paid include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as advance tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

### Deferred income taxes

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

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

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

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

## 2.11 Property, Plant and Equipment

Property, plant and equipment held for use in production or supply of goods or services or for administrative purposes





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

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

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

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

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

Freehold land is not depreciated.

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

## 2.12 Intangible Assets

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

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

## 2.13 Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

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

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

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



#### 2.14 Inventories

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

#### 2.15 Financial instruments

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

##### Cash and cash equivalents

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

##### Financial assets at amortised cost

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

##### Financial assets at fair value through other comprehensive income

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

##### Financial assets at fair value through profit or loss

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

##### Investment in subsidiaries

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

##### Financial liabilities

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

##### Financial guarantee contracts:

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

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

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

##### Equity instruments

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

##### Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior



management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

#### **Offsetting of financial instruments**

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

#### **2.16 Earnings Per Share (EPS)**

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

#### **2.17 Cash flow statement**

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

#### **2.18 Current/Non-Current Classification**

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

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

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

All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

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

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents.

The Company has identified 12 months as its operating cycle.

#### **2.19 Share Capital**

##### **Ordinary Shares**

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

#### **2.20 Fair Value Measurement**

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

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

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

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

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



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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation Techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

#### **Determination of Fair Value**

##### **1) Financial Assets - Debt Instruments at amortized cost**

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

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

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

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

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

##### **4) Equity Instruments at Fair Value through Other Comprehensive Income**

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

##### **5) Financial Liabilities**

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

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

#### **Subsequent Measurement**

##### **Fair value through Profit & Loss**

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

##### **Loans and Borrowings**

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

#### **2.21 Dividend**

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



## 2.22 Segment Reporting

The Group has two operating/reportable segment based on geographical area, i.e. domestic sales and export sales. The operating segments is managed separately as each involves different regulations, marketing approaches and other resources. These operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of segment operating results. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Group uses the same measurement policies as those used in its financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment

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

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

**Sadhana Nitro Chem Limited**  
**Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024**

(Amount Rs. In lakhs)

Particulars	Freehold Land	Factory Buildings	Non factory Buildings	Plant & Equipment	Furniture & Fixtures	Computers	Vehicles	Software	Right To use of assets	Lease Office	Total	Capital work-in-progress	Intangible Under Development
<b>Gross Carrying amount</b>													
Balance as at April 1, 2022	1,651.44	614.85	194.49	4,493.47	31.99	75.98	490.98	110.00	723.52	31.87	8,418.58	6,544.31	305.67
Additions	-	2,589.39	30.17	4,748.93	1.24	2.48	-	-	912.18	-	8,284.40	841.07	94.88
Disposals	-	-	-	-	-	-	-	-	-	-	-	4,935.84	-
Amount capitalized from opening CWIP	-	-	-	442.01	17.89	26.50	-	-	-	-	486.40	-	-
Addition with Merger (Refer Note iii)	-	-	-	9,684.41	51.11	104.97	490.98	110.00	1,635.70	31.87	17,189.38	2,449.54	400.55
Balance as at March 31, 2023	1,651.44	3,204.24	224.66	9,684.41	51.11	104.97	490.98	110.00	1,635.70	31.87	17,189.38	2,449.54	400.55
Additions	-	354.08	123.70	827.48	1.01	4.14	-	400.55	1,023.64	-	2,734.60	2,860.29	-
Disposals (Refer Foot Note iii)	-	-	-	0.04	-	-	-	-	28.29	-	28.33	-	400.55
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition with Merger (Spidigo)	-	-	-	-	-	-	-	-	-	-	-	-	-
(Refer Foot Note iv)	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	1,651.44	3,558.32	348.36	10,511.85	52.12	109.11	490.98	510.55	2,631.05	31.87	19,895.65	5,309.83	-
<b>Accumulated Depreciation</b>													
Balance as at April 1, 2022	-	145.09	27.28	898.84	11.17	50.13	195.98	49.50	326.28	19.12	1,723.39	-	-
Depreciation for the Year	-	51.74	8.63	356.01	4.66	11.30	62.16	22.00	237.63	6.37	760.50	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition on account of Merger (Refer Note iii)	-	-	-	292.66	14.88	25.18	-	-	-	-	332.72	-	-
Balance as at March 31, 2023	-	196.83	35.91	1,547.51	30.71	86.61	258.14	71.50	563.92	25.50	2,816.62	-	-
Additions (Depreciation for the Year)	-	109.33	12.22	547.63	2.54	5.56	61.92	42.03	703.57	6.37	1,491.17	-	-
Disposals (Refer Foot Note iii)	-	-	-	0.02	-	-	-	-	-	-	0.02	-	-
Addition Depreciation on Merger	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	-	306.16	48.13	2,095.13	33.25	92.17	320.06	113.53	1,267.49	31.87	4,307.77	-	-
Net carrying amount													
Balance as at March 31, 2023	1,651.44	3,007.41	188.76	8,136.90	20.41	18.36	232.84	38.50	1,071.78	6.37	14,372.76	2,449.54	400.55
Balance as at March 31, 2024	1,651.44	3,252.16	300.24	8,416.73	18.88	16.93	170.92	397.02	1,363.56	-	15,587.88	5,309.83	-

## Foot Note :

- (i) Plant & Equipment includes Office Equipments
- (ii) Refer Note 15(a)(b) & (d) for information on Property plant & equipment pledged as security by the company.
- (iii) Pursuant to the Scheme of Merger (by absorption) sanctioned by the Honorable National Company Tribunal, Mumbai & Ahmedabad bench vide their orders dated February, 2023 & 24th November, 2021, Spidigo Net Private Limited, a wholly owned subsidiary of the Company, has been merged with the Company with effect from 1st April, 2020 (the appointed date). The Company has accounted for the merger 'pooling of interest method' under which assets, liabilities & reserves of Spidigo Net Private Limited have been recorded in the Company's books at their respective book values as at 01.04.2022. Accordingly, the same have been added to the gross block & accumulated depreciation.
- (iv) During the financial year ended 31st March, 2023, the Company has successfully started its plant for the manufacture & production of Para Amino Phenol (PAP). The Company had initially started the test production under the batch process methodology but subsequently migrated to the continuous process methodology for the commercial production on achieving the desired quality & output levels. Accordingly on the plant being ready for use for commercial production under continuous process the same along with the factory building has been capitalized.





**Sadhana Nitro Chem Limited**  
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

**Capital Work in Progress****The ageing of Capital Work in Progress for Projects**

For the year	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Ended 31.03.2023	2,449.54	841.07	116.01	92.31	1,400.15
Ended 31.03.2024	5,309.83	2,905.18	841.07	116.01	1,447.56

**Ageing of Capital Work in Progress as at 31.03.2024**

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	4,078.33	2,905.18	617.49	97.08	458.58
Projects temporarily suspended	1,231.50	-	223.58	18.93	988.98
<b>Total</b>	<b>5,309.83</b>	<b>2,905.18</b>	<b>841.07</b>	<b>116.01</b>	<b>1,447.56</b>

**Ageing of Capital Work in Progress as at 31.03.2023**

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	1,608.97	841.07	116.01	92.15	559.73
Projects temporarily suspended	840.57	-	-	0.16	840.41
<b>Total</b>	<b>2,449.54</b>	<b>841.07</b>	<b>116.01</b>	<b>92.31</b>	<b>1,400.15</b>

**Intangible Assets Under Development****The ageing of Intangible Assets Under Development**

For the year	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Ended 31.03.2023	400.55	94.88	135.02	130.65	40.00
Ended 31.03.2024	-	-	-	-	-

**Ageing of Intangible Assets Under Development as at 31.03.2024**

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Ageing of Intangible Assets Under Development as at 31.03.2023**

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	400.55	94.88	135.02	130.65	40.00
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>305.67</b>	<b>135.02</b>	<b>130.65</b>	<b>40.00</b>	<b>-</b>



**Sadhana Nitro Chem Limited**  
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

**Note 4 : Investments - Non-Current Investment**

(Amount Rs. In Lakhs)

Sr. No.	Particular	Face Value	As at March 31, 2024		As at March 31, 2023	
			No. of shares	Rs	No. of shares	Rs
	<b>Non-current investments</b>					
	<b>Unquoted</b>					
(i)	Other Investments (At fair value through other comprehensive income)					
	<b>Quoted</b>					
(ii)	Anco Communication Ltd	Rs.10	500	0.72	500	0.72
	Enarai Finance Ltd	Rs.10	3,900	0.78	3,900	0.78
	Indian Extractions Ltd	Rs.10	-	-	18,000	5.08
	Indo-biotech Ltd	Rs.10	5,000	1.91	5,000	1.91
	First object Technoliges Ltd	Rs.10	2,000	0.81	2,000	0.81
	Maxworth orchards Ltd	Rs.10	1,300	0.13	1,300	0.13
	Ojas Technochem Products Ltd		5,000	1.31	5,000	1.31
			<b>17,700</b>	<b>5.67</b>	<b>35,700</b>	<b>10.75</b>
	Less: Provision for decline other than temporary, in value of non current investments		-	5.67	-	10.75
	<b>Total (B)</b>			-		-
	<b>Total (A+B)</b>			-		-
	Footnotes :					
	(i) Aggregate cost of quoted investments		-	-	-	10.75
	(ii) Aggregate market value of quoted investments		-	5.67	-	-
	(iii) Aggregate value of unquoted investments		-	-	-	-
	(iv) Aggregate amount of impairment in value of investments		-	5.67	-	10.75

**Note 4 : Current Investments**

(Amount Rs. In Lakhs)

Sr. No.	Particular	As at March 31, 2024		As at March 31, 2023	
		No. of Unit	Rs	No. of Unit	Rs
(i)	Investments measured at fair value through other comprehensive income				
	<b>In Mutual Fund</b>				
	<b>Quoted</b>				
	HSBC Low Duration Fund-Growth (Formerly known as L&T Low Duration Fund)	12,98,141	303.47	12,98,141	312.18
	HDFC Long Duration Growth	6,62,552	283.63	6,62,552	264.38
	Aditya Birla Sun Life Low Duration Fund		-		-
	<b>Total</b>		<b>587.10</b>		<b>576.56</b>
	(i) Aggregate cost of quoted investments		423.67		552.57
	Aggregate market value of quoted investments		587.10		576.56

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

**Note 5: Loans**

(Amount Rs. In Lakhs)

