Ref: MOL/2023-24/25
June 3, 2023

To	
National Stock Exchange of India Limited	**BSE Limited**
"Exchange Plaza",	Floor- 25, P J Tower,
Bandra-Kurla Complex,	Dalal Street,
Bandra (East) Mumbai 400 051	Mumbai 400 001
SYMBOL:- MOL	**Scrip Code:- 543331**

Dear Sir/ Madam

Sub: - Annual Report of the Company for FY2022-23

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the **4th Annual General Meeting(AGM)** of the members of the Company is scheduled to be held on **Tuesday, June 27, 2023 at 12:00 noon IST** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in accordance with the provisions of Companies Act, 2013 read with latest General Circular dated December 28, 2022 together with earlier circulars issued in this regard by the Ministry of Corporate Affairs ('MCA Circulars') and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with latest Circular dated January 5, 2023 together with earlier circulars issued in this regard by the Securities and Exchange Board of India ('SEBI Circulars').

We enclose herewith Annual Report of the Company for FY 2022-23 along with the including Business Responsibility and Sustainability Report for information of Members. The same is also available on Company's website at www.meghmani.com.

The above intimation shall be treated as due compliance of respective provisions under the Companies Act, 2013 and SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015.

Thanking you.

Yours faithfully,
For Meghmani Organics Limited
(Formerly known as Meghmani Organochem Limited)

JAYESH RAVJIBHAI PATEL
Digitally signed by JAYESH RAVJIBHAI PATEL
Date: 2023.06.03 16:49:35 +05'30'

Jayesh Patel
Company Secretary & Compliance Officer
ICSI Mem. No: A14898

Encl: As above

CHEMISTRY OF SUCCESS AT WORK

Where business priorities meet sustainability

Meghmani Organics Limited

Annual Report 2022-23

Contents

Responsible Care®

To view Annual Report 2022-23 online, visit: http://meghmani.com

Or scan this QR code from app in your mobile

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

In FY23, the Indian chemical industry was impacted by several macroeconomic factors including geopolitical concerns, inflationary pressure in major economies, rising raw material prices and contraction in demand. Despite these short term challenges, we at Meghmani Organics remained focused on expanding our capabilities and capacity.

Our unwavering ambition is to ascend even higher, solidifying our market position with resolute determination. In line with this strategic pursuit, we have strategically expanded our horizons into the realm of White Pigment, Titanium Dioxide (TiO_2). By acquiring Kilburn Chemicals Limited, we have unlocked a gateway to the next phase of exponential growth in the pigments segment. This bold move not only fortifies our presence but also amplifies our impact, marking a significant milestone in our strategic journey.

At Meghmani Organics, we aim to create value for all our stakeholders not only through our products but by striking a balance between our sustainability priorities and our business. We take initiatives that have a positive impact on people and the environment, while also enriching the lives of our stakeholders.

As we embark on our ambitious expansion journey, we steadfastly uphold our commitment to generate enduring value for our clients, teams, shareholders, partners, and the communities we operate in, all while prioritizing sustainability.

Innovation, agile adoption of new technologies and forays into new business segments and geographies have always been the major facilitators of value creation at Meghmani Organics.

Amplifying value across the operating canvas

Meghmani Organics, one of the leading firms in the chemical sector, is a fully integrated diversified chemical company with a global presence and varied product range.

With over three decades of experience in the agro-chemical industry, we have been delivering high-quality products to our customers consistently.

Our manufacturing facilities, located in Gujarat, India, are equipped with modern technology and adhere to international standards of quality and safety. We have a highly skilled team of professionals who are dedicated to ensuring the highest level of quality and safety in our operations.

Our agrochemical portfolio comprises intermediates, technical products, and formulations of pesticides and herbicides used in crop protection, veterinary medicine, public health, and wood protection. We also specialise in the production of pigments such as Phthalocyanine pigments and Azo pigments which are used in printing inks, paints and coatings and plastic.

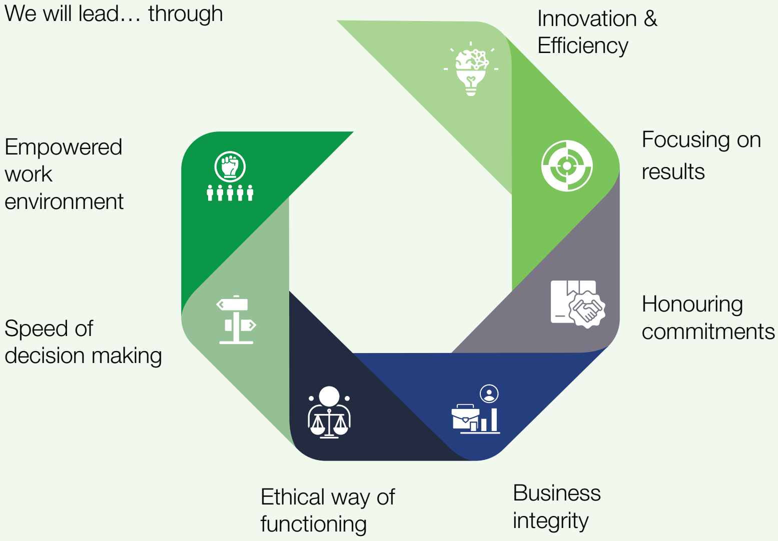
We endeavour to provide exceptional goods and services to retain the highest level of client satisfaction. Our clients are located all over the world, and we have a significant presence in international markets. We are committed to continuous improvement and innovation, and we invest heavily in research and development in order to bring improved and sustainable products to the market.

Vision

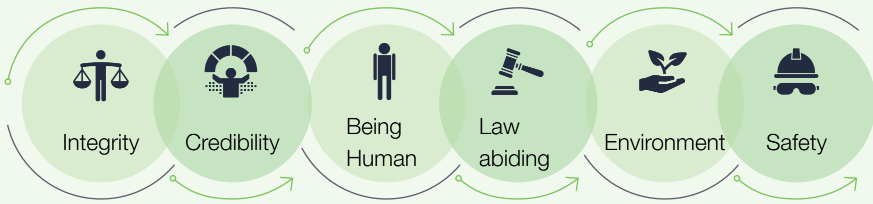
To constantly endeavour to create a sustainable position as one of the leading and diversified chemical companies with a strong manufacturing base in 'Organic Chemistry' aiming for global presence with worldwide product acceptability.

Mission

We will lead… through



Values



Key Highlights

35+ Years
Experience in Chemical Industry

Vertically integrated facilities
For key products

90+
Countries of presence

400+
Marquee customers for agro-chemical and pigment business

3,500+
Distributors in India

36+ brands
Of various pesticides formulations in India

#1
Ranked by Fortune India under Fortune Next 500 Company

Accreditation of Responsible Care®
(Our commitment to sustainability) to Agro Division

3rd Largest
Producer of copper phthalocyanine blue globally

Fostering sustainable soultions, globally

We have a presence in more than 75 nations and serve over 400 customers across all business segments. Our global distribution network consists of subsidiaries in the U.S, and Brazil and a representative office in China.

In India, we have eight well-integrated manufacturing facilities in Gujarat.

Registered Office

Manufacturing Facilities

Subsidiaries

Our evolution through the decades

1986

Started Partnership Firm to manufacture Pigment Green 7(Phthalocynine Green 7) at Vatva

1995

Set up Agrochemicals manufacturing plant at Chharodi

1996

Set up a Pigments manufacturing plant at Panoli

2017

GLP Accredited Lab and expansion of R & D facility

2020

Expansion in Agro division- Doubling the capacity of 2,4D Herbisites to 21,600 TPA and New Formulation Plant Setting up a new Multipurpose Plant at Dahej

2021

2,4 D Herbicides capacity increased from 10,800 TPA to 21,600 TPA. Commissioned New Formulation Plant.

2022

Forays into new pigment Titanium Dioxide (TiO2) by the acquisition of Kilburn Chemicals Limited. (wholly owned subsidiary)

2003

Acquired Agrochemicals Plant at GIDC Ankleshwar

2004

Listing of Equity Shares on Singapore Exchange through Depository Mechanism

2007

Listing of Equity Shares on NSE and BSE

2013

Set up Pigment manufacturing facilities at Dahej SEZ Limited

2009

Acquired Agrochemical Formulation Plant at GIDC Panoli. Set up Agrochemical manufacturing facilities at GIDC Dahej

2008

Incorporated Meghmani Finechem Limited (MFL) to set up a Caustic Chlorine Plant at Dahej

2023

- Commissioned new Multi Purpose Plant(MPP) in Agro Division for producing new age high value products.
- Accredited with Responsible Care® certification by Indian Chemical Council, apex industry body representing chemical industry in India pursuing “Responsible Care Programme”

Chairman's message

Jayanti Patel
Executive Chairman

Dear Shareholders,

It gives me immense pleasure to present the annual report of Meghmani Organics for the year FY23. Ranked as #1 Fortune Next 500 Company by Fortune India, we are striking a perfect balance between meeting our business objectives along with being good stewards of environment and sustainability. We prioritize meeting the demands of our customers, prospects and stakeholders and building an eco-friendly brand for our business.

Macro overview

This year has been a challenging year for the Indian chemical industry, which has been impacted by a multitude of global macroeconomic factors. These include geopolitical concerns, inflationary pressures, volatile raw material prices, and contraction in demand.

Despite these headwinds, I am delighted to say that Meghmani Organics has weathered the storm and continued to deliver robust performance. We have maintained our focus on operational efficiency, diversifying product portfolio and quality products, which has helped us navigate these turbulent times.

The subdued environment is expected to continue in the upcoming quarter, but we are optimistic about the future. We are already seeing decline in raw material prices and logistic costs, which will have a positive impact on our production and operation going forward in the upcoming quarters.

It is important to note that the entire industry is facing a pile-up of high-cost inventory due to oversupply situations in the marketplace. This has put pressure on the revenue as well as margin across chemical companies. However, we believe that the situation will improve going forward, and we remain committed to our long-term growth strategy.

Sustainable growth

In FY23, our revenue increased by 2.5% to ₹ 2557 crores, and our EBITDA reached ₹ 364 crores with a margin of 14.2%. The pigment segment had a negative impact on the margin, but this was partially offset by the agrochemicals division. Our focus is on improving margins across all business segments.