Sr. No.	Particular	As at March 31, 2024	As at March 31, 2023
	<b>Non Current Loans</b>	-	-
	<b>Current Loans</b>		
	<b>(Unsecured Considered Good, unless otherwise stated)</b>		
(i)	Loan to staff	47.54	26.08
	<b>(Secured, Considered Good)</b>		
(ii)	Inter Corporate Deposits	55.00	305.30
	<b>Total</b>	<b>102.54</b>	<b>331.38</b>





**Sadhana Nitro Chem Limited**  
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

**Note 6: Other financial assets**

(Amount Rs. In Lakhs)

Sr. No.	Particular	As at March 31, 2024	As at March 31, 2023
	<b>Non Current (Unsecured, Considered Goods)</b>		
	Security Deposits with Public Bodies and others	391.06	283.84
	<b>Total</b>	<b>391.06</b>	<b>283.84</b>
	<b>Current Financial Assets (Considered Goods)</b>		
	(i) Interest Accrued on Inter Corporate Deposits	28.65	59.86
	(ii) Interest Accrued on Bank Deposits	23.62	23.08
	(iii) Other receivable	17.31	30.29
	(iv) Advance to Vendors	61.72	370.41
	<b>Total</b>	<b>131.29</b>	<b>483.64</b>

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

(Amount Rs. In Lakhs)

Sr. No.	Particular	As at March 31, 2024	As at March 31, 2023
	<b>Deferred Tax Liability</b>		
(i)	Depreciation on fixed assets	727.37	562.85
(ii)	Fair Valuation	56.35	114.87
	Gross Deferred Tax Liability	<b>783.72</b>	<b>677.72</b>
	<b>Deferred Tax Asset</b>		
(i)	Employee Benefit obligations	(172.40)	(146.72)
(ii)	Other disallowable expenses	(14.75)	(3.23)
	Gross Deferred Tax Asset	<b>(187.15)</b>	<b>(149.96)</b>
	<b>Net Deferred Tax Liability/(Asset)</b>	<b>596.58</b>	<b>527.77</b>

**Movement in Deferred Tax during the year**

(Amount Rs. In Lakhs)

For the year ended March 31, 2024	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Deferred Tax Liability				
Plant Property Equipment	562.85	164.52	-	727.37
Fair Valuation	114.87	(48.42)	(10.10)	56.35
<b>Gross Deferred Tax Liability (1)</b>	<b>677.72</b>	<b>116.10</b>	<b>(10.10)</b>	<b>783.72</b>
Deferred Tax Asset				
Employee Benefit obligations	(146.72)	(34.99)	9.31	(172.40)
Other Disallowable Expenses	(3.23)	(11.51)	-	(14.75)
<b>Gross Deferred Tax Asset (2)</b>	<b>(149.96)</b>	<b>(46.51)</b>	<b>9.31</b>	<b>(187.15)</b>
<b>Net Deferred Tax Liability/(Asset) (1-2)</b>	<b>527.77</b>	<b>69.59</b>	<b>(0.78)</b>	<b>596.58</b>



**Sadhana Nitro Chem Limited**  
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

**Note 8: Other Assets**

(Amount Rs. In Lakhs)

Sr. No.	Particular	As at March 31, 2024	As at March 31, 2023
	<b>Non Current Other Assets</b>		
(i)	Capital advance	5,438.25	2,731.68
	<b>Total</b>	<b>5,438.25</b>	<b>2,731.68</b>
	<b>Current Other Assets</b>		
(i)	Balance with Statutory/Revenue Authorities	663.48	1,413.73
(ii)	Prepaid Expenses	90.67	58.87
	<b>Total</b>	<b>754.15</b>	<b>1,472.60</b>

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

(Amount Rs. In Lakhs)

Sr. No.	Particular	As at March 31, 2024	As at March 31, 2023
	<b>Valued &amp; certified by the Management</b>		
(i)	Raw materials (Include Packing Materials)	2,405.42	2,083.35
(ii)	Work-in-progress	2,409.85	2,661.22
(iii)	Finished Goods	5,788.67	6,064.15
(iv)	Goods in Transit (Raw Material)	137.61	23.66
(v)	Stores & Spares	724.47	730.96
(vi)	Others (Fuel, scrap, etc.)	6.37	22.61
	<b>Total</b>	<b>11,472.39</b>	<b>11,585.95</b>

**Note 10: Trade receivables**

(Amount Rs. In Lakhs)

Sr. No.	Particular	As at March 31, 2024	As at March 31, 2023
	<b>Unsecured, Undisputed</b>		
(i)	Considered good	12,622.91	6,536.10
(ii)	Considered doubtful	53.98	37.48
		<b>12,676.90</b>	<b>6,573.58</b>
	Less : Allowance for doubtful debts	<b>(53.98)</b>	<b>(17.57)</b>
	<b>Total</b>	<b>12,622.91</b>	<b>6,556.01</b>

**Footnotes :**

- Trade receivables are dues in respect of goods sold in the normal course of business.
- The normal credit period allowed by the company ranges from 60 to 90 days.
- Refer Note no 15C(d) for information on Trade Receivables mortgaged as security for borrowings .
- Refer note no 26(i) for Credit Risk

	<b>Ageing of Trade Receivables</b> (Outstanding for following periods from due date of payment)		
	<b>Undisputed Trade Receivables</b>		
	<b>- Considered Good</b>		
	Less than 6 months	9,790.06	5,494.99
	6 months to 1 year	1,981.11	315.90
	1 to 2 years	251.92	579.54
	2 to 3 years	481.99	1.92
	More than 3 years	117.83	143.75
	<b>- Considered doubtful</b>		
	Less than 6 months	-	-
	6 months to 1 year	-	-
	1 to 2 years	-	-
	2 to 3 years	-	-
	More than 3 years	53.98	37.48
	<b>Total</b>	<b>12,676.90</b>	<b>6,573.58</b>



**Sadhana Nitro Chem Limited**  
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

**Note 11: Cash and Cash Equivalents**

(Amount Rs. In Lakhs)

Sr. No.	Particular	As at March 31, 2024	As at March 31, 2023
(i)	Cash in hand	2.04	1.16
(ii)	Balance with bank (in current account)	16.06	131.77
	<b>Total</b>	<b>18.13</b>	<b>132.92</b>

**Note 12: Other Bank Balances**

(Amount Rs. In Lakhs)

Sr. No.	Particular	As at March 31, 2024	As at March 31, 2023
(i)	Call and short term deposit accounts Deposits (under lien) with original Maturity <12 Months [Refer note below]	750.00	752.00
(ii)	Dividend Accounts	24.00	11.00
	<b>Total</b>	<b>773.00</b>	<b>763.00</b>

**Footnotes:**

- (i) Deposit with carrying amount of Rs 7.50/- Lakhs (31st March 2023 Rs 13.00/- Lakhs) are subject to first charge against bank guarantees.
- (ii) Deposit with carrying amount of Rs. 50.00/- Lakhs(31st March 2023 Rs 50.00/- Lakhs) has been given as a security deposit to the Ministry of Pharmaceuticals, Chemicals & Fertilizers towards the PLI Scheme
- (iii) Deposit with carrying amount of Rs. 110.79/- Lakhs ( 31st March 2023 Rs. 110.79/- Lakhs) has been given as a security deposit to Northern Arc Pvt Ltd against the borrowing of Rs. 10 crores from them.
- (iv) Deposit with carrying amount of Rs. 247.37/- Lakhs( 31st March 2023 Rs. 238.23/- Lakhs) has been given as a security deposit to Vivriti Capital Pvt Ltd against the borrowing of Rs. 20 crores from them.
- (v) Deposit with carrying amount of Rs. 331.34 /- (31st March 2023 Rs 328.82/- Lakhs) has been given as a security against Overdraft facility and Term Loan facilities availed from them.

**Note 13: Equity Share Capital**

(Amount Rs. In Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
	<b>Authorised Capital:*</b> 60,00,00,000 Equity Shares of Rs.1/- each (March 31, 2023: 30,00,00,000 Equity Shares of Rs 1/- each)	6,000.00	3,000.00
		<b>6,000.00</b>	<b>3,000.00</b>
	<b>Issued Subscribed &amp; Paid up:</b> 24,70,58,452. Equity Shares of Rs.1/- each fully paid (Refer note no (i) below) (March 31, 2023 20,21,38,735 Equity Shares of Rs 1/- each) (Refer note no (ii) below)	2,470.58	2,021.39
		-	-
	<b>Total</b>	<b>2,470.58</b>	<b>2,021.39</b>

**Footnotes:Footnotes:**

- (i) During the year ended 31st March, 2024, the Company has issued and allotted 4,49,19,719 equity shares of Re. 1/- each to eligible shareholders of equity shares on the book closure date (i.e. 5th July, 2023) as fully paid up bonus equity shares by capitalizing reserves
- (ii) The company has converted 65,20,606 share warrants into equivalent no of equity shares of Rs 1 each at a premium of Rs 152.36 /- per equity shares on preferential basis during the year ended 31-03-2023 .These shares are under lock -in for a period of one year from the date of issue and consequently restricted for transfer.
- (iii) During the year ended 31st March, 2022, the Company has issued and allotted 5,58,90,894/- equity shares of Re. 1/- each to eligible shareholders of equity shares on the book closure date (i.e. 19th July, 2021) as fully paid up bonus equity shares by capitalizing reserves.
- (iv) During the year ended 31st March, 2021, the Company has issued and allotted 4,65,75,745/- equity shares of Re. 1/- each to eligible shareholders of equity shares on the book closure date (i.e. 17th September, 2020) as fully paid up bonus equity shares by capitalizing reserves.



**Sadhana Nitro Chem Limited**  
**Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024**

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Equity Share		Equity Share	
	No. of Shares	Amount in Rs. Lakhs	No. of Shares	Amount in Rs. Lakhs
<b>Equity</b>				
No of shares outstanding at the beginning of the year	20,21,38,735	2,021.39	19,56,18,129	1,956.18
Add: Additional shares issued during the year year			65,20,606	65.21
Add : Increase on account of shares sub -divided during the year (Refer Note no (ii) above)			-	-
Add: Bonus Issue in the ratio 2:9 (Refer Footnote no. (i) above)	4,49,19,717	449.20		
Less: Shares forfeited/Bought back during the year	-	-	-	-
<b>No of shares outstanding at the end of the year</b>	<b>24,70,58,452</b>	<b>2,470.58</b>	<b>20,21,38,735</b>	<b>2,021.39</b>

(b) Terms/Rights attached to Equity shares:

The company has only one class of equity shares having at par value of ₹ 1/- (P.Y. ₹ 1/-)per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the share holders in the ensuing annual general meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to number of shares held by share holder.

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Equity Share		Equity Share	
Equity Shares of Rs. 1/- each (P.Y.Rs. 1/- ) fully paid	No. of Shares	% of Holding	No. of Shares	% of Holding
Manekchand Panachand Trading Investment Co. Pvt Ltd	15,29,58,115	61.91%	12,51,72,831	61.92%
Asit Javeri	46,05,811	1.86%	1,16,91,771	5.78%

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

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Manekchand Panachand Trading Investment Co. Pvt Ltd	15,29,58,115	61.91%	12,51,72,831	61.92%

(e) Details of changes in shareholding of promoters

Particulars	As at March 31, 2024		As at March 31, 2023		Increase / (Decrease) % of holding
	No. of Shares	% of Holding	No. of Shares	% of Holding	
<b>Promoters' Holding (including Promoter Group)</b>					
Manekchand Panachand Trading Investment Co Pvt Ltd	15,29,58,115	61.91%	12,51,72,831	61.92%	-0.01%
Asit A Javeri	46,05,811	1.86%	1,16,91,771	5.78%	-3.92%
Abhishek A Javeri	20,14,729	0.82%	59,02,764	3.02%	-2.20%
Seema A Javeri	4,70,393	0.19%	38,45,867	0.20%	-0.01%

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



**Sadhana Nitro Chem Limited**  
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

**Note 14: Other Equity**

(Amount Rs. In Lakhs)

Sr. No	Particulars	As at March 31, 2023	As at March 31, 2022
	<b>Reserves and Surplus</b>		
(i)	<b>Capital Reserve</b>		
	Opening and Closing balance (CR)	2.49	2.49
	Closing balance	<b>2.49</b>	<b>2.49</b>
(ii)	<b>Capital Redemption Reserve</b>		
	Opening balance (CRR)	34.10	34.10
	Less: Utilized for issued of Bonus shares	(34.10)	-
	Closing balance	-	<b>34.10</b>
(iii)	<b>Securities Premium Account</b>		
	Opening balance	9,934.80	9,934.80
	Less: Utilized for issued of Bonus shares	(415.10)	-
	Closing balance	<b>9,519.70</b>	<b>9,934.80</b>
(iv)	<b>Retained Earnings</b>		
	Opening balance	8,333.65	9,290.91
	Profit for the year	408.17	317.82
	Less: Loss of Spidigo Net Private Limited absorbed on merger		-
	Less: Dividend Paid	(370.59)	(293.43)
	Less: Fund Raising Expense		(350.00)
	Dividend Declared by Subsidiary	4.26	4.58
	Less: Goodwill on Consolidation reversed on account of merger of subsidiary		(636.23)
	Closing Balance	<b>8,375.50</b>	<b>8,333.65</b>
(v)	<b>Other Comprehensive Income</b>		
	Opening Balance	50.28	15.92
	Add: Gain / (Loss) on fair value of Defined Benefit Plan (Net of Tax)	(27.69)	9.40
	Add: Gain / (Loss) on fair valuation of investments	30.02	12.72
	Add: Gain / (Loss) on sale of investments	1.77	12.25
	Closing Balance	<b>54.37</b>	<b>50.28</b>
(vi)	<b>Foreign Currency Translation Reserve</b>		
	Opening Balance	13.49	-
	Add / (Less): Foreign Currency monetary item translation difference account	5.35	13.49
	Closing Balance	<b>18.84</b>	<b>13.49</b>
(vii)	<b>Transition Revaluation Reserve</b>		
	Opening balance (TRR)	884.49	884.49
	Add: Additions		
	Closing balance	<b>884.49</b>	<b>884.49</b>
(viii)	<b>General Reserve</b>		
	Opening balance	1,333.30	1,333.30
	Add: additions	-	-
	Closing Balance	<b>1,333.30</b>	<b>1,333.30</b>
(ix)	<b>Money received against Share Warrant</b>		
	Opening balance	-	2,500.00
	Add : Received during the year	-	-
	Less: Adjusted against conversion into equity shares	-	(2,500.00)
	Closing Balance	-	-
	<b>Total</b>	<b>20,188.70</b>	<b>20,586.60</b>

**Capital Reserve:**

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

**Capital Redemption Reserve**

Capital redemption reserve represents reserve created on redemption of preference shares. It is non distributable reserve. During the year ended March 31, 2024 the company has utilised Rs. 34.10 Lakh whole of reserve towards issue of fully paid up bonus shares.

**Securities Premium Reserve**

Capital redemption reserve represents reserve created on redemption of preference shares. It is non distributable reserve. During the year ended March 31, 2024 the company has utilised part of reserve towards issued of fully paid up bonus shares.



**Sadhana Nitro Chem Limited**  
**Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024**

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

**Transition Revaluation Reserve**

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

**General Reserve**

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

**Note 15 : Borrowings**

(Amount Rs. In Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
	<b>Non Current Borrowings</b>		
(a)	<b>Secured Borrowings:</b>		
(i)	Term loan - Bank (Refer Note 15(a) below)	3,445.35	4,412.21
(ii)	Term Loan - Others (Refer Note 15 (b) below)	2,883.58	3,631.71
		6,328.93	8,043.92
	Less: Current Maturity of Long term borrowings disclosed under the head Short Term Borrowings	2,243.17	2,066.51
(b)	<b>Unsecured Borrowings</b>		
(i)	Loan from Holding Company	1,181.21	-
(ii)	Loan From Director	7,627.00	-
	<b>Balance</b>	<b>12,893.97</b>	<b>5,977.40</b>
	<b>Total</b>	<b>12,893.97</b>	<b>5,977.40</b>
	<b>Current Borrowings</b>		
(a)	<b>Secured Borrowings</b>		
(i)	Working Capital Loan from Banks denominated in [Refer Note (i) and (ii)]		
	Foreign Currency	833.74	1,397.69
	Indian Currency - Overdraft & Cash Credit	3,961.67	1,470.09
	Indian Currency - Export Credit	1,067.52	1,565.48
(b)	<b>Unsecured Borrowings</b>		
(i)	From Financial Institutions	-	-
(ii)	Inter Corporate Deposit [Refer note (d) below]	425.55	331.08
(iii)	Loan From Director	647.11	377.58
(c)	Current Maturity of Long term borrowings disclosed under the head Short Term Borrowings	2,243.17	2,066.51
	<b>Total</b>	<b>9,178.77</b>	<b>7,208.42</b>

**Footnotes:**

- a Term loan from banks & other financial institutions are secured by charge created on plant & machinery, motor vehicles and factory land and building and residential property situated at Roha Raigad. Refer Note (e) below for terms of repayment, rate of interest etc. Further, these loans are secured by a lien on amounts invested in fixed deposits as mentioned in Note No. 12 to these financial statements. Further, these loans are also secured by the personal guarantees of Mr. Asit Javeri & Abhishek Javeri, Chairman and Managing Director, and Corporate guarantee of Manekchand Panachand Trading Investment Co Pvt Ltd, holding company of the Company and shares of the Company held by the holding Company.
- b The company has foreign currency working capital facilities from a Bank at interest rate of 7.75% p.a. These facilities are secured by exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery. Further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantee of Holding Company.
- c Further, the Company has working capital facilities in Indian currency from a banks carrying interest rate ranging between 6.60% to 12.75 % p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116, investments in Mutual Funds and further secured by personal guarantee of Chairman and Managing Director of the company and Corporate guarantee of Manekchand Panachand Trading Investment Co Pvt Ltd, holding company of the Company.
- d Further, the Company has working capital facilities in Indian currency from a bank carrying interest rate ranging between 6.65% to 12.00 % p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116 and further secured by personal guarantee of Chairman and Managing Director of the company
- e Inter Corporate Deposits are carrying interest rate in the range of 10-15% and repayable on or before March 31, 2025.



**Sadhana Nitro Chem Limited**  
**Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024**

e Terms of repayment  
Term Loan - Banks

(Amount Rs. In Lakhs)

Particulars	Rate of Interest	Year of Maturity	March 31, 2024		March 31, 2023	
			No of Installments Left	Amount Outstanding as at March 31, 2024	No of Installments Left	Amount Outstanding as at March 31, 2023
<b>Bank Name</b>						
HDFC Bank	8.50%	2023-24	-	-	2	0.82
HDFC Bank	8.50%	2023-24	-	-	2	0.82
ICICI Bank - ECLGS	9.25%	2025-26	14	233.33	26	433.33
HDFC Bank	9.84%	2033-34	114	273.19	115	1,141.33
HDFC Bank	9.84%	2024-25	4	1,073.99	16	283.62
HDFC Bank	9.25%	2026-27	25	66.75	37	387.00
CSB Bank - ABFL take over	9.60%	2031-32	87	1,798.07	-	-
			<b>Total</b>	<b>3,445.35</b>	<b>Total</b>	<b>2,246.91</b>
			Less : Current maturity of long term borrowings shown	646.64	-	223.54
			in current liabilities	<b>Balance</b>		<b>2,023.37</b>
<b>Term Loan - Others</b>						
<b>Financial institution</b>						
Kotak Mahindra Prime Ltd	9.15%	2023-24	-	-	11	10.95
Kotak Mahindra Prime Ltd	9.15%	2023-24	-	-	11	10.95
Bajaj Finance Ltd	10.70%	2026-27	26	867.70	38	1,212.07
Aditya Birla Finance Ltd - New	13.60%	2033-34	-	-	129	1,938.70
North Arc Capital Ltd - New	15.45%	2025-26	16	543.65	28	874.33
Vivriti Capital Pvt Ltd - Tranche 1	14.80%	2025-26	18	250.00	30	416.67
Vivriti Capital Pvt Ltd - Tranche 2	14.80%	2025-26	18	250.00	30	416.67
Vivriti Capital Pvt Ltd - Tranche 3	14.90%	2025-26	21	291.67	33	458.33
Vivriti Capital Pvt Ltd - Tranche 4	14.75%	2025-26	21	291.67	33	458.33
Vivriti Capital Pvt Ltd - Tranche 5	14.50%	2026-27	28	388.89	-	-
			<b>Total</b>	<b>2,883.58</b>	<b>Total</b>	<b>5,797.00</b>
			Less : Current maturity of long term borrowings shown	1,596.53	-	1,842.97
			in current liabilities	<b>Balance</b>		<b>3,954.03</b>
			<b>Total Balance</b>	<b>4,085.76</b>		<b>5,977.40</b>