Our net profit for the year was ₹ 250 crores, demonstrating the strength of our business model. As of March 31st, 2023, our cash balance & short term investments on the balance sheet amounted to ₹ 59 crores. Despite ongoing capital expenditure (CAPEX), we have consistently maintained a debt to equity ratio below 0.5, which is satisfying.

Our return ratios, specifically ROCE and ROE, were approximately 13% and 16%, respectively, for the year. These ratios underscore our strong operational performance and efficient capital utilization.

We prioritize continuous improvement in our operations to ensure sustainability. By aligning our product offerings with market demand, we have achieved positive outcomes, establishing ourselves as a reliable supplier for our clients. We adapt our strategy based on demand, pursuing backward integration.

Segment-wise overview

Our agrochemicals business constitutes approximately 76% of the revenue and we remain as one of the leading Agro-Chemical manufactures with strong presence in India and export market. We are able to derive value from this segment through our constant endeavour to deliver a better product.

With investment in research and development, we have come up with newer molecules while also focussing on process development which allows us to enhance our technical capacities and adopt cost effective processes.

Whereas, our pigments division contributed 24% of our revenue, we see there is a contraction in the growth of the pigment industry. This slowdown can be attributed to muted export demand and contracted prices. I would like to highlight that this year, we have commissioned Phase I of our Titanium Dioxide (TiO_2) plant with an installed capacity of 16,500 metric tons per annum and the plant is under stabilization.

Capacity building to drive through sustainability

We remain focussed on enhancing our capabilities and capacity eyeing on timely execution. We have a strong balance sheet with an ability to generate free cash flow which can be used to fuel our capex plans with robust working capital management backed by internal accruals.

With a focus on capacity and capability building, we have commissioned a Multi-Purpose Plant (MPP) with backward integration. This makes us well-positioned to benefit from “China plus one” strategy of global players coupled with enhanced capacity eyeing on new molecules in agrochemicals.

We are accredited with Responsible Care certification by Indian Chemical Council, apex industry body representing chemical industry in India pursuing “Responsible Care Programme”.

Good and transparent business practices

We continue to demonstrate good and transparent business practices. We constantly endeavour to create sustainable position as one of the leading and diversified chemical companies with strong manufacturing base in “Organic Chemistry” aiming global presence with worldwide product acceptability.

Opportunities

Indian agriculture sector is a major consumer of agrochemicals, with increasing demand expected due to a focus on enhancing crop yields and improving produce quality. The country’s large production and export of agrochemicals also presents significant opportunities for companies.

We have entered into a licensing agreement with one of leading domestic fertiliser manufacturer through MCNL a wholly owned subsidiary for producing Nano Urea (Liquid) Fertilizer by using their domestically developed patented Technology and setting up plant in Gujarat with a capex of ₹ 150 crore with annual capacity of 5 crore bottles (~500 ml) per year. The Plant is expected to commence the commercial production by Q4 FY24 and achieve a top line of ~₹ 1,000 crores on an annual basis. Foray into Crop nutrition segment thourgh Liquid Fertilizers amplifies the growth strategy of the company and also aligned with the Prime Minister’s vision of Atmanirbhar Bharat and increasing farmers’ income.

India’s growing paint and coatings industry, particularly the decorative, industrial, and automotive coatings segments, is expected to drive growth in the pigments market. Titanium oxide (TiO_2) consumption is also significant in Indian manufacturing, with demand expected to remain strong due to increasing demand from end-use industries and government initiatives to promote manufacturing and infrastructure spending.

Our people

At Meghmani Organics, our people are at the heart of our success. Our diverse and talented workforce are committed to delivering high-quality products and services to our customers. We recognise the importance of inclusivity and well-being of our employees in our long-term success. We are dedicated to provide them with a safe and healthy work environment, as well as opportunities for growth and development.

We continue to unleash the full potential of our employees and ensure that their contributions are recognised and rewarded. We believe that by putting our people first, we can achieve our goals and build a sustainable future for our business.

Outlook

Looking ahead, our focus is on building a sustainable future for our company, our stakeholders, and the planet. We believe that sustainability is the key to long-term success and we are committed to integrating it into every aspect of our operations.

To achieve this, we will continue to invest in research and development to create innovative and eco-friendly products. We will also focus on enhancing our operational efficiency and reducing our carbon footprint by adopting best practices and implementing energy-efficient technologies.

We understand the importance of good governance and we will continue to uphold the highest standards of ethical conduct, transparency, and accountability in all our dealings.

We are confident that with strong focus on sustainability, innovation, and good governance, Meghmani Organics Limited is well-positioned to achieve sustainable growth and create long-term value for all our stakeholders.

Vote of thanks

I would like to take this opportunity to extend my heartiest gratitude to all our stakeholders for their encouragement and faith in Meghmani Organics. I am extremely thankful to all our partners, suppliers, customers and business associates for their constant support over the years, we look forward to another successful and sustainable year ahead.

Regards

Jayanti Patel
Executive Chairman

Our basket of diverse and innovative solutions

MOL has created brand value amongst customers by providing customisation, quality and adhering to compliance regulations.

We are one of the leading manufacturing chemical companies with a diverse product portfolio comprises of pigment and agrochemicals. We have 8 facilities in Gujarat, 4 each for both divisions.

Agrochemicals

We are a vertically integrated and leading manufacturer of agrochemicals with products across the entire value chain. We reach out to approximately 10 million Indian farmers with our products and services, thereby ensuring crop protection and higher yields for farmers.

Manufacturing facilities

We have four multifunctional ISO 9001 and 14001 manufacturing facilities at Ankleshwar, Panoli and Dahej in Gujarat. We have a strong global presence with a footprint in over 90 countries including Africa, Brazil, Latin America, the US and Europe.

Products and applications

Our agrochemicals product manufacturing includes intermediaries, technical and formulation for insecticides and herbicides. The manufactured products have a wide range of applications such as crop protection, veterinary pesticides, household insecticides and public health.

Crop protection

A variety of products are available from MOL under the categories of insecticides, herbicides, plant growth regulators, seed treatments and speciality pest management.

Veterinary pesticides

MOL offers goods utilised by businesses in the animal health industry that cater to veterinarians, livestock farmers, and pet lovers.

Household insecticides and public health

MOL has a significant presence in the management of pest control. We expand our reach by providing household pesticides and public health items.

52,140 MTPA
Total agrochemical capacity

Multi purpose product (MPP)
Commissioned in 2023

80%
Average utilisation

₹1,940 Crore
Revenue from operations in FY23

89%
Exports

Our basket of diverse and innovative solutions

Pigments

With a 14% global market share, we are one of the major manufacturers of phthalocyanine-based pigments and one of the top three global capacity players. We serve end-user industries primarily in the fields of printing inks, paints & coatings, and plastics.

Manufacturing facilities

We have four pigment production facilities at Vatva, Panoli, Dahej SEZ and TiO2 plant at Dahej in the state of Gujarat.

Products and applications

We offer products such as Phthalocyanine pigments and Azo pigments. We are the largest manufacturer of Phthalocyanine-based pigments.

Printing inks

Specifically created pigments suitable for paste inks and liquid inks (Flexo and Gravure). Additionally, Meghafast Pigments have strong colour saturation, good flow transparency, and gloss.

Coatings

With long-lasting durability, light and weather fastness, and good environmental performance, Meghafast Pigments demonstrates good performance in decorative, industrial, and automotive applications.

Plastics

Meghafast Pigments are specifically created for outstanding heat stability and good performance in polyolefins, engineering polymers, PVC, and rubber. Our pigment exports account for 80% of our total exports.

33,180 MTPA
Total capacity

88%
Average utilisation

83%
Exports

₹617 Crore
Revenue from operations

Titanium Dioxide

Kilburn Chemicals Limited was acquired for sustainable growth in pigment division by diversification into white pigment - Titanium Dioxide (TiO2). Because of its high UV light absorption and brightness, it is the most extensively used white pigment. It is used in paints, coating, plastics, papers, inks, foods, medicines and toothpaste for its whiteness and opacity. There is a huge demand for TiO2 as the end-use industry is growing at double digits.

Manufacturing facilities

We are setting up the largest TiO2 manufacturing facility in India.

Products and applications

Our Titanium Oxide product range includes Titanium Oxide - Anatase grade and Rutile grade. The products are used in mainly paints, coatings, plastics, inks, dyes, paper and cosmetics.

16,500 MTPA

Total capacity in Phase I

Nurturing our diverse talent pool

Our employees are a crucial part of our organisation. They work together to solve problems and help us create new and innovative solutions that lead to the best possible customer experiences, all while considering sustainability and industry transformation. We are dedicated to promoting a culture of diversity, inclusivity, and continuous learning to ensure that every employee at MOL feels valued, respected, and empowered to contribute their ideas.

1994

Number of employees

Diversity and inclusion

International Woman Day celebration at Meghmani House

Zero

Cases of sexual harassment of women at workplace

Health and safety

We are taking proactive initiatives to enhance our EHS Management System, such as introducing contemporary systems and hardware, in order to offer a safe and healthy workplace for our workers. We are happy to hold ISO 14001 and ISO 18001 accreditations, which indicate our dedication to EHS.

As safety is of utmost importance in the agrochemicals industry, we take precautions to ensure the highest safety standards. As a precaution, we document and examine 'Process Safety Near Misses' and have been awarded the 'Responsible Care' emblem for safety standards.

Insightful interactions to co-create value

We believe investing in employee engagement initiatives will result in improved productivity, higher-quality work, and the retention of our best employees. At our Company, we organise various employee engagement activities, such as inter-plant cricket tournaments, women's cricket tournaments, and celebrations for International Women's Day, Safety Day, and Republic Day. We also organise blood donation camps. Employees and their families are invited to Meghmani speeches, health awareness seminars, vaccination programmes, and Diwali festivities. In addition, at the factory, we provide a family library.

Nurturing our diverse talent pool

Delivering sustainable performance

The diverse skills and well-being of our talent pool can directly impact the performance of the Company. To ensure holistic well-being of our employees, we have implemented a monthly evaluation system that ranks each department based on predetermined criteria. This not only helps with compliance and risk mitigation but also encourages skill development.

We also hold structured management review meetings for EHS reviews, which have become important drivers in increasing site leaders' involvement. To evaluate our progress, we use over 40 leading indicators and 13 lagging indicators for quarterly evaluations, which have already started yielding positive outcomes.