**Note 16 : Lease Liabilities**

(Amount Rs. In Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
A	<b>Non Current</b>	688.31	247.96
B	<b>Current</b>	502.64	441.85
	<b>Total</b>	<b>1,190.95</b>	<b>689.80</b>

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

Due to the accounting treatment as per this Standard, the current year profit has been Reduced by Rs. 198.89/- Lakhs (Previous Year profit Increased by Rs. 159.92/- Lakhs)

**Details of Payments to be made towards Lease obligations**

(Amount Rs. In Lakhs)

Particular	As at March 31, 2024	As at March 31, 2023
Lease liability paid during the year	<b>585.63</b>	<b>493.96</b>
Lease liability payable not more than 1 year	<b>626.80</b>	<b>492.90</b>
Lease liability payable not more than 5 year	<b>783.71</b>	<b>239.47</b>



**Sadhana Nitro Chem Limited**  
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

**Note 17: Provisions**

(Amount Rs. In Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
	<b>Non Current</b>		
	<b>Employee Benefit Obligations</b>		
(i)	Compensated absences	210.38	192.20
(ii)	Gratuity (Refer Note No. 29)	357.08	282.23
	<b>Total</b>	<b>567.47</b>	<b>474.43</b>
	<b>Current</b>		
	<b>Employee Benefit Obligations</b>		
(i)	Compensated absences	14.43	37.62
(ii)	Gratuity (Refer Note No. 29)	35.78	36.99
	<b>Total</b>	<b>50.21</b>	<b>74.61</b>
<b>Movement in provisions</b>		<b>Gratuity</b>	
	Opening balance	319.21	317.10
	Add/Less : Provision recognised /(reversed) during the year	73.65	2.12
	Closing balance	<b>392.86</b>	<b>319.21</b>

**Note 18: Trade Payables**

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Micro and Small Enterprises	152.12	206.53
(ii)	Others	3,172.56	3,140.99
	<b>Total</b>	<b>3,324.68</b>	<b>3,347.52</b>
(a)	<b>Ageing of Trade Payables</b> (Outstanding for following periods from due date of payment)		
	i) Micro and Small Enterprises		
	Total outstanding dues of micro enterprise and small enterprises		
	Less than 1 year	105.20	203.91
	1-2 year	46.05	2.62
	2-3 year	0.87	-
	More than 3 years	-	-
	ii) <b>Undisputed</b>		
	Total outstanding dues of creditors other than micro enterprise & small enterprises		
	Less than 1 year	2,790.43	2,631.68
	1-2 year	23.75	179.53
	2-3 year	136.99	42.68
	More than 3 years	221.38	112.93
	iii) <b>Disputed</b>		
	Total outstanding dues of creditors other than micro enterprise & small enterprises		
	Less than 1 year	-	-
	1-2 year	-	-
	2-3 year	-	174.17
	More than 3 years	-	-
	<b>Total</b>	<b>3,324.68</b>	<b>3,347.52</b>





**Sadhana Nitro Chem Limited**  
**Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024**

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

(Amount Rs. In Lakhs)

Particular	As at March 31, 2024	As at March 31, 2023
a) the principal amount and the interest due thereon (to be shown separately)		
- Principal amount due to Micro and small enterprises:	152.12	206.53
- Interest due on above:	14.55	8.55
b) the amount of interest paid by the buyer under MSMED Act,2006 along with the amounts of the payment made to the supplier beyond the appointment day during each accounting year	-	-
c) the amount of interest due and payable for the period(where the principal has been paid but interest under the MSMED Act 2006 is not paid	5.99	6.93
d) the amount of interest accrued and remaining unpaid at the end of accounting year.	14.55	8.55
e) The amount of further interest due and payable even in the succeeding year,until such date when the interest dues as above are actually paid to the small enterprises,for the purpose of disallowances as a deductible expenditure under section 23.	-	-

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

(d) All trade payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note no 26(ii)

**Note 19 : Other financial liabilities**

(Amount Rs. In Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
	<b>Current</b>		
(i)	Interest accrued but not due on borrowings	518.01	180.18
(ii)	Unclaimed Dividend	23.85	11.34
(iii)	Creditors for Capital Expenditure	1,273.51	783.93
(iv)	Advance From Customer	3.13	95.91
(vi)	Other payables	104.62	111.09
	<b>Total</b>	<b>1,923.12</b>	<b>1,182.44</b>

**Note 20 : Other Liabilities**

(Amount Rs. In Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
	<b>Current</b>		
(i)	Statutory Dues	239.57	228.74
(ii)	Employee Dues	329.73	290.86
	<b>Total</b>	<b>569.31</b>	<b>519.60</b>

**Note 21 : Revenue from operation**

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	<b>Sale of Product</b>		
(i)	(a) Chemical Intermediates	18,823.84	14,127.11
	(b) Wireless Network Equipment	51.54	79.32
(ii)	<b>Sale Of Service</b>	-	-
(ii)	<b>Other Operating Revenue</b>		
	(a) Sale of scrap & sales other	5.60	9.41
	(b) Export Benefit	123.74	117.63
	<b>Total</b>	<b>19,004.73</b>	<b>14,333.47</b>



**Sadhana Nitro Chem Limited**  
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

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

**Product wise Detail of Revenue**

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(a)	<b>Sale of product</b>		
	<b>Product Type</b>		
	MAP	8,029.44	8,146.36
	SND 27 (ODB2)	7,644.60	4,125.63
	PAP	2,392.11	663.86
	Other	814.82	1,279.99
	<b>Total</b>	<b>18,880.98</b>	<b>14,215.84</b>

**Note 22: Other Income**

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	<b>Interest income on</b>		
	Bank deposits	35.22	25.05
	Loan to others	36.30	49.71
	Notional Interest	4.06	3.11
(ii)	Foreign Exchange Gain	7.73	20.69
(iii)	Mark To Market Gain of Forward Contracts	32.79	-
(iv)	Miscellaneous Income	60.18	2.96
(v)	Fair Value Lease Liabilities	-	54.41
(vi)	Reversal of Provision in Diminution in value of Investment	5.08	-
(vii)	Sundry liabilities written back	214.60	23.30
	<b>Total</b>	<b>395.97</b>	<b>179.22</b>

**Note 23: Cost of materials and packaging material consumed**

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	Inventory at the beginning of the year	2,083.35	1,596.76
	Add: Purchases	8,259.81	8,564.69
	<b>Total</b>	<b>10,343.16</b>	<b>10,161.46</b>
	Less: Inventory at the end of the year	(2,405.42)	(2,083.35)
	<b>Cost of materials consumed</b>	<b>7,937.74</b>	<b>8,078.11</b>
	<b>Total</b>	<b>7,937.74</b>	<b>8,078.11</b>

**Particulars of Raw material & packaging materials Consumed**

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Benzene	800.89	1,006.36
(ii)	Nitric acid	396.80	690.37
(iii)	Cast iron powder	596.94	497.77
(iv)	Oleum 65%	129.81	132.95
(v)	Packaging Material	43.36	29.57
(vi)	M.M.D.P.A	1,560.87	1,316.78
(vii)	Caustic Soda	349.40	528.88
(viii)	Caustic Potash Lye	874.09	1,000.42
(ix)	Soda Ash light	237.09	235.77
(x)	N-Butyl Bromide	396.36	277.35
(xi)	Other	2,552.14	2,361.89
	<b>Total</b>	<b>7,937.74</b>	<b>8,078.11</b>



**Sadhana Nitro Chem Limited**  
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

**Note 23: Change in inventory of Finished Goods and Work in progress** (Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	<b>Opening Stock</b>		
	Work in progress	2,661.22	2,073.79
	Finished goods	6,064.15	5,578.59
	Scrap	3.50	3.50
	<b>Total (i)</b>	<b>8,728.87</b>	<b>7,655.88</b>
(ii)	<b>Closing Stock</b>		
	Work in progress	2,409.85	2,661.22
	Finished goods	5,788.67	6,064.15
	Scrap	3.00	3.50
	<b>Total (ii)</b>	<b>8,201.52</b>	<b>8,728.87</b>
	Changes in Inventories Decrease/(Increase)(i-ii)	<b>527.35</b>	<b>(1,072.99)</b>
	<b>Total</b>	<b>527.35</b>	<b>(1,072.99)</b>

**Note 24: Employee Benefit Expenses** (Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Salaries & bonus	2,098.15	1,661.90
(ii)	Contribution to provident fund, group gratuity, ESIC & other funds	109.18	98.90
(iii)	Gratuity (Refer Note No. 29)	39.24	43.38
(iv)	Leave Encashment expense	(4.85)	(84.88)
(v)	Staff welfare & Medical Expenses	0.39	0.53
	<b>Total</b>	<b>2,242.11</b>	<b>1,719.82</b>

24.1 During the financial year ended 31st March, 2023, the management has changed the policy with regards to leave encashment. As per the revised leave policy, there will be no leave encashments post 1st April, 2022 and unavailed leave counting to a maximum of 15 days in a year will be allowed to be carried forward subject to a maximum accumulation upto 45 days of leave. This change in policy has resulted in a significant decrease in accumulated leave encashment liability which has resulted in the reversal of provisions of earlier years during the year ended 31st March, 2023

**Note 25: Finance Cost** (Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Interest expense on term loans and other financial liabilities	1,547.09	621.44
(ii)	Interest on lease liability	80.95	96.37
(iii)	Interest on delayed Payment of tax	49.43	185.43
(iv)	Other borrowing cost	51.34	72.88
	<b>Total</b>	<b>1,728.81</b>	<b>976.11</b>

**Note 3: Depreciation & Amortization** (Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Depreciation of tangible assets	1,449.15	738.50
(ii)	Amortization of intangible assets	42.03	22.00
	<b>Total</b>	<b>1,491.17</b>	<b>760.50</b>