Training and development

We believe in providing our employees with opportunities for growth and development. Our priority is to improve the knowledge and leadership abilities of our employees by providing continuous training and development opportunities. Through refresher trainings, we aim to sharpen the necessary skills for seamless operations among existing employees. Our training programmes primarily focus on plant safety, process safety, emergency response, first aid, on-the-job training, and behaviour-based training.

95.89%

Employees trained

Ensuring holistic well-being

We provide several facilities to enhance the well-being of our employees, including health insurance, transportation, accidental insurance, canteen services, education assistance, loan facilities for housing, vehicles, and medical treatment, and cultural and educational programmes for employees and their families. We strive to create an environment that promotes industrial harmony and supports our employees' overall well-being.

Driving innovation excellence

Our commitment to research and development (R&D) is reflected in our state-of-the-art facilities which are equipped with cutting-edge analytical tools.

Our focus on new product and process development involves identifying market needs and opportunities, conducting feasibility studies, and developing innovative products and processes that meet those needs. We continuously evaluate new technologies and approaches to enhance our R&D capabilities and maintain our competitive edge.

Proficient R&D team

The R&D centre is equipped with various sophisticated analytical instruments. Our researchers and scientists are dedicated to driving innovation and excellence in our product offerings. Our team is equipped with the latest technologies to support our focus areas, which include new product and process development, formulation and development, impurities synthesis and characterisation, and CIB overseas registration activities. In addition, we hold patents for our innovations.

~35
Researchers and scientists

3
Patents

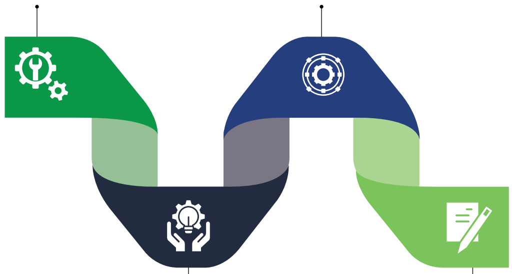
Driving innovation excellence

Our R&D facilities are accredited by Good Laboratory Practices (GLP) and adhere to the 'Norms on OECD Principles'. This accreditation is a testament to our commitment to scientific integrity and quality research practices. Our R&D investments have yielded significant results over the past year. We launched several new products that have been well received by our customers, and have made progress in developing sustainable solutions that support environmental stewardship.

Core activities in focus

New product and process development

Impurities synthesis and characterisation



Formulation and development

CIB and overseas registration

Adopting prudent strategies

We follow different strategies for different product lines. For agrochemicals, we are a leading manufacturer of pesticides with products across the overall value chain.

In the pigments segment, we are the largest manufacturer of Phthalocyanine-based pigments with a global market share of 14% and is among top 3 players in the global market.

During FY23, in Pigments, the company's focus was on commissioning the phase I of the TiO2 facility at Dahej. With the growing demand and capex in the end-user industry application i.e. paints, the demand for TiO2 is expected to substantially increase going forward.

In Agrochemicals, the company has successfully commissioned the multipurpose plant at Dahej. This plant is expected to be utilized for manufacturing of high valued added and niche agrochemical products.

Adopting prudent strategies

Agrochemicals

With the available resources and capabilities, we develop newer molecules at our in-house R&D centre at a competitive cost.

In FY23, our total CAPEX stood at ₹ 465 cr and a multipurpose plant was commissioned with installed capacity 5,000 MTPA. This facility will be used to manufacture high-value new-age insecticides. Some of the major products that will be manufactured include Lambdacyhalothrin Tech, Flubendamide, Beta Cyfluthrin, Cyfluthrin and Spiromesifen.

Investing prudently

We are making a significant capital expenditure to enhance our infrastructure and production capabilities. We believe that this investment will provide us with a significant competitive advantage in the market, enabling us to differentiate ourselves from our competitors and meet the evolving needs of our customers. In addition, we expect that this investment will give us a first-mover advantage in the industry, allowing us to establish ourselves as a leading provider of high-quality products and services.

Meeting the evolving demand

We have taken a strategic approach to our infrastructure development, keeping in mind the global market trends and the evolving needs of our customers. We have built our infrastructure with a focus on sustainable supply, which will enable us to meet the increasing demand for environmentally responsible products and services. This will also allow us to take advantage of the China+1 strategy, which involves diversifying supply chains away from China by investing in other countries such as India. By positioning ourselves as a reliable and sustainable supplier to global customers, we believe that we can further enhance our competitive advantage and drive growth in our business.

₹ 465 Crore

Total capex in FY23

Pigments

By acquiring Kilburn Chemicals Limited we want to penetrate into the white pigment/ Titanium Dioxide market.

Strategic advantages

Optimal location

The strategic location of our manufacturing facility is one of our key strengths at Meghmani Organics. With its proximity to the port, we have easy access to raw materials, enabling us to source them quickly and efficiently. This not only helps us optimise our costs but also ensures that we have a steady supply of raw materials to meet the growing demand for our products.

Low gestation period

Another advantage of our manufacturing facility is the low gestation period required to set up and begin production. This has allowed us to ramp up our production quickly, enabling us to take advantage of market opportunities and stay ahead of competition.

Land availability

We have ample land available for future expansion, which will allow us to increase our production capacity and meet the growing demand for our products. This gives us a competitive edge in the market and positions us for long-term success. We will be one of the few manufacturers in this segment, with an approximate market share of 29%.

Diversification of product portfolio

At Meghmani Organics, we are constantly looking for ways to expand and diversify our pigment portfolio. This is a key strategy for us as we seek to grow our business and increase our market share. By expanding our product portfolio, we can offer our customers a wider range of options, which can help us capture more market share and increase our revenues.

In addition to diversifying our portfolio, we are also focusing on penetrating the market with higher margin, lucrative product. This is a key part of our growth strategy, as we seek to increase our profitability and generate more value for our stakeholders. By identifying and developing high-margin products, we can increase our revenues while also improving our bottom line.

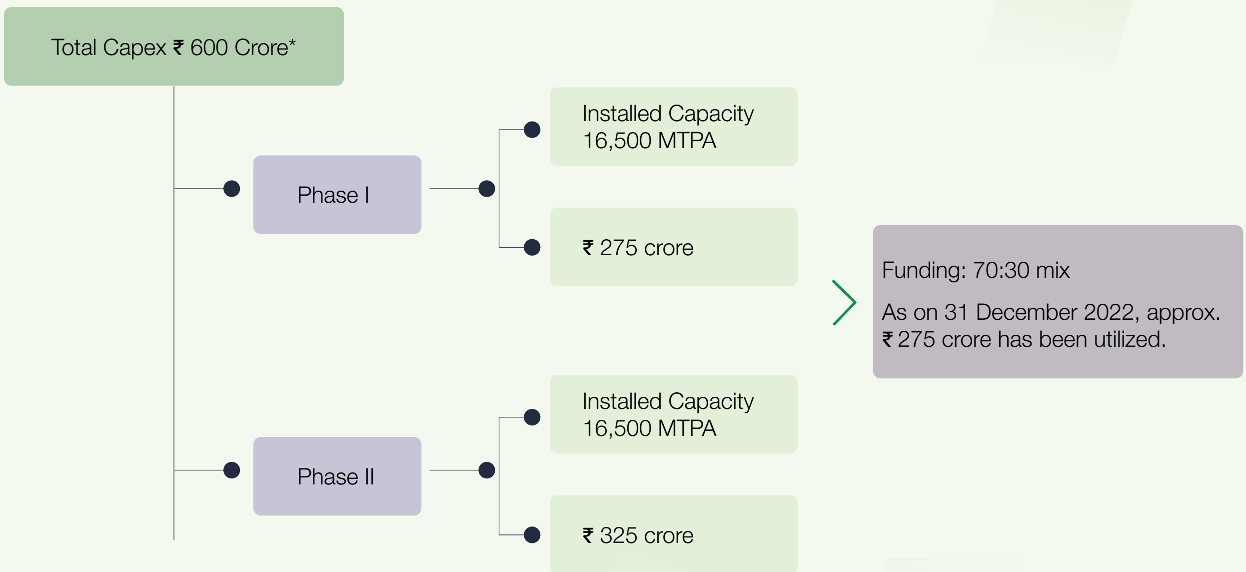
Adopting prudent strategies

Supporting India's growth

The current state of the Indian market for TiO2 indicates that there is significant potential for domestic production. Currently, India imports 73% of its TiO2, which suggests that there is a large market for domestic production. By investing in domestic production, we can help reduce the country's reliance on imports and increase self-sufficiency.

Moreover, domestic production of TiO2 can help to support the Indian government's vision of Atmanirbhar Bharat and 'Make in India'. By producing TiO2 domestically, we can contribute to the growth of domestic industry, create new jobs, and support the country's economic development. This aligns with our own values as a Company, and we are committed to exploring opportunities to contribute to the growth and development of the Indian economy.

Pigments: Investing in next phase of Growth



Ensuring a sustainable future for all

The world faces a significant challenge with climate change, and we are actively working on adopting and implementing projects that use innovative and sustainable production technologies. We have implemented control measures to address climate change issues, pollution management, and emission control.

We also recognise the importance of biodiversity conservation and management, and is committed to taking steps to minimise the impact of our operations on the natural environment. We believe that by managing our operations in a responsible and sustainable manner, we can contribute to the preservation of the ecosystem.

Adhering to standards

Our factories adhere to the National Ambient Air Quality Standards (NAAQS) to ensure ambient air quality, and we closely monitor key air emissions, such as SOx, NOx, and particulate matter (PM). We use Continuous Emissions Monitoring System (CEMS) to monitor our emissions accurately, which is more precise than off-line monitoring.

Reducing our carbon footprint

We are consistently striving to optimise our energy usage to minimise our impact on the environment. To achieve this, we have installed wind turbines to reduce our dependence on non-renewable energy sources and transition towards sustainable energy. Additionally, most of our offices use LED lighting, which significantly reduces energy consumption. As part of the 'Green Initiative' proposed by the Ministry of Corporate Affairs, we employ electronic means to transmit documents to limit paper usage.

21.5%

Energy generated from renewable sources

Optimising water usage

Our water management policies aim to reduce our water usage and ensure that any wastewater we generate is treated before being discharged. We regularly monitor our water consumption and have implemented water-saving measures such as low-flow fixtures and water-efficient landscaping. We also work with our stakeholders to ensure that water usage does not have a negative impact on the local environment.

Ensuring a sustainable future for all

Approach for water conversation and recycling

1. Steam condensed recycling
2. Usage of sewage treated water for developing green belt
3. Recycling of water for usage
4. Assisting the community in rainwater harvesting

Waste water management

We are committed to reducing waste and optimising the use of resources, particularly water. Our efforts involve measures to minimise wastewater discharge in our manufacturing sites. We conduct regular monitoring of wastewater quality to comply with Central and/or State Pollution Control Board regulations, and our effluent has no discernible impact on nearby water bodies.

1,07,525sq mt

of land has been utilised for plantation in order to conserve the environment

Being a responsible social steward

At Meghmani Organics, we believe that our success is closely tied to the well-being and development of the communities in which we operate. We work towards assisting communities with their social and economic well-being.

Rural development

Meghmani Group has implemented various CSR initiatives aimed at improving health, education, social infrastructure, and women's empowerment in rural areas. Through constant efforts in CSR initiatives, we aspire to meet the developmental goals of adjacent communities and villages.

Focus areas

Our CSR programmes are aligned with our vision and mission and are not limited to our plants and offices but also extend to other areas based on community needs. These initiatives are focused on achieving various goals, such as enhancing environmental activities, supporting rural development, promoting education, providing agricultural machinery to underprivileged farmers, among others.

Responsible Care

Meghmani Organics has officially become a reliable partner of the Responsible Care (RC) programme, demonstrating our focus on adopting responsible business practices for the betterment of society, the environment, our employees and all other stakeholders. As part of our commitment to Responsible Care, Meghmani Organics has fully embraced all seven codes of Management Practices.

Responsible Care serves as the catalyst for significant cultural change within the chemical industry, leading to improved performance and increased dialogue with all stakeholders on matters of shared concern. For Meghmani Organics, the successful implementation of Responsible Care reflects our emphasis on implementing appropriate public policies that safeguard our license to operate, foster innovation and meet society's demands for our products. By implementing Responsible Care effectively, we ensure that our company will continue to provide beneficial products to society, reduce negative impacts and maximise our positive contributions to human health, the environment, the economy and society.

Over the past two decades, it has been evident that practising the Responsible Care Code Management System has led to reduced operating costs, improved stakeholder relationships, legal compliance, enhanced risk management, increased customer satisfaction and improved safety measures at Meghmani Organics. To successfully implement Responsible Care and reap its numerous benefits, the top leadership (CEO/MD) at Meghmani Organics has allocated resources to support this initiative.

Workplace Safety

MOL's Agro Division has obtained ISO 14001 and 45001 certifications, which are valid until 2025. We developed a comprehensive environmental health, safety and security (HS&S) policy as a driving force for ensuring Responsible Care. Our top management actively participates in quarterly EHS management reviews, with an increased number of leading indicators from 25 to 45. We have implemented initiatives including training programmes and monthly safety performance evaluations to foster a safety-focused culture.

Process Safety Management adherence has been assessed to identify and address any gaps. The Pre-Start up Safety Review(PSSR) system has been strengthened to include equipment-specific checks. Mock drills on chemical security and transportation emergencies were conducted in addition to conventional drills. Journey Risk Assessment (JRA) was performed for major transportation routes in the agro industry and the results were shared with transporters.

Product safety and handling awareness programmes have been organised, training hundreds of farmers monthly, with over 3000 farmers reached in FY 22–23. Safety awareness campaigns have also been extended to major Indian customers at the B2B level. The Company has implemented multiple SOPs and conducted Security Vulnerability Assessment gap assessments to enhance security management systems at manufacturing sites, focusing on chemical security and safety across the supply chain.

Ensuring transparent and ethical operations

At our Company, we place a strong emphasis on conducting our business in compliance with all relevant laws, regulations, and ethical standards. We are committed to maintaining the highest levels of integrity, governance, ethics, and transparency in all of our operations.

To ensure that we adhere to these standards, we have established a self-regulatory mechanism that is designed to protect the interests of all stakeholders.

Our policies are formulated to promote good governance and ethical behaviour within our organisation. This includes the adoption and implementation of various codes of conduct, as well as a comprehensive Whistleblower Policy. These policies serve to ensure that our staff understand their obligations and responsibilities, as well as that they have the authority to report any violations or concerns.

Diverse leadership

Our Board of Directors comprises individuals with diverse backgrounds and experiences, bringing a wealth of knowledge and expertise to the Company. They meet regularly to review the Company's performance, assess risks, and ensure that we are operating in compliance with relevant laws and regulations.

5

Independent Directors

5

Non-Independent Directors

Code of conduct

Our Code of Conduct is the foundation of our corporate culture at Meghmani Organics. It sets out our expectations for ethical behaviour and outlines the principles and values that guide our actions. The Code of Conduct applies to all employees, directors and officers of the Company, and it covers a range of topics, including conflicts of interest, anti-bribery and corruption, data protection, and human rights. We ensure that all employees are aware of the Code of Conduct and provide regular training to ensure that everyone understands their obligations.

Ethics and social responsibility

At Meghmani Organics, we take our social responsibility seriously. We strive to make a positive impact on the communities we serve and the environment. We have implemented policies and programmes to minimise our environmental footprint and promote sustainability. Additionally, we have a strong commitment to ethical behaviour and operate with the highest level of integrity in all our interactions with stakeholders.

Compliance and risk management

We have implemented robust compliance and risk management framework to ensure that we are operating in compliance with all applicable laws and regulations. Our compliance team works closely with all business units to identify and mitigate risks, and we have a comprehensive programme in place to detect and respond to any potential breaches of our compliance policies.

Vigilance

We have a vigil mechanism to deal with unethical behaviours, fraud or violation of the Company's code of conduct. We encourage the whistle blower to report genuine concerns or grievances and provide safeguards against victimisation. The whistle blower policy provides direct access to the Chairman of the Audit and Risk Management Committee.

Board of Directors

Mr. Jayanti Patel
Executive Chairman

- 48 yrs of experience
- Overseas international marketing
- B.E (Chemical)

Mr. Ashish Soparkar
Managing Director

- 47 yrs of experience
- Overseas corporate affairs & finance
- B.E (Chemical)

Mr. Natwarlal Patel
Managing Director

- 46 yrs of experience
- Overseas technical matters & marketing in Agrochemical division
- MSc degree

Mr. Ramesh Patel
Executive Chairman

- 45 yrs of experience
- Overseas purchasing function & liaisons with govt. / regulatory bodies
- B.A degree

Mr. Anand Patel
Executive Director

- 36 yrs of experience
- Overseas pigments marketing, manufacturing
- BSc degree

The Second Generation in Charge of Business Operations

Mr. Ankit Patel
CEO

- More than 12 yrs of experience
- Executive Director at MFL
- M.S. (Engg Management) from Australia & MBA from Singapore

Mr. Darshan Patel
COO (Pigments)

- More than 10 yrs of experience
- Executive Director at MFL
- Heads Pigments
- M.S. (Engg Management) from Australia and MBA from USA

Mr. Karana Patel
COO (Agrochemicals)

- More than 12 yrs of experience
- Executive Director at MFL
- Heads Operations, Projects & procuremen
- Diploma (Chemical), B.E. (Chemical) from USA

The Independent Directors

Mr. Manubhai K. Patel
Independent Directors

He is a Chartered Accountants with more than 37 years of experience in the field of Forex, Treasury and Credit Management. He is on board of various companies i.e. GVFL Trustee Company P. Ltd, Dial for Health Unity Ltd, ACME Diet Care P. Ltd, Clintha Research Ltd, Vytal Healthcare P. Ltd

Mr. Shalin Mehta
Independent Directors

He is a Bachelor of Commerce (Accountancy and Mathematics) from H. L. College of Commerce and Bachelor of Law from L. A. Shah Law College, Gujarat University and Master in Law from Columbia University, Columbia Law School, New York, USA.

He is practicing as an Advocate since 2003. He is designated as Senior Advocate by High Court of Gujarat unanimously in June 2012. He is Senior Standing Counsel for High Court of Gujarat, Gujarat State Road Transport Corporation, Gujarat Housing Board and Airport Authority of India. He is also visiting faculty of law in Nirma University, Ahmedabad.

Prof. (Dr.) Ganapati Yadav
Independent Directors

He is a Padmashri Awardee, by President of India. He has recently retired from the position of Vice Chancellor of Institute of Chemical Technology (ICT). With numerous honours and distinctions for his contributions to green chemistry and engineering, catalysis science and engineering, chemical reaction engineering, nanotechnology and energy engineering, he has authored over 300 original research papers in 51 cross-disciplinary international peer-reviewed journals. He is independent director on the board of Aarti Industries, Godrej Industries Ltd, Bhageria Industries Ltd and Clean science and Technology Ltd.

Ms. Urvashi D Shah
Independent Directors

She holds Bachelor of Arts (BA) Degree with Economics and having First class First rank of Gujarat University. She is practicing with Income Tax appellate Tribunal since last 15 years.

Dr. Varesh Sinha
Independent Directors

He is a Master in Science (Mathematical Statistics) from Lucknow University and Doctor of Philosophy (Ph.D.) in Statistics.

He joined the Indian Administrative Service in 1977 and retired in 2014. During this period, he held various eminent positions i.e. Collector of Jamnagar, Managing Director in various Gujarat Government companies including Gujarat Agro Industries Corporation Limited, Additional Chief Secretary and Chief Secretary – Government of Gujarat chairmanship of Gujarat State Fertilizers & Chemicals Limited, Gujarat Narmada Valley Fertilizers & Chemicals Limited, Gujarat Alkalies & Chemicals Limited, Gujarat State Petroleum Corporation Limited, Sardar Sarovar Narmada Nigam Limited and Gujarat Gas Limited. After the superannuation, he served as State Election Commissioner from 2014 to 2019.