**Sadhana Nitro Chem Limited**  
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

**Note 26: Other Expenses**

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Power and fuel	1,623.80	1,060.33
(ii)	Rent & Subletting Charges	8.50	13.83
(iii)	Rates & Taxes	91.78	25.73
(iv)	Insurance	82.60	70.89
(v)	Printing & Stationery	8.34	7.36
(vi)	Postage, Telegram & Telephone & Interent (Communication Expenses)	17.98	15.63
(vii)	Travelling & Conveyance Expenses	248.67	249.04
(viii)	Legal & Professional fees	248.34	163.11
(ix)	Directors Fees	2.32	3.12
(x)	Electricity charges	14.37	14.69
(xi)	Security Charges	99.31	57.68
(xii)	Stores & spares Consumed	384.08	215.91
(xiii)	<b>Repairs &amp; Maintenance</b>		
	Plant & Machinery	6.13	9.64
	Others (R&M)	55.98	77.12
(xiv)	Other Manufacturing Expenses	193.67	92.26
(xv)	Effluent Expenses	233.05	197.20
(xvi)	Research & Development Expenses	8.62	11.20
(xvii)	Payment to auditors (Refer Note 26(a) below)	16.60	11.00
(xviii)	<b>Selling Expenses</b>		
	Freight and Forwarding Expenses	89.96	130.57
	Commission Charges	188.68	12.70
	Local Freight & other expenses	238.92	469.60
(xix)	Bad debts & Sundry Debit Balances written off	37.30	12.80
(xx)	Miscellaneous Expenses	186.53	160.31
(xxi)	Foreign exchange fluctuation	10.27	192.11
(xxii)	Loss on forward contracts	16.79	138.57
(xxiii)	CSR Expenses	50.00	34.56
(xxiv)	Sundry Balances Written off	11.68	36.82
(xxv)	Merger Expenses	3.10	-
(xxvi)	Notional Rent (Ind As)	2.85	2.26
(xxvii)	Fair Value of lease liabilities	10.47	-
	<b>Total</b>	<b>4,190.69</b>	<b>3,486.04</b>

Footnotes:

(i) Payment to Auditors

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	<b>As Auditor*</b>		
(i)	Statutory Audit Fee	12.00	10.00
(ii)	Tax Audit Fee	1.00	1.00
(iii)	Tax Matters & Certification	3.60	2.78
	<b>Total</b>	<b>16.60</b>	<b>13.78</b>



**Sadhana Nitro Chem Limited**  
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

**Note 27: Financial Instruments and Risk Review****Capital Management**

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

(Amount Rs. In Lakhs)

Particular	March 31, 2024	March 31, 2023
Total equity attributable to equity shareholders of the company	22,659.28	22,607.99
As a percentage of total capital	51%	63%
Long term borrowings	12,893.97	5,977.40
Short term borrowings	9,178.77	7,208.42
Total borrowings	22,072.74	13,185.82
As a percentage of total capital	49%	37%
<b>Total Capital (Equity and Borrowings)</b>	<b>44,732.03</b>	<b>35,793.81</b>

**Financial Risk Management Framework**

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

- a) Credit risk
- b) Liquidity risk
- c) Market risk

**i) Credit Risk**

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

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

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

(In %)

Particular	March 31, 2024	March 31, 2023
Revenue from top five customers	55.39%	52.70%

The company establishes an allowance for impairment that represents fixed estimate of expected losses in respect of trade and other receivable. The maximum exposure to credit risk as at reporting date is primarily from trade receivable amounting to Rs. 3178. 29/- Lakhs (P.Y. Rs. 6556.00/- Lakhs). The movement in allowance for impairment in trade and other receivables during the year was as follows :

(Rs. Lakhs)

Allowance for impairment	March 31, 2024	March 31, 2023
Opening balance	17.57	8.20
Impairment loss recognised / reversed	36.42	9.37
Closing balance	53.98	17.57



**Sadhana Nitro Chem Limited**  
**Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024**

Majority of the balance of trade receivables of the Company are from eight customers (P.Y. eight customer)

The total outstanding from these customers as at year end is Rs. 8768.19/- Lakhs (P.Y. Rs. 5805.22/- Lakhs)

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

**ii) Liquidity risk**

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

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

The company has foreign currency working capital facilities from a Bank at interest rate of 7.75% p.a. These facilities are secured by exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery. Further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantee of Holding Company.

Further, the Company has working capital facilities in Indian currency from a bank carrying interest rate ranging between 6.60% to 12.75 % p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116, investments in Mutual Funds and further secured by personal guarantee of Chairman and Managing Director of the company and Corporate guarantee of Manekchand Panachand Trading Investment Co Pvt Ltd, holding company of the Company.

**The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2023**

(Rs. Lakhs)

Particulars	Less than 1 year	1 to 2 years	2 - 5 years	5 - 10 years	Total
Long term borrowings	2,243.17	2,014.50	1,942.17	2,020.74	8,220.57
Short term borrowings	6,935.60	-	-	-	6,935.60
Trade payable	3,172.56	-	-	-	3,172.56
Other financial liabilities	1,923.12	-	-	-	1,923.12
<b>Total</b>	<b>14,274.45</b>	<b>2,014.50</b>	<b>1,942.17</b>	<b>2,020.74</b>	<b>20,251.85</b>

**The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2022**

(Rs. Lakhs)

Particulars	Less than 1 year	1 to 2 years	2 - 5 years	5 - 10 years	Total
Long term borrowings	2,066.51	1,035.29	1,730.57	694.04	5,526.41
Short term borrowings	5,141.91	-	-	-	5,141.91
Trade payable	3,347.52	-	-	-	3,347.52
Other financial liabilities	1,182.44	-	-	-	1,182.44
<b>Total</b>	<b>11,738.38</b>	<b>1,035.29</b>	<b>1,730.57</b>	<b>694.04</b>	<b>15,198.28</b>

**iii) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

**Foreign Currency exchange rate risk**

The Company operates internationally and major portion of the business is transacted in several currencies and consequently the company is exposed to foreign exchange risks through operating activities in foreign currency.



**Sadhana Nitro Chem Limited**  
**Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024**

1) Details of foreign currency exposures as at the year end :

Particulars	Currency	Amount in foreign currency		Equivalent amount (Amount Rs. In Lakhs)	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Financial Assets</b>					
Trade Receivables	EUR	15,37,090	14,75,550	1,386.73	1,322.20
	USD	35,53,904	37,49,952	2,963.03	3,083.09
<b>Advance to Vendors</b>	USD	-	3,37,759	-	277.69
Balance with bank in foreign currency	USD	-	2,831	-	2.33
<b>Financial Liabilities</b>					
Trade Payables	USD	1,42,017	1,41,759	118.40	116.55
	EUR	2,45,247	-	221.26	-
Advance Received from customer	USD	-	1,31,026	-	107.73
	EUR	-	-	-	-
Working Capital Borrowings	EUR	-	-	-	-
	USD	10,00,000	17,00,000	833.74	1,397.68
<b>Net Asset / (liability)</b>	<b>EUR</b>	<b>17,82,337</b>	<b>14,75,550</b>	<b>1,607.99</b>	<b>1,322.20</b>
<b>Net Asset / (liability)</b>	<b>USD</b>	<b>26,95,921</b>	<b>23,98,444</b>	<b>2,247.69</b>	<b>1,971.93</b>

2) Details of forward contracts outstanding at the year end used to hedge the outstanding foreign currency exposures

Particulars	Currency	Amount in foreign currency		Equivalent amount (Amount Rs. In Lakhs)	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Forward contracts entered into to hedge the receivable exposure	USD	12,80,773	35,92,719	1,067.83	2,953.82
Forward contracts entered into to hedge the receivable exposure	EURO	3,00,000	4,93,809	270.65	442.49
Forward contracts entered into to hedge the payable exposure	USD	8,00,000	3,02,080	666.99	-

The Company enters into forward contracts to offset foreign currency risks arising from the amounts denominated in currencies other than the Indian Rupee. The counter party in such forward contracts is a bank. These contracts are entered to hedge the foreign currency risks on the firm commitments.

**Note 28 : Earnings Per Share**

**Basic Earning Per Share**

(Amount Rs. In Lakhs)

Sr. No	Particulars	March 31, 2024	March 31, 2023
a)	Net Profit for the year attributable to the equity shareholders	418.17	317.82
b)	Opening number of equity shares outstanding	24,70,58,452	24,70,58,452
c)	Closing Number of Equity shares outstanding	24,70,58,452	24,70,58,452
d)	Effective weighted average no. of shares outstanding during the year (Refer Note 28.1 below)	24,70,58,452	24,70,58,452
e)	Basic earning per share (₹ 1/- per share) (P. Y. Rs. 1/- per share)	0.17	0.13

**Diluted Earning Per Share**

(Rs.Lakhs)

Sr. No	Particulars	March 31, 2024	March 31, 2023
a)	Net Profit for the year attributable to the equity shareholders	408.17	317.82
b)	Opening number of equity shares outstanding on diluted basis	20,21,38,735	19,56,18,129
c)	Closing Number of Equity shares outstanding on diluted basis	24,70,58,452	20,21,38,735
d)	Effective weighted average no. of shares outstanding during the year (Refer Note 28.1 & 28.2 below)	24,70,58,452	19,61,36,205
e)	Basic earning per share (₹ 1/- per share) (P. Y. Rs. 1/- per share)	0.17	0.16



**Sadhana Nitro Chem Limited**  
**Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024**

28.1 During the previous year ended 31st March, 2024, the Company has issued and allotted 4,49,19,719 equity shares of Re. 1/- each to eligible equity shareholders on the book closure date (i.e. 5th July, 2023) as fully paid up bonus equity shares by capitalizing reserves.

The earning per share figures for the previous year have been restated to give effect of the allotment of the bonus shares, as required by IND-AS 33, 'Earning Per Share'. Accordingly the opening & closing no. of outstanding equity shares has been restated and consequently the EPS for the previous year has also been restated.

**Note 29 : Employee benefits**

**(a) Defined Contribution Plan**

The Holding Company makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner. Under this scheme, the Holding Company is required to contribute a specified percentage of payroll cost to fund the benefits. The Holding Company has recognized Rs.108.97/- Lakhs towards Provident Fund and other fund contributions (March 31, 2023: Rs. 98.67/- Lakhs) in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Holding Company are in accordance with rules framed by the Government from time to time.

**(b) Defined Benefit Plans:**

**Gratuity**

The employee's gratuity fund scheme managed by a trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

The estimated rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary. The expected rate on plan assets is determined considering several applicable factor, mainly the composition of plan assets held assessed risk, historical result of return on plan assets and the company's policy for plan assets management.