Award of Excellence

PMFAI-SML Annual Agchem Awards

Successful Company of the Era-Runner Up-2023

Mr. Natwarlal Patel, Managing Director honoured with Life Time Achievement

Award-2023 for Contribution and Service

Mr. Ankit Patel, CEO presented with emerging Leader of the Year-2023-Agrochemicals

Corporate Information

Board of directors

Mr. Jayanti Patel
Executive Chairman

Mr. Ashish Soparkar
Managing Director

Mr. Natwarlal Patel
Managing Director

Mr. Ramesh Patel
Executive Director

Mr. Anand Patel
Executive Director

Mr. Manubhai Patel
Independent Director

Prof.(Dr.) Ganapati Yadav
Independent Director

Dr. Varesh Sinha
Independent Director

Mr. Shalin Mehta
Independent Director

Ms. Urvashi Shah
Independent Director

Audit committee

Mr. Manubhai Patel
Chairman

Ms. Urvashi Shah
Member

Prof.(Dr.) Ganapati Yadav
Member

Nomination & remuneration committee

Mr. Manubhai Patel
Chairman

Ms. Urvashi Shah
Member

Prof.(Dr.) Ganapati Yadav
Member

Shareholders' relationship committee

Mr. Manubhai Patel
Chairman

Ms. Urvashi Shah
Member

Mr. Ashish Soparkar
Member

Corporate social responsibility committee

Mr. Manubhai Patel
Chairman

Mr. Jayanti Patel
Member

Mr. Ashish Soparkar
Member

Mr. Natwarlal Patel
Member

Risk management committee

Mr. Manubhai Patel
Chairman

Mr. Jayanti Patel
Member

Mr. Natwarlal Patel
Member

Chief executive officer

Mr. Ankit Patel

Chief financial officer

Mr. Gurjant Singh Chahal

Company secretary

Mr. Jayesh Patel

Registrar & share transfer agent

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

Registered & corporate office

1st to 3rd Floor, Meghmani House, Near Raj Bunglow, Near Safal Profitaire, Prahlad Nagar, Satellite,
Ahmedabad – 380015, Gujarat, India
Telephone No. 91-79-2970 9600/ 7176 1000
Fax No. 91-79-2970 9605
Website: www.meghmani.com
E-mail: ir@meghmani.com
CIN: L24299GJ2019PLC110321

Plant locations

Pigment Green Division
Plot No. 184, Phase II,
G.I.D.C. Vatva,
Ahmedabad -382 445
Telephone No. 91-9979882209
E-mail : helpdesk@meghmani.com

Pigment Blue Division
Plot No. 21,21/1,
G.I.D.C. Panoli,
District: - Bharuch
Telephone No. 91-9879606337/38/39
E-mail : helpdesk@meghmani.com

Pigment Blue Division
Plot No. Z-31, Z-32,
Dahej SEZ Limited, - Dahej
Taluka :- Vagra,
District :- Bharuch
Telephone No. 91- 9099960742, 9099958371
E-mail : helpdesk@meghmani.com

Agro Division – I
Plot No. 402,403,404 & 452,
Village Chharodi,
Taluka Sanand,
District :- Ahmedabad
Telephone No. 91-987960330
E-mail : helpdesk@meghmani.com

Agro Division – II
5001/B,
G.I.D.C. Ankleshwar,
District:- Bharuch
Telephone No. 91-2646-222971
E-mail : helpdesk@meghmani.com

Agro Division – III & V
Plot No - Ch-1 & 2A + D-2/CH/10
GIDC Dahej, Dahej
Taluka – Vagra ,
District: - Bharuch -392130
Telephone No. 91-2641-291017
E-mail : helpdesk@meghmani.com

Agro Division – IV
Plot No. 22/2,
G.I.D.C. Panoli,
District: - Bharuch
Telephone No. 91-6359605548
E-mail : helpdesk@meghmani.com

Titanium Dioxide (TiO2)
Plot No. D2/CH-17,
Dahej-II, Industrial Estate,
Village: Jolwa, Ta: Vagra, Dist:
Bharuch-392 130

Principal bankers

State Bank of India
Overseas Branch, 1st Floor, ISKCON Elegance,
Near Shapath V, Prahlad Nagar Cross Roads
Ahmedabad - 380015, Gujarat, India

State Bank of India
29 Hoveniersstraat,
2018 Antwerp,
Belgium.

ICICI Bank Limited
JMC House, Opposite Parimal Gardens,
Ambawadi, Ahmedabad-380006,
Gujarat, India

HDFC Bank Limited
Corporate Banking, 3rd Floor HDFC Bank House,
Opp Jain Dersar, Navrangpura,
Ahmedabad-380009, Gujarat, India

Axis Bank Limited
Corporate Banking Branch, 2nd Floor,
Third Eye One
Near Panchvati Crossing, C G Road,
Ahmedabad – 380009, Gujarat, India

DBS Bank India Limited
19th Floor, Express Towers, Nariman Point,
Mumbai – 400021, Maharashtra, India

Indusind Bank Ltd.
World Business House; Nr Parimal Garden
Ellisbridge, Ahmedabad – 380 009.

Statutory auditor

S R B C & CO. LLP
Chartered Accountant
21st floor, B Wing, Privilon,
Ambli BRT Road, Behind Isckon Temple,
Off. S.G. highway, Ahmedabad – 380059

Internal auditor

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

Management Discussion and Analysis

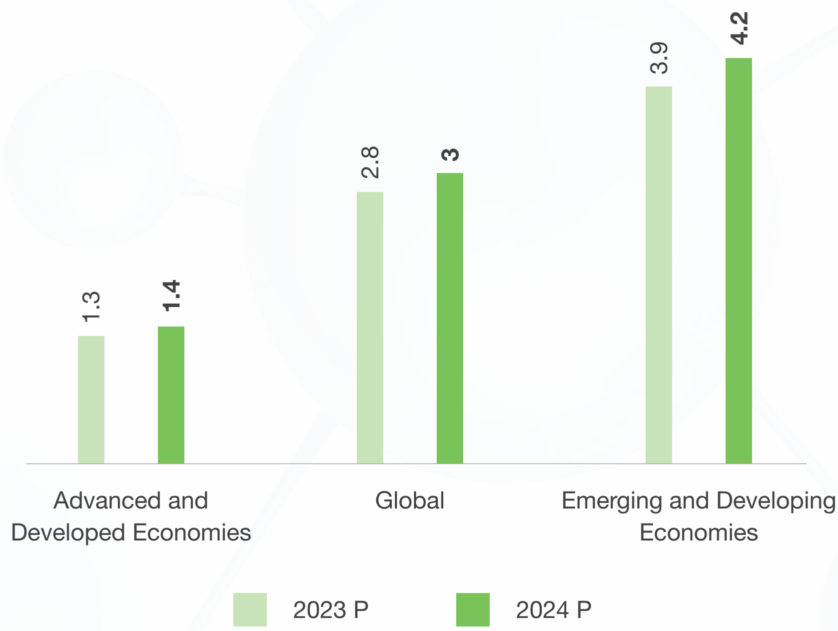
Economy overview

Global economic review

The global economy has been reeling under the impact of numerous challenges over the past year, including geopolitical conflicts and mounting inflationary pressures, as well as the resurgence of COVID in China, which have dimmed growth prospects. However, China's recent border openings are setting the stage for a faster-than-expected recovery.

According to the International Monetary Fund's latest estimates, the global GDP growth rate is expected to be 3.4% in CY22, indicating sheer resilience towards recessionary fears. Notwithstanding these headwinds, supply chain disruptions have been widespread. Additionally, geopolitical conflicts have caused crude oil prices to climb, adversely affecting global trade and exacerbating inflationary pressures. In response, Central Banks worldwide, including the US Federal Reserve, have raised rates in a synchronised manner to curb sticky inflation.

GDP growth projection (in %) (Source: IMF)



[1] https://www.imf.org/en/Blogs/Articles/2023/04/11/global-economic-recovery-endures-but-the-road-is-getting-rocky

Outlook

The International Monetary Fund has recently projected that global growth will experience a slowdown to 2.9% in CY23 but is expected to recover and increase by 3.0% in CY24. A stronger boost from pent-up demand in numerous economies or a sharp decline in inflation is anticipated in the course of 2023. The governments and central banks of the world are expected to play a major role in accelerating economic growth through targeted, need-based measures.

**Source: IMF World Economic Outlook January 2023*

Indian economic review

India's economy has demonstrated sheer resilience amid concerns of an impending global recession, reaffirming its position as one of the fastest-growing major economies globally. The National Statistical Office's initial projections indicate that the economy is well-positioned to register a growth rate of 7% during FY23, despite combating several challenges such as high inflation, rising commodity prices and disruptions in global trade due to geopolitical conflicts in Europe. However, the Government and the Reserve Bank of India (RBI) have implemented multiple strategies to tackle these concerns and their efforts appear to be yielding positive results, as demonstrated by the decline in global commodity prices. Overall, India's economy is on course to achieve significant progress in the upcoming fiscal year.

Public sector banks in India with ample capital have made significant strides in improving their financial conditions, which has put them in a better position to ramp up credit supply. Despite a global economic slowdown, India's performance indicators have not shown any signs of decline, implying cautious optimism. This bullish outlook is reinforced by the sustained growth of economic activity and human consumption, as evidenced by key indicators such as GST collections, direct tax collections, railway freight growth, E-Way Bills, air traffic and PMI data. Taken together, these statistics affirm that both the manufacturing and services sectors in the country are witnessing broad-based expansion.

The Union Budget for FY24 includes major provisions for agriculture development and farmers' welfare. The services sector is projected to clock a year-on-year growth rate of 9.1% in FY23, exceeding the 8.4% growth recorded in FY22. This expansion is driven by the pent-up demand for contact-intensive services, which has been enabled by the world's largest vaccination programme. Private consumption has maintained its upward trend, with an estimated growth rate of 7.7% in FY23, slightly lower than the 7.9% growth rate observed in FY22.

Outlook

According to the International Monetary Fund (IMF), in FY23, the Indian economy became the world's 3rd largest economy in terms of purchasing power parity. A conducive domestic policy environment and the Government's sustained focus on structural reforms have kept India's economic activity robust despite global headwinds. A combination of rising disposable income, easy availability of credit and a lowering interest rate in the wake of a stabilising inflation trajectory will augur well for economic growth, going forward.

Industry overview

Global agrochemical industry

The global agrochemical industry witnessed significant growth in 2022, with Central and South America dominating the market with a revenue share of over 32.4%. This growth is attributed to the vast unexploited agricultural land in the region and the diverse range of farming systems due to its rich biodiversity, varied topography, and enormous latitudinal range.

[2]https://www.pib.gov.in/PressReleasePage.aspx?PRID=1889192

[3]https://pib.gov.in/PressReleasePage.aspx?PRID=1894921

[4]https://pib.gov.in/PressReleasePage.aspx?PRID=1895288

Management Discussion and Analysis

Continued

Herbicides were the most dominant product segment in 2022, with a sales share of more than 44.2%. This is due to the increasing use of herbicides such as glyphosate and atrasine in various aspects of the agricultural sector. With a revenue share of over 41.9% in 2022, the cereals and grains application segment were the largest in the global market. This growth can be attributed to the shrinking farmlands and the greater emphasis on the cultivation of these crops. The global agrochemical industry is expected to grow considerably due to the higher demand for food production and efficient and sustainable agricultural practices.

Outlook

The global market for agricultural chemicals is expected to witness steady growth in the coming years, with a projected revenue of USD 250-270 billion by 2025 and a CAGR of 5.5-6%. The key growth drivers include the necessity to enhance crop yields in the face of declining arable land, rising pest concerns, a growing population, rapid industrialisation and rising farmer awareness.

Synthetic fertilisers, pesticides and hormones are some of the major chemicals used in agriculture to regulate plant growth. However, with the growing preference for sustainable farming practices, there is a greater demand for eco-friendly and organic alternatives.

India's agrochemical industry

India is one of the leading producers of agrochemicals in the world and is currently being recognised as an ideal hub for the export-oriented production of agrochemicals.

Agrochemicals have gained prominence in India during the last few decades. This has been fuelled by the need to boost overall agricultural production to ensure adequate food availability for the ever-growing population. According to the Federation of Indian Chambers of Commerce and Industry, the Indian government acknowledges the agrochemical industry as one of the top 12 industries poised to gain global leadership, with growth rates ranging from 8% to 10% through 2025.

A report from the research firm Crisil reveals that India's agrochemical sector is estimated to grow at 15-17% in FY23, primarily driven by strong exports and stable domestic demand. The sector registered 23% growth in the fiscal year ended in 2022. During the last decade, India has been at the forefront of the chemicals and agrochemicals space, due to the tightening of environmental regulations in China in 2015 and its subsequent impact on the supply chains of global chemicals.

Government Initiatives

With agriculture generating 54.6% of the population's livelihoods, the Government intends to enhance soil fertility and crop protection for better yields. Towards this end, the Government has established 'Krishi Vigyan Kendras' to provide farmers with access to improved seed varieties, crop protection and ag technology. Additionally, the country is importing fertilisers from Jordan, Morocco and Canada following the Ukraine-Russian conflict, which created a huge deficit in potash.

[5] https://www.grandviewresearch.com/industry-analysis/agrochemicals-market

[6] https://aether.co.in/wp-content/uploads/2022/05/22.-Industry-Report.pdf

[7] https://ficci.in/pressrelease-page.asp?nid=4578

[8] https://economictimes.indiatimes.com/industry/indl-goods/svs/chem-/-fertilisers/agrochemical-players-likely-to-see-15-17-growth-this-fiscal-crisil/articleshow/96511120.cms?from=mdr

Several companies have signed long-term agreements to supply polysulphate through 2026, meeting the demand for fertilisers while also aligning with the Government's push for organic farming methods. The Indian government remains committed to creating policies that will not hinder the emerging drone market or its use.

Agri-tech

The Government has set an objective of doubling farmers' income in the next five years by promoting new crop inputs and ag technology to boost yield.

India's small and fragmented farms have ushered in new challenges for Western ag tech farming methods, but the country has successfully utilised drones and satellite technologies for efficient farming and higher productivity. In 2022, the Indian Ministry of Agriculture and Farmers' Welfare approved drone-based spraying for registered pesticides to combat destruction from locusts, while the Government rolled out the Digital Agriculture Mission for 2021-25 to incorporate various technologies, including AI, remote sensing, robots and drones. Automatic sewing machines, smart irrigation and fertigation systems and temperature-regulated transport chains are also being used.

Outlook

India's agrochemical manufacturing sector is likely to grow in FY24 despite concerns such as supply chain disruptions, raw material price volatility and the upcoming monsoon season. One reason for this growth is the 'China plus one' policy, which seeks to diversify supply chains and reduce dependence on China. As a result, India has emerged as a preferred destination for agricultural chemicals.

According to Crisil, industry revenue is expected to expand by 10-12% in FY24, with exports rising by 18-20% due to the continued de-risking of China's dependency by global players. The following fiscal year, exports are projected to grow by 12-14% as companies invest in capex and patents worth USD 4 billion expire. Despite these positive developments, supply chain disruptions and raw material price volatility are still potential challenges for the sector. Nevertheless, exports are expected to remain the major contributor to the agrochemicals sector, accounting for around 53% of the total revenue.

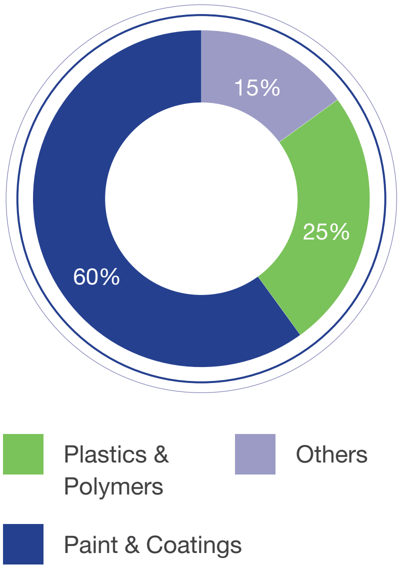
Global pigment industry

The inorganic pigments market experienced growth from USD 22.84 billion in 2021 to USD 25.12 billion in 2022, reflecting a compound annual growth rate of 9.98%.[11] However, the Russia-Ukraine war has dampened the global economic recovery from the pandemic, leading to economic sanctions on several countries, soaring commodity prices and supply chain disruptions. This has caused inflation in various goods and services, impacting several markets globally. Nevertheless, the inorganic pigments market is anticipated to grow at a CAGR of 7.47%, reaching USD 36.01 billion in 2027.

Higher market demand for titanium dioxide (TiO2) in the paint, plastic and polymer sectors, rising consumption of packaged food and beverages, along with the growth of the cosmetics industry are some of the main factors contributing to the demand for TiO2.

45.6

TiO2 application



Indian pigment industry

India's titanium dioxide (TiO2) is expected to register a 4.2% CAGR, reaching 3,29,000 MTPA by 2025. The increased capex allocation in the paint sector will further accelerate its growth.

The Indian pigment market is expected to grow significantly in the coming years, driven by factors such as higher demand from end-use industries such as paints and coatings, plastics, printing inks and textiles. Additionally, the rapidly growing population and urbanisation, as well as rising disposable income in India, are expected to drive demand for paints and coatings.

[9] https://www.businessinsider.in/business/corporates/news/indias-agrochemicals-industry-to-see-double-digit-growth-in-fy23-and-fy24-on-strong-exports-boost-says-crisil/articleshow/96572842.cms

[10] https://www.globenewswire.com/news-release/2023/04/18/2649248/0/en/Inorganic-Pigments-Global-Market-Report-2023.html

[11] https://www.thebusinessresearchcompany.com/report/inorganic-pigments-global-market-report

Management Discussion and Analysis

Continued

Moreover, the Indian government's focus on infrastructure development and the Make in India initiative are expected to boost demand for industrial coatings and speciality pigments. The adoption of advanced technologies in pigment manufacturing is also expected to stimulate market growth, with many players investing in research and development to introduce eco-friendly and sustainable pigments.

Company overview

Founded in 1986, Meghmani Organic Ltd. has established a strong market position alongside management expertise across pigments and agrochemicals. The Company has a backward-integrated, versatile manufacturing facilities situated within the chemical belt of Gujarat. These facilities are complemented by an in-house R&D department and a GLP laboratory, supported by a team of over 35 researchers.

35+

R&D team strength

690+

Product registration

#1

Ranked by Fortune India under Fortune Next 500 Company

As the largest producer of copper phthalocyanine (CPC) blue, Meghmani Organic Ltd. ranks among the top three pigment blue manufacturers globally. Furthermore, the Company stands as the largest integrated manufacturer of pesticides in India, with a presence spanning the value chain in both the technical and formulations sectors with over 690 product registrations.

Meghmani Organic Ltd.'s diverse product portfolio extends across various geographies, resulting in a diversified revenue profile. The company's product reach and distribution are geographically well-diversified, with a presence in numerous countries worldwide.

Business overview and performance

Agrochemical business

Meghmani is an integrated agrochemical manufacturer with deep and sustained penetration in agro-based world economies for over three decades. The Company produces key intermediates such as cypermethrin acid chloride, meta phenoxy benzaldehyde, and meta phenoxy benzyl alcohol, which are used in crop-protection products, reducing the reliance on imports. Additionally, MOL has added new-age high-value products such as Lambda-cyhalothrin Tech, Flubendamide Beta Cyfluthrin, Cyfluthrin, and Spiromesifen to its product line. With a network of 3,500+ distributors and dealers across 19 states in India, MOL reaches approximately 10 million Indian farmers with its products and services. It has three manufacturing units and 19 warehouses in India, supporting its pan-India presence.

The Company has achieved several significant milestones in the agrochemical industry. It has been accredited with Responsible Care® certification by the Indian Chemical Council, indicating our commitment to responsible and sustainable practices. It has also signed a five-year supply agreement worth USD 100 million with a leading global agrochemical company, strengthening its position in the market.

It has signed a licensing agreement with the cooperative giant IFFCO to establish a plant for manufacturing Nano Urea (Liquid) fertilizer, which will have an annual capacity of 5 crore bottles. In addition, it has commenced commercial production of new-age high-value products from our backwards-integrated Multipurpose plant, catering to both domestic and export markets. Its agrochemicals business contributed to approximately 76% of overall revenue in FY23, with stable EBITDA margins of 19.6%. It remains well-positioned to benefit from the "China plus one" strategy of global players, coupled with enhanced capacity for new molecules in the agrochemicals industry.