The Holding Company has a defined benefit plan for every employee who has completed five year or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

The Holding Company has a defined unfunded obligation for leave encashment. Generally the leave encashment is paid to employees as and when claimed.

**Defined benefit plans - as per actuarial valuation on 31st March, 2024**

(Amount Rs. In Lakhs)

Particulars	Funded Plan Gratuity	
	March 31, 2024	March 31, 2023
Service Cost		
Current Service Cost	15.33	10.18
Past service cost and (gains)/losses from settlements	0.00	0.00
Net interest expense	23.91	23.05
Components of defined benefit costs recognised in profit or loss	39.24	33.24
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	0.00	0.00
Actuarial gains and loss arising form changes in financial assumptions	7.48	-4.64
Actuarial gains and loss arising form experience adjustments	29.53	-12.35
Actuarial gains and loss arising from demographic adjustments	0.00	0.00
Components of defined benefit costs recognised in other comprehensive income	37.01	-16.99
<b>Total</b>	<b>76.25</b>	<b>16.24</b>





**Sadhana Nitro Chem Limited**  
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

(Amount Rs. In Lakhs)

Particulars	Funded Plan Gratuity	
	March 31, 2024	March 31, 2023
<b>I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March 24</b>		
1. Present value of defined benefit obligation as at 31st March 24	392.86	319.21
2. Fair value of plan assets as at 31st March	0.00	0.00
3. Surplus/(Deficit)	392.86	319.21
4. Current portion of the above		
5. Non current portion of the above		
<b>II. Change in the obligation during the year ended 31st March 24</b>		
1. Present value of defined benefit obligation at the beginning of the year	319.21	317.10
2. Add/(Less) on account of Scheme of Arrangement/Business transfer	0.00	0.00
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	15.33	10.18
- Past Service Cost	0.00	0.00
- Interest Expense (Income)	23.91	23.05
4. Recognised in Other Comprehensive Income	0.00	0.00
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions		0.00
ii. Financial Assumptions	7.48	-4.64
iii. Experience Adjustments	29.53	-12.35
iv. (Gain)/Loss on Curtailments And Settlements	0.00	0.00
5. Benefit payments	-2.59	-14.13
6. Others (Specify)		
<b>7. Present value of defined benefit obligation at the end of the year</b>	<b>392.86</b>	<b>319.21</b>
<b>III. Change in fair value of assets during the year ended 31st March</b>		
1. Fair value of plan assets at the beginning of the year	-	-
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account	-	-
- Expected return on plan assets	-	-
- Interest Income	-	-
4. Recognised in Other Comprehensive Income	-	-
Remeasurement gains / (losses)	-	-
- Actual Return on plan assets in excess of the expected return	-	-
- Others (specify)	-	-
5. Contributions by employer (including benefit payments recoverable)	-	-
6. Benefit payments	-	-
<b>7. Fair value of plan assets at the end of the year</b>	<b>-</b>	<b>-</b>
<b>IV. The Major categories of plan assets</b>		
- List the plan assets by category here		
Insurance Fund	-	-
<b>V. Actuarial assumptions</b>		
1. Discount rate	7.49%	7.27%
2. Expected rate of return on plan assets	NA	NA
3. Salary Increase Rate	4.00%	4.00%
4. Rate of Employee Turnover	2.00%	2.00%
5. Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
6. Mortality Rate After Employment	N.A.	N.A.



**Sadhana Nitro Chem Limited**  
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

(Rs.Lakhs)

Particulars	Funded Plan Gratuity	
	March 31, 2024	March 31, 2023
<b>VI. Other Details</b>		
1. No. of Active Members	245	206.00
2. Per Month Salary For Active Members	83.85	65.19
3. Weighted Average Duration of the Projected Benefit Obligation	8.00	8.00
4. Average Expected Future Service	17.00	16.00
5. Projected Benefit Obligation (PBO)	392.86	319.21
6. Prescribed Contribution For Next Year (12 Months)	-	-
<b>VII. Net Interest Cost for Next Year</b>		
1. Interest Cost	23.91	23.05
2. Interest Income	-	-
3. Net Interest Cost (1-2)	23.91	23.05

**Maturity Analysis of Projected Benefit Obligation: From the Employer**

Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	35.78	36.99
2nd Following Year	26.42	22.89
3rd Following Year	30.34	21.42
4th Following Year	59.50	39.34
5th Following Year	29.49	46.30
Sum of Year 6 To 10	206.38	137.76
Sum of Year 11 and Above	-	294.32

**Sensitivity Analysis**

Projected Benefit Obligation on Current Assumptions	392.86	319.21
Delta Effect of +1% Change in Rate of Discounting	(31.88)	(19.58)
Delta Effect of -1% Change in Rate of Discounting	22.02	22.19
Delta Effect of +1% Change in Rate of Salary Increase	15.79	17.62
Delta Effect of -1% Change in Rate of Salary Increase	(27.96)	(15.77)
Delta Effect of +1% Change in Rate of Employee Turnover	1.73	7.46
Delta Effect of -1% Change in Rate of Employee Turnover	(16.01)	(8.24)



**Sadhana Nitro Chem Limited**  
**Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024**

**Note 30 : Contingent liabilities and commitments (to the extent not provided for)**

Particular	March 31, 2024	March 31, 2023
(i) Contingent liabilities :		
(a) Contingent Liabilities for Income Tax, Service Tax & others	-	-
- Income Tax Act 1961 (F.Y. 2013-14) (A.Y. 2014-15)	0.55	0.55
- Employees Provident Fund and Miscellaneous Provisions Act 1952#	-	58.77
- Employees Provident Fund and Miscellaneous Provisions Act 1952#	4.72	4.72
#The Group is subject to legal proceedings and claims which have arisen in the ordinary course of business from Direct tax laws (TDS), Indirect tax laws and Other Laws. Future cash outflow, if any in respect of these matters are determinable only on receipt of judgements /decisions pending at various stages before the appellate authorities. The Management is of the opinion that the matters would be resolved in favour of the Group. The Holding Company's Management does not reasonably expect that these legal action when ultimately concluded and determined would have a material and adverse effect on the Group's result of operations or financial condition.		
(ii) The erstwhile subsidiary, Spidigo Net Private Limited, which merged with the Holding Company during the previous financial year had received Demand notice u/s 14B under Employees Provident Funds and Miscellaneous Provisions Act, 1952 from the period 01/04/2016 to 31/05/2019 for Rs 16.98 Lakhs . Demand of Rs 16.98 Lakhs consist of followings:		
- Amount of Damages	11.28	-
- Amount of Interest	5.7	-
<b>Total</b>	<b>16.98</b>	<b>-</b>
Against the said demand, the subsidiary Company had paid Rs. 6.50 lakhs & preferred an appeal before the Central Government Industrial Tribunal & obtained a stay against recovery of the the balance amount.		

**Note 31: Borrowing Costs**

During the year, the Holding Company has capitalized Rs. 566.69/- Lakhs (P.Y. Rs. 799.30/- Lakhs) as part of cost of qualifying CWIP as borrowing costs.

**Note 32: Segment Information**

**32.1 Primary Segment**

An operating Segment is a component of the entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance for which discrete financial performance is available.

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the type of goods & services delivered or provided. The group is in the business of manufacturing of chemical intermediates, heavy organic chemicals and performance chemicals and manufacture of wireless network equipment and services.

The accounting policies of the operating segments are the same as the accounting policies disclosed in Note No. 2 to these consolidated financial statements. The revenues, total assets and net profit as per the Statement of Profit & Loss represent the revenue, total assets & net profit of both the operating segments. However, since the revenue, profits & total assets of one of these segments (manufacture of wireless network equipment & services) is less than 10% of the combined revenue, profits & assets of all the operating segments, disclosures as required by Ind-As 108, 'Operating Segments' are not given.

**32.2 Secondary Segment**

The Group's secondary segments are the geographic distribution of activities. Revenue & receivables are specified by location of customers while the other geographic information is specified by locations of assets / liabilities.

The Group has two geographical segments based upon location of its customers with and outside India.



**Sadhana Nitro Chem Limited**  
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

(Amount Rs. In Lakhs)

Particular	March 31, 2024	March 31, 2023
Revenue		
India	11,549.22	4,255.56
Outside India	7,331.77	6,049.46
<b>Total</b>	<b>18,880.98</b>	<b>10,305.02</b>
Assets (Trade Receivables)		
India	8,052.82	677.72
Outside India	4,570.09	4,212.15
<b>Total</b>	<b>12,622.91</b>	<b>4,889.87</b>

Other than above, the following assets of the Anuchem BVBA, Belgium are held outside India

(Amount Rs. In Lakhs)

Particular	March 31, 2024	March 31, 2023
a) Inventories	1,138.40	642.93

**32.3 Reporting of Customers contributing more than 10% of revenue**

Particular	March 31, 2024	March 31, 2023
Total number of customer contributing 10 % of revenue each	5	3
Total Revenue From Above Customers	10,457.84	5,134.42

**Note 33 : Significant estimates and assumptions****Estimates and Assumptions**

The preparation of the Group's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes will be reflected in the assumptions when they occur.

**Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amounts sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**Defined Benefit Plans (Gratuity Benefits)**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans



**Sadhana Nitro Chem Limited**  
**Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024**

operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Details about gratuity obligations are given in Note 29.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value target and the discount factor.