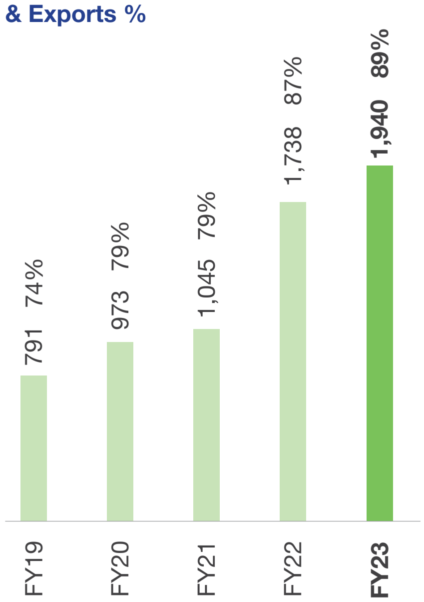
52,140 MTPA

Total Agro Chemical Capacity

80%

Avg. Utilisation

Revenue from Operations (₹ Crore) & Exports %



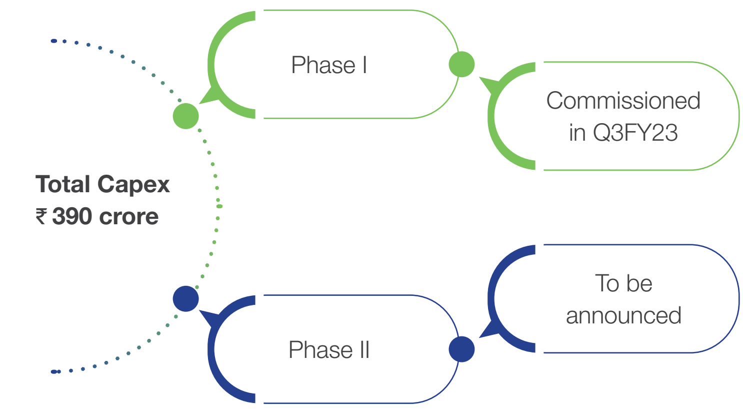
25% CAGR FY19 to FY23

Outlook

In Q3FY23, a Multi-Purpose plant (MPP) with an installed capacity of 5,000 Metric Tonnes Per Annum (MTPA) was commissioned by the company. It will focus on producing high-value new-age insecticides, with major products being lambda-cyhalothrin Tech, Flubendamide and Beta Cyfluthrin, Cyfluthrin and Spiromesifen. This investment will add meaningful contribution in coming years.

Additionally, the Company has entered the competitive landscape of competing with multinational companies (MNCs) and now has a first-mover advantage. In addition, it has positioned itself as the only or the second manufacturer in India to produce some of its Agro Products, making it a significant player in the market.

Investing in the next phase of growth



Pigment business

Meghmani has established itself as one of the leading manufacturers of Phthalocyanine-based pigments in the world, with a remarkable 14% global market share. It has also emerged as one of the top three global players in the pigment industry in terms of production capacity. With a global presence in over 85 countries, the Company has built a strong reputation for itself by providing quality products and unparalleled customer service to its clients.

The Company's success can be attributed to its robust global distribution network, which has enabled it to establish a direct presence in several countries. Additionally, its subsidiary in the United States has played a pivotal role in enabling international demand and supply chain management. With a customer stickiness of 90%, the Company has achieved a significant level of trust and loyalty from its clients, who continue to place repeat orders.

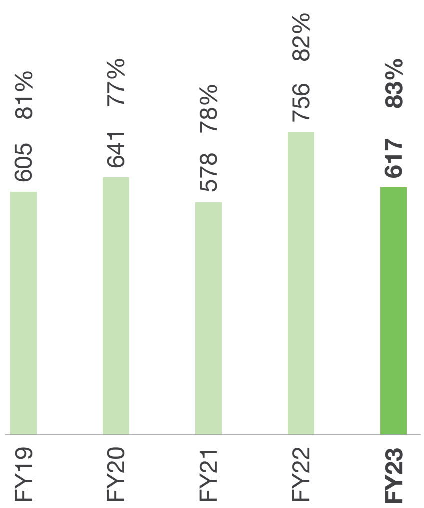
33,180 MTPA

Total Pigment Capacity

88%

Avg. Utilisation

Revenue from Operations (* Crore) & *Exports %



Management Discussion and Analysis

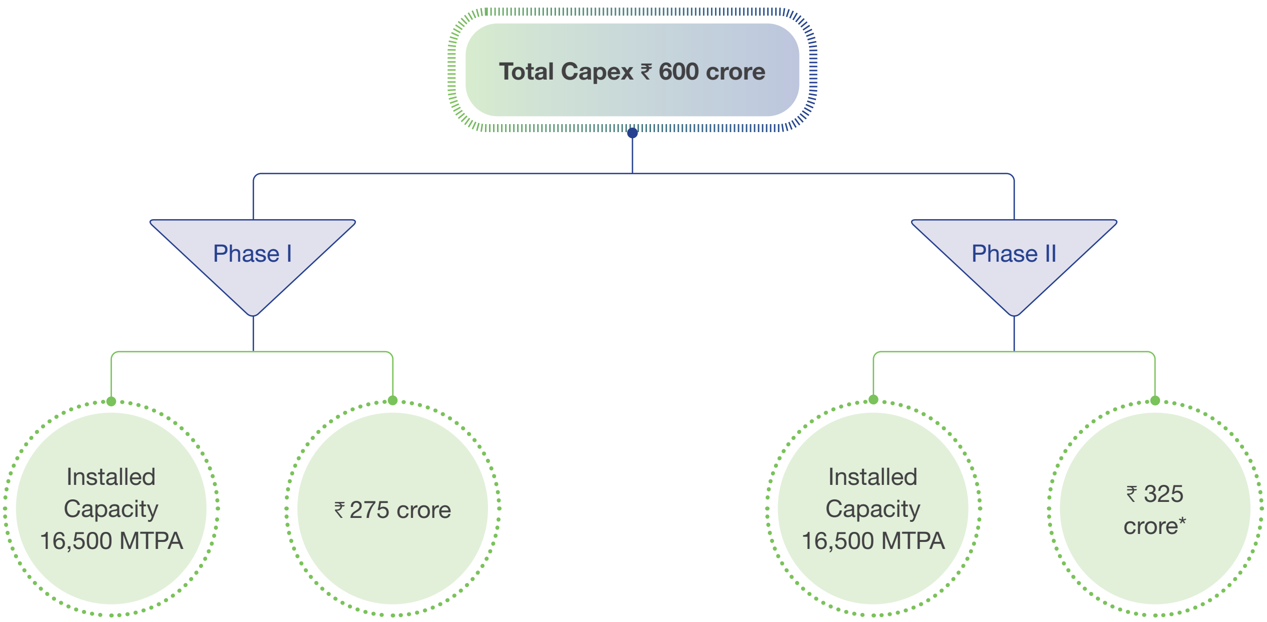
Continued

Outlook

Meghmani aims to expand its pigment product line and enter higher-margin segments within the pigment value chain. With no significant threat from alternate or replacement products for its primary pigment, titanium dioxide (TiO2), the Company plans to take advantage of inorganic growth opportunities by sourcing raw materials through the nearby port and leveraging its existing presence in the chemical hub of Gujarat, Dahej.

The Company's foray into TiO2 production aims to promote import substitution and support the government's 'Make in India' and Atmanirbhar Bharat vision, given that 73% of TiO2 is currently imported into India. Despite high entry barriers due to the capital-intensive nature of the project and the specialised technical knowledge required for the sulphate process, it is poised to capture approximately 29% of the TiO2 market share capacity-wise, positioning itself as a significant player in this industry. Land availability for future growth and a low gestation period further enhance Meghmani’s growth prospects in this segment.

Investing in the next phase of growth



including Co-gen Power Plant

Financial performance

Meghmani has demonstrated its strong financial prudence and risk management policies, with 88% of its revenue coming from exports, of which 55-65% of foreign currency exposure is covered by natural hedging through imports, forward cover and borrowing in foreign currency.

Despite the volatile currency movements in FY23, the Company maintained a resilient balance sheet, with a debt-to-equity ratio of 0.42, improving consistently over the past three years. The Company also declared a final dividend of 140% for FY23, demonstrating its consistent approach towards capital allocation and rewarding shareholders. Return ratios, including RoCE and RoE, stood at 13% and 16%, respectively, as on 31st March 2023, with an endeavour to further improve RoCE.

Meghmani Organics has shown above-industry-average EBITDA in both AgroChem and Pigments. The Company's consistent financial policies focus on appropriate capital allocation in core business projects with a payback period of less than 5 years and a minimum RoE of 20%. The Company has also been consistent in paying dividends, reflecting its commitment towards rewarding its shareholders. With a net foreign currency gain of ₹ 30 Crore in FY23, despite the challenging global macro-environment, Meghmani Organics continues to maintain its strong financial position, demonstrating the management's acumen towards risk management and financial prudence.

Ratio	31st March 2023	31st March 2022	% change	Reason for variance above 25% year on year
Debt-Equity Ratio	0.42	0.35	21.28%	No major variance
Debt Service Coverage Ratio	0.77	1.28	-39.73%	There is a decrease in Debt service coverage ratio on account of increase in Working capital demand loans and increase in long term debt taken for funding new capacity expansion projects.
Return on Equity Ratio	0.16	0.24	-31.53%	There is a decrease in return on equity ratio on account of decrease in Net profit for the year and increase in average shareholder's equity .
Inventory Turnover Ratio	4.10	4.98	-17.61%	No major variance
Trade Receivables Turnover Ratio	4.72	5.26	-10.23%	No major variance
Trade Payables Turnover Ratio	3.15	3.92	-19.79%	No major variance
Net Capital Turnover Ratio	5.97	6.06	-1.44%	No major variance
Return on Capital Employed	0.13	0.20	-35.02%	There is a decrease in return on capital employed on account of decrease in Net profit for the year and increase in capital employed.
Return on Investment	3.9%	5.8%	-32.77%	There is decrease in the return on investment on account of decrease in interest income and Net gain on Investment in Mutual Funds and increase in average investments.