The Group has valued its financial instruments through profit & loss which involves significant judgements and estimates such as cash flows for the period for which the instrument is valid, EBITDA of investee company, fair value of share price of the investee company on meeting certain requirements as per the agreement, etc. The determination of the fair value is based on expected discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

**Note 34 : Related Party Transaction**

**I) List of related parties**

**(A) Holding Company** Manekchand Panachand Trading Investment Co. Private Limited

**(B) Fellow Subsidiary Company** Fun Gateway Arena Private Limited

**(C) Key Management Personnel & Board of Directors**

- |                             |   |
|-----------------------------|---|
| i) Shri. Asit D. Javeri     | Executive Chairman  |
| ii) Shri. Abhishek A Javeri | Managing Director   |
| iii) Smt. Seema A Javeri    | Executive Director (Administration)                       |
| iv) Shri. Priyam S Jhaveri  | Independent Director                                      |
| v) Shri. Pradeep N Desai    | Independent Director                                      |
| vi) Shri. Amit M Mehta      | Independent Director (Resigned w.e.f. 19th October, 2023) |
| vii) Smt. Ayesha S Patel    | Additional Independent Director                           |
| viii) Shri. Nitin R Jani    | Company Secretary   |
| ix) Shri. Rakesh Kothari    | Chief Financial Officer (Appointed on 02.05.2022)         |

**(D) Associate Concerns / Companies under control / Significant influence of Key Managerial Personnel or the members of the Board of Directors**

- i) Lifestyle Networks Limited
- ii) Mirosa Marine Private Limited (Formerly known as DHPL Marine Private Limited)
- iii) Pthalo Color & Chemicals (India) Limited
- iv) Nanavati Speciality Chemicals Private Limited
- v) Nanavati Sons Private Limited
- vi) Phthalo Pigments Private Limited
- vii) Aayan Nanotech Private Limited
- viii) Tanishka Microencapsulation Private Limited
- ix) Trivo Enterprise LLP
- x) Finogra (India ) Private Limited
- xi) S.Amit Speciality Chemicals Private Limited
- xii) Perfo Chem (India) Private Limited
- xiii) S Amit & Co
- xiv) Chem Amit
- xv) Hi End Property Developers LLP
- xvi) Reaxa Chemistry Solutions LLP
- xvii) HG Partners LLP



**Sadhana Nitro Chem Limited**  
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

**II) Disclosures in respect of material related party transactions during the year.**

(Amount Rs. In Lakhs)

	Particular	March 31, 2024	March 31, 2023
<b>(A)</b>	<b>Remuneration paid / payable</b>		
	i) Shri. Asit D Javeri	168.00	168.00
	ii) Shri. Abhishek A Javeri	168.00	168.00
	iii) Smt. Seema A Javeri	168.00	168.00
	iv) Shri Nitin R Jani	130.59	124.27
	v) Shri Rakesh Kothari	113.67	57.21
<b>(B)</b>	<b>Interest Paid</b>		
	i) Manekchand Panachand Trading Investment Co. Pvt. Ltd.	129.94	6.49
	ii) Shri. Asit D Javeri	274.80	77.14
	iii) Shri. Abhishek A Javeri	161.41	7.71
	iv) Smt. Seema A Javeri	12.01	28.09
	v) Nanavati Sons Pvt Ltd	0.00	1.47
<b>(C)</b>	<b>Revenue from sale of goods</b>		
	i) Aayan Nanotech Private Limited	80.85	176.40
	ii) Lifestyle Networks Ltd	0.00	0.56
<b>(D)</b>	<b>Purchase Of goods / Capital Goods</b>		
	i) Aayan Nanotech Private Limited	629.00	864.50
<b>(E)</b>	<b>Interest Received / Receivable</b>		
	i) Nanavati Sons Pvt Ltd	0.46	0.53
<b>(F)</b>	<b>Director Sitting Fees</b>		
	i) Shri. Priyam S Jhaveri	0.98	1.22
	ii) Shri. Pradeep N Desai	0.42	1.10
	iii) Shri Amit M Mehta	0.00	0.20
	iv) Smt Ayesh Patel	0.92	0.60
<b>(G)</b>	<b>Business Support Services Provided to</b>		
	i) Manekchand Panachand Trading Investment Co Pvt Ltd	60.00	0.00
<b>(H)</b>	<b>Guarantee Commission Paid</b>		
	i) Manekchand Panachand Trading Investment Co Pvt Ltd	156.41	0.00
<b>(I)</b>	<b>Loan / Advances given during the year</b>		
	i) Nanavati Sons Pvt. Ltd.	50.00	100.00
<b>(J)</b>	<b>Loan / Advances repayment received during the year</b>		
	i) Nanavati Sons Pvt. Ltd	50.00	100.00
<b>(K)</b>	<b>Loan Repaid During the Year</b>		
	i) Shri. Asit D Javeri	356.63	600.23
	ii) Nanavati Sons Pvt Ltd	0.00	15.00
	iii) Manekchand Panachand Trading Investment Co Pvt Ltd	483.15	65.50
	iv) Shri Abhishek Javeri	0.00	226.00
	v) Smt Seema A Javeri	0.00	204.00
<b>(L)</b>	<b>Loans received during the year</b>		
	i) Shri. Asit D Javeri	5,305.00	398.00
	ii) Shri. Abhishek A Javeri	2,755.00	233.00
	iii) Smt. Seema A Javeri	0.00	95.00
	iv) Manekchand Panachand Trading Investment Co Pvt Ltd	1,548.55	165.00
	v) Nanavati Sons Pvt Ltd		150.00



**Sadhana Nitro Chem Limited**  
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

**II) Disclosures in respect of material related party transactions during the year.**

(Amount Rs. In Lakhs)

	Particular	March 31, 2024	March 31, 2023
<b>(M)</b>	<b>Closing Balances - Debit/(Credit)</b>		
	i) Shri. Asit D Javeri	(5,644.35)	(312.22)
	ii) Shri. Abhishek A Javeri	(2,998.43)	(82.02)
	iii) Smt. Seema A Javeri	(193.80)	(261.54)
	iv) Lifestyle Networks Limited		1.28
	v) Aayan Nanotech Private Limited	216.45	927.46
	vi) Manekchand Panachand Trading Investment Co Pvt Ltd	(1,412.71)	(124.42)
<b>(N)</b>	The Holding Company, Manekchand Panachand Trading Investment Co. Pvt. Ltd, along with the Executive Chairman, Mr. Asit D Javeri and the Managing Director, Mr. Abhishek A Javeri have given corporate & personal guarantees respectively towards loans obtained by the Company amounting to Rs. 15641.08 Lakhs (P.Y. Rs. 11,346.11 Lakhs)		

**Note 35: Disclosures as required under Schedule III to the Companies Act, 2013 with respect to Consolidated Financial Statements**

(Amount Rs. In Lakhs)

Name of Entity	Net Assets = Total assets - Total Liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % Of Consolidated net Assets	Amount Rs.	As % of Consolidated Profit/(Loss)	Amount Rs.	As % Of Consolidated Other Comprehensive Income	Amount Rs.	As % Of Consolidated Total Comprehensive Income	Amount Rs.
Parent Company: Sadhana Nitro Chem Ltd	102.51%	23,228.92	181.44%	740.58	100%	4.10	180.63%	744.68
Foreign Subsidiary: Anuchem BVBA	0.40%	90.59	-21.26%	-86.78	0%	-	-21.05%	-86.78
Sub Total	102.91%	23,319.51	160.18%	653.80	100.00%	4.10	159.58%	657.90
Total Elimination	-2.91%	-660.22	-60.18%	-245.63	0.00%	-0.25	-59.58%	-245.63
Grand Total	100.00%	22,359.28	100.00%	408.17	100.00%	4.10	100.00%	412.27

**Note 36 : Fair Value Measurement**

**(a) Financial Instrument by category**

(Amount Rs. In Lakhs)

Particulars	March 31, 2024	March 31, 2023
<b>Financial Assets</b>		
Measured at Amortised Cost		
- Trade Receivables	12,622.91	6,556.01
- Cash and Cash Equivalents	18.13	132.92
- Bank Balance other than Cash and Cash Equivalents	773.23	763.10
- Other Financial Assets	522.35	767.49
- Loans	102.54	331.38
Measured at Fair Value through Profit & Loss	-	-
Measured at Fair Value through other comprehensive income		
- Investment - Non-current	-	-
- Investment - Current	587.10	576.56
<b>Financial Liabilities</b>		
Measured at Amortised Cost		
- Trade Payables	3,324.68	3,347.52
- Other Financial Liabilities	1,923.12	1,182.44
- Borrowings	22,072.74	13,185.82
- Lease Liabilities	1,190.95	689.80



**Sadhana Nitro Chem Limited**  
**Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024**

**(b) Fair Value Hierarchy**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels :

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair value are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transaction in the same instrument nor are they based on available market data.

The Investments included in level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within the range.

Following table summarises fair value hierarchy of financial assets measured at fair value on recurring basis

As at March 31, 2024	Level 1	Level 2	Level 3
Measured at Fair Value through Profit & Loss			
Measured at Fair Value through other comprehensive income			
- Investment - Non-current	-	-	-
- Investment - Current	587.10	-	-
As at March 31, 2023	Level 1	Level 2	Level 3
Measured at Fair Value through Profit & Loss			
Measured at Fair Value through other comprehensive income			
- Investment - Non-current	-	-	-
- Investment - Current	576.56	-	-

**Note 37: Details of Benami Property held**

No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.

**Note 38: Wilful Defaulter**

None of the companies in the Group have been declared wilful defaulter by any bank or financial institution or any other lender during the year.

**Note 39: Relationship with Struck Off Companies**

The Group does not have any transactions or balances with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the year and the previous year.

**Note 40: Utilisation of Borrowed Funds and Share Premium under Rule 11(e)**

No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries").

No funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties").

**Note 41:** The companies in the Group do not have any transactions not recorded in books of accounts that has been surrendered or disclosed as income during the year and previous year in the tax assessments under the Income Tax Act, 1961.





**Sadhana Nitro Chem Limited**  
**Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024**

**Note 42:** The Group has not traded or invested in any crypto currency or virtual currency during the year and previous year.

**Note 43:** There has been no fraud by or on any company within the Group during the year and previous year.

**Note 44:** The Company does not have any transactions not recorded in books of accounts that has been surrendered or disclosed as income during the year and previous year in the tax assessments under the Income Tax Act, 1961.

**Note 45:** The Company has not traded or invested in any crypto currency or virtual currency during the year and previous year.

**Note 46:** There has been no fraud by the Company or on the Company during the year and previous year.

**Note 47:** There is no scheme of arrangement approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year and hence, no disclosures are required to be made by the Company in these financial statements for the year ended 31st March, 2024

**Note 48: Dividend**

Dividends declared by the Company are based on the profits available for distribution. The Board of Directors have proposed a final dividend of 15% i.e. Rs. 0.15 (Previous year Rs 0.15) per equity share amounting to Rs. **3,03,20,810/-** for the year 2022-23 ( Previous year Rs. 2,93,42,719/-) after the balance sheet date, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company and therefore, the proposed final dividend has not been recognised as the liability as at the balance sheet date in line with Ind AS 10 on 'Events after the reporting period'.

**Note 49: Rounding of Amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**Note 50: Events Occuring after the balance sheet date**

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization.

**Note 51: Previous Year Figures**

Previous year's figures have been regrouped, rearranged & reclassified where ever considered necessary.

<p><b>For Jayesh Dadia &amp; Associates LLP</b>  <b>Chartered Accountants</b>  <b>Firm Registration Number :121142W/W100122</b></p>	<p><b>For and on behalf of the Board of Directors</b></p>	
<p><b>Jayesh Dadia</b>  <b>Partner</b>  <b>Membership Number : 033973</b></p>	<p><b>Asit D Javeri</b>            Executive Chairman</p>	<p><b>Priyam S Jhaveri</b>            Director</p>
<p><b>Place : Mumbai</b>  <b>Date : 17th May 2024</b></p>	<p><b>Abhishek A Javeri</b>            Managing Director</p>	<p><b>Rakesh Kothari</b>            Chief Financial Officer</p>
	<p><b>Smt. Seema A Javeri</b>            Executive Director            Administration</p>	<p><b>Nitin R Jani</b>            Company Secretary</p>



## DIRECTOR'S REPORT

The Directors of Anuchem BV are pleased to submit herewith the annual report and Audited statement of accounts for the year ended 31st December 2023

### Review of business:

The principal activities of the company continued to be marketing of Chemicals. The Turnover during the year was EUR 2.827.430.09 (2021 - EUR 2.336.966.67). The profit after Tax for the Year as at EUR 967.26 (2022 Profit - EUR 51.264.63)

The directors opined that, barring unforeseen circumstances the performance of company is expected to improve in the current financial year.

### DIVIDEND :

The directors have decided that there will be no dividend for the year 2023

### AUDITORS :

The auditors, Mr Luc Verreyken of Moore/Agiver BV, accountantskantoor have expressed their willingness to continue as Auditors and the Directors will place a resolution before the general meeting for their re-appointment.

On behalf of board

A.D. Javeri  
Director

Antwerpen, 7th May 2024



## AUDITORS REPORT

MOORE/AGIVER BV ACCOUNTANTSKANTOOR  
UILENBAAN 80  
2160 WOMMELGEM  
REG. N° ITAA 50.081.504

To the shareholders of Anuchem BV :

I have audited the balance sheet of Anuchem BV as at 31<sup>st</sup> December 2023 and the related Profit and loss account which have been prepared on the basis of accounting policies stipulated under Chapter II of the royal decree of 8<sup>th</sup> October 1976.

The said accounting policies have not been altered in relation to the previous financial year. The profit and loss account is not being majorly influenced by yields and costs that have to be ascribed to the previous financial year.

I have conducted my audit in accordance with the auditing standards issued by IAB Accountants organisation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the companies circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also considered the overall adequacy of the presentation of information in the financial statement.

In my opinion the financial statement give a true and fair view of the state of affairs of the company at 31st December, 2023 and of the profit or Loss for the year then ended and have been properly prepared in accordance with the requirement of the Belgium Company law.

Antwerpen, 7th May 2024

For Moore/Agiver Bv  
Luc Verreyken  
Reg. No. ITAA 11.445.087



**ANNUAL STATEMENT OF ACCOUNTS OF ANUCHEM BVBA  
BALANCE SHEET AFTER DISTRIBUTION OF PROFIT**

**As at 31-Dec-2023**

	<b>2023</b>		<b>2022</b>	
	<b>(currency : Euro)</b>		<b>(currency : Euro)</b>	
<b>LIABILITIES</b>				
<b>1) Shareholder's Funds</b>				
a) Share Capital - Issued Capital		18750.00		18750.00
b) Reserves				
i) Legal reserve	1875.00		1875.00	
ii) Profit and loss Account	<u>69568.08</u>		<u>68600.82</u>	
		71.443.08		70475.82
<b>2) Current Liabilities</b>				
a) Trade Payables	3414204.99		2295593.10	
b) Services	12787.44		54133.13	
c) Tax Payable	<u>1515.75</u>		<u>4687.50</u>	
		3428509.18		2354413.73
<b>TOTAL OF LIABILITIES</b>		<b><u>3518702.26</u></b>		<b><u>2443639.55</u></b>
<b>ASSETS</b>				
<b>1) Non-current assets</b>				
a) Fixed Assets (gross)	1830.97		1830.97	
Less : depreciation	<u>(1830.97)</u>		<u>(1830.97)</u>	
		0.00		0,00
<b>2) Current Assets</b>				
a) Inventories		2037751.18		1051528.36
b) Receivables				
I) Trade receivables	1449112.91		1294496.41	
II) Advance too supplier	0.00		91157.17	
III) Vat receivables + Tax on dividend	<u>5651.69</u>		<u>2393.12</u>	
		1454764.60		1388046.70
<b>3) Liquid resources</b>		26186.48		4064.49
<b>TOTAL OF ASSETS</b>		<b><u>3518702.26</u></b>		<b><u>2443639.55</u></b>

MOORE/AGIVER BV  
Accountantskantoo  
Reg nr ITAA 11.445.087

A. D. JAVERI  
Director

Antwerp, 7th May 2024



**ANNUAL STATEMENT OF ACCOUNTS OF ANUCHEM BVBA**  
**PROFIT AND LOSS ACCOUNT**

**As at 31-Dec-2023**

	2023 (currency : Euro)	2022 (currency : Euro)
<b>INCOME :</b>		
Turnover	2827430.09	2336966.67
Interest received	57.69	9.67
Increase/decrease in closing stock	986222.82	882148.89
Income/(loss) on exchange fluctuation	27556.57	(1427.12)
	<b>3841267.17</b>	<b>3217698.11</b>
<b>EXPENSES :</b>		
Purchases	3765742.50	3007178.02
Clearing en forwarding charges	60018.49	139760.64
Travelling and administrative expenses	6025.18	16568.54
Local Taxes	1069.26	970.00
Financial expenses	2770.57	1956.28
Depn/amt. w/off trade debtors	0.00	0.00
	<b>3835626.00</b>	<b>3166433.48</b>
<b>PROFIT (LOSS) BEFORE TAXATION :</b>	<b>5641.17</b>	<b>51264.63</b>
Less : Provision tax for the year	1526.27	0.00
for the earlier year	3147.64	0.00
<b>PROFIT(LOSS) AFTER TAXATION</b>	<b>967.26</b>	<b>51264.63</b>
Add : Carried over profit(loss) of last year	68600.82	22023.69
Less : Payment for dividend	0.00	(4687.50)
<b>profit/(Loss) to be carried over</b>	<b>69568.08</b>	<b>68600.82</b>

MOORE/AGIVER BV  
Accountantskantoor  
Reg nr ITAA 11.445.087

A. D. JAVERI  
Director

Antwerp, 7th May 2024



## NOTES ON ANNUAL STATEMENT OF ACCOUNT OF ANUCHEM BV FOR 2023

### 1) ACCOUNTING POLICIES:

The Principal accounting policies adopted by the company are as follows:

#### a) BASIS OF ACCOUNTING:

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standard.

#### b) STOCKS:

Stocks are valued at lower of cost or net realisable value.

#### c) CURRENCIES: €

This accounts have been prepared in Euro. ( )

#### d) FOREIGN CURRENCIES:

Revenue transactions in foreign currencies are translated in Euro at the exchange rate prevailing on the date of transaction.

At the end of the financial year the Assets and liabilities expressed in foreign currencies are translated in to Euro at the rate of exchange ruling at the end of financial year.

#### e) DEPRECIATION

Depreciation on Fixed assets is at the rate of 20% per annum on straight line basis.

#### f) TAXATION:

Tax payable is provided on taxable profit at the current tax rate.

### 2) SHARE CAPITAL €

Authorised, allotted and fully paid-up: 750 shares of 25.00 Euro each.

### 3) RECEIVABLES (due within one year)

	More than 6 Months		Others	
	2023	2022	2023	2022
a) Trade receivable	514045.70	904206.20	935067.21	390290.30
b) Advance to supplier	0.00	91157.17	0.00	0.00
c) Vat receivable+ Taks	0.00	0.00	5651.69	2393.12
	<b>514045.70</b>	<b>995363.32</b>	<b>940718.90</b>	<b>392683.38</b>

### 4) SUPPLIERS (due within one year)

	2023	2022	More than 6 Months		Others	
			2023	2022	2023	2022
a) For Purchases			2299753.25	2.098.080.59	1114451.74	
b) For services			-	-	12787.44	6254.75
			<b>2299753.25</b>	<b>2295593.00</b>	<b>1127239.18</b>	<b>6254.75</b>

MOORE/AGIVER BV  
Accountantskantoo  
Reg nr ITAA 11.445.087

A. D. JAVERI  
Director

Antwerp, 7th May 2024



## NOTES ON ANNUAL STATEMENT OF ACCOUNT OF ANUCHEM BV FOR 2023

<u>TRAVELLING AND ADMINISTRATIVE EXPENSES</u>	2023	2022
Fees & professional charges	5203.83	14939.04
Register and publication costs	84.80	75.90
Other business expenses	<u>736.55</u>	<u>1553.60</u>
	<b>6025.18</b>	<b>16568.54</b>
 <u>CLEARING AND FORWARDING CHARGES</u>		
Freight sales	43735.02	81299.48
Freight purchase/storage	(1811.16)	38487.45
Freight Insurance	6094.63	7973.71
Fee for bookkeeping	<u>12000.00</u>	<u>12000.00</u>
	<b>60018.49</b>	<b>139760.64</b>
 <u>LOCAL TAXES</u>		
Local taxes	<u>1069.26</u>	<u>970.00</u>
	<b>1069.26</b>	<b>970.00</b>
 <u>FINANCIAL EXPENSES</u>		
Interests	332.86	532.25
Bank charges	2437.71	1424.03
Factoring fee + subscription	0.00	0.00
Interest on Factoring	0.00	0.00
Difference in payments	<u>0.00</u>	<u>0.00</u>
	<b>2770.57</b>	<b>1656.28</b>
 <u>LIQUID RESOURCES</u>		
Belfius (Usd)	9931.77	2084.29
Belfius (Euro) + Deposit factoring	<u>16254.71</u>	<u>1980.20</u>
	<b>26186.48</b>	<b>4064.49</b>
Cash Balance	<u>0.00</u>	<u>0.00</u>
	<b>26186.48</b>	<b>4064.49</b>

MOORE/AGIVER BV  
Accountantskantoo  
Reg nr ITAA 11.445.087

A. D. JAVERI  
Director

Antwerp, 7th May 2024