Particulars	FY23 (in ₹ Crore)	FY22 (in ₹ Crore)	YoY (in %)
Net Sales	2,557	2,494	2.5
EBITDA	364	379	(4.1)
PBT	327	412	(20.6)
PAT	250	308	(18.7)

Outlook

Meghmani Organics Limited is a company focused on driving sustainable growth through its capex programme. The Company has allocated capital prudently across its business verticals, with a robust pipeline that has emphasised a margin-accretive product portfolio over the years. The Company is committed to diversifying its product portfolio to build a globally competitive and comprehensive line.

The agrochemical and pigment industries are expected to experience sustainable growth over the next 3-5 years, with the ‘China plus one’ factor further strengthening this premise. To this end, the Company is setting up a subsidiary in Brazil with the objective of catering to the world's largest agrochemical market and company`s foray into Crop Nutrition Segment by setting up a facility for manufacture of Nano Urea(Liquid) Fertilizer. Overall Meghmani Organics Limited is well-positioned to take advantage of these growth opportunities and to continue delivering value to its stakeholders.

Human Capital

The Company firmly believes that its employees are at the core of all its operations. It regards its employees as its most valuable asset and endows its people with a healthy and competitive milieu to outshine and establish novel benchmarks of quality, productivity, efficiency and customer satisfaction. The Company's dedicated HR policies assist in drawing in and retaining an exceptional talent pool.

The details of the number of employees as of March 31, 2023, are provided in the Business Responsibility and Sustainability Report, which is annexed to the Directors’ Report.

Management Discussion and Analysis

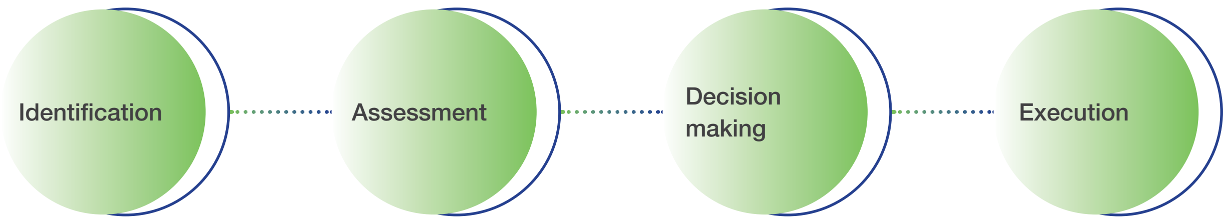
Continued

Risk management

Meghmani Organics Ltd. recognises that risks are an inevitable and inherent part of its operations and unprecedented times are bound to impact and/or influence the sustainability of the business. The organisation has established risk management committees that identify internal and external risks. The committee is responsible for tracking and guiding the application of the risk management procedure while providing recommendations or suggestions towards the risk management approach. This includes assessing the effectiveness of risk management processes and systems of risk reduction, as well as methods and procedures for the control of identified risks. In a dynamic operating environment, Meghmani Organics Ltd. solidifies its position through a robust risk management framework.

Risk mitigation

Meghmani ensures major risks are addressed at all levels of its business operations. This is accomplished by leveraging a structured strategy that entails consistent identification, assessment, decision-making and execution of the planned course of action.



Risks	Mitigation strategy
Unfavourable weather conditions The agrochemical industry heavily relies on weather conditions. The uneven rainfall adversely impacts the overall business.	Meghmani addresses the need for a diversified business approach by establishing a broad geographic presence in both domestic and international markets. This strategic decision enables the Company to distribute its operations evenly rather than relying on a single market for its business endeavours.
Exchange and interest rates The Company's global presence leads to profits being impacted due to exchange and interest rate fluctuations.	The Company has established a robust forex management policy that entails hedging against volatility in foreign currencies to ensure profitability.
Volatile raw material prices The fluctuations in raw material prices due to geopolitical tensions, supply chain disruptions, inflation and other factors can pose a challenge to the Company's growth.	Meghmani's business strategy revolves around backward and forward integration, prudent procurement, rapid after-sales support, technical competence, quality control measures, logistical facilities and strong customer connections. The Company's commitment to high levels of product personalisation, consistent quality and stringent compliance has resulted in enhanced client loyalty.
Changes in government policies The Company's presence across multiple geographies exposes it to several compliance frameworks that it has to adhere to. Any policy change in any of the countries might also result in a revenue loss.	Meghmani has derisked its business model, which reduces its dependence on any one country for selling its different products.

Internal control system

The Company has a proper and adequate system of internal controls commensurate with the size and nature of its operations to ensure that all assets are safeguarded against unauthorised use or disposal, true and fair reporting and compliance with all applicable regulatory laws and company policies. Internal Audit Reports are reviewed by the Audit Committee of the Board.

Cautionary statement

Certain statements in the Management Discussion and Analysis may be statements of the Company's beliefs, plans and expectations about the future, as well as other forward-looking statements that are based on management's current expectations or beliefs.

It factors in a number of assumptions about the Company's operations and factors beyond the Company's control or third-party sources and involves known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements.

Forward-looking statements contained in the Management Discussion and Analysis regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. There is no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. One should not place undue reliance on forward-looking statements, which speak only as of the date of this Annual Report.

Directors' Report

Dear Shareholders

Your Board of Directors is pleased to present Fourth Annual Report of your Company together with Audited Financial Statement of the Company for the Financial Year ended on March 31, 2023.

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Revenue from Operations	2,53,169.32	2,46,831.09
Other Operating Revenue	2,504.59	2,566.06
Total Revenue from Operations	**2,55,673.91**	**2,49,397.15**
Other Income	9,596.31	9,623.51
Total Income	**2,65,270.22**	**2,59,020.66**
Profit Before Finance Cost & Depreciation	45,994.93	47,564.80
Finance Cost	6,440.54	933.29
Depreciation and Amortization Expenses	6,811.08	5,998.91
Profit Before Exceptional Items & Tax	**32,743.31**	**40,632.60**
Exceptional item	-	(611.14)
Profit Before Tax	**32,743.31**	**41,243.74**
Payment and Provision of Current Tax	7897.53	8,694.95
Deferred Tax Expenses/(Income)	(192.80)	1,751.57
Profit After Tax	**25,038.58**	**30,797.22**

FINANCIAL PERFORMANCE

During the year under review, the revenue from operations of the Company increased to ₹ 2,55,673.91 Lakhs compared to ₹ 2,49,397.15 Lakhs in the previous year, registering a growth of 2.52%. The EBITDA for the year under review decreased to ₹ 36398.62 Lakhs compared to ₹ 37,941.29 Lakhs. Your Company has earned Profit After Tax of ₹ 25,038.58 Lakhs compared to previous year of ₹ 30,797.22 Lakhs.

SEGMENT PERFORMANCE

Agro Chemicals

During the year under review, Agrochemicals constitutes ~76% of the overall company's revenue. Despite of multiple unfavourable global macro-economic challenges, the segment's EBITDA margins stood at 19.6% in FY23 vs. 20.2% in FY22. The Company is well positioned to benefit from 'China plus one' strategy of global players coupled with enhanced capacity eyeing on new molecules in agrochemicals.

Pigments:

During the year under review, Pigments constitutes ~24% of the overall company's revenue. Currently, pigment industry is going through a challenging phase resulting slow export demand and contraction in prices. During FY23 the pigment division's performance was adversely impacted due to liquidation of high-cost inventory. The pigment division recovery is likely to be expected from the coming quarters.

ACCREDITATION OF RESPONSIBLE CARE

Your Company has been presented with accreditation of Responsible Care (our Commitment to sustainability) for Agro Division (all units of agrochemicals) by Indian Chemical Council, apex industry body representing chemical industry in India pursuing "Responsible Care Programme" in the last quarter of the year under review.

Responsible Care® (RC) is a global chemical industry's voluntary initiative to drive continuous improvement in safe chemicals management and achieve excellence in Environmental, Health, Safety and Security (EHS&S) performance. In India, Responsible Care is monitored by the Indian Chemical Council (ICC), an apex industry body representing the chemical industry in India.

Responsible Care Guiding Principles pave the path of sustainable development for our Company and improves workplace safety systems. Successful implementation of Responsible Care ensures that our company will continue to provide beneficial products to society, continually reduce its negative impacts and while maximizing its positive contribution to human health, environment, economy and the society.

MULTI PURPOSE PLANT

During the year under review, your Company commissioned backward integrated Multi Product Plant in third quarter of FY2023 with installed capacity of 5,000 MTPA in the Dahej, which manufactures high value new-age insecticides, such as Lambdacyhalothrin Tech, Flubendamide & Beta Cyfluthrin, Cyfluthrin & Spiromesifenthe. This initiative is in line with Atmanirbhar Bharat initiative by Govt. of India and is in continuation to our strategic decision to meet growing agrochemical demand in domestic and Global market. This facility is anticipated to contribute a total revenue of ₹ ~600 Crores on full year of operations.

PERFORMANCE OF SUBSIDIARY

KILBURN CHEMICALS LIMITED

As you are aware that your Company has acquired Kilburn Chemicals Limited (KCL) through National Company Law Tribunal (NCLT) vide its order dated December 16, 2021. Your Company is one of the largest manufacturers of Phthalocyanine pigment in India and this acquisition would give opportunity to increase its product basket by foray into manufacturing of a bright white pigment, i.e. Titanium Dioxide (TiO2) with initial capacity of 16,500 metric tons per annum (MTPA). This new facility is estimated to contribute ₹ ~300 Crores on full year basis to the topline.

Titanium Dioxide (TiO2), an import substitution product, accelerates the Company's growth plans mirroring the Government's 'Make in India' & 'Atmanirbhar Bharat' vision.

MEGHMANI CROP NUTRITION LIMITED (MCNL)

MCNL a wholly owned subsidiary has entered into a licensing agreement with one of leading domestic fertiliser manufacturer for producing Nano Urea (Liquid) Fertilizer by using their domestically developed patented Technology.

Nano urea is revolutionary Liquid Fertilizer and is effective in enhancing the nutritional quality, crop's productivity and additionally, it is environmentally safe. India's urea demand stands at 35 Million metric tons (MMT) per annum, of which nearly 29 MMT is produced domestically while the balance is imported. Government of India targets to eliminate India's dependency on urea imports by 2025 as more farmers adopt the usage of Nano Urea. Additionally, it will help reduce Government's subsidy burden on the conventional urea.

MCNL is in the process for setting up the plant in Gujarat with a capex of ₹ 150 crore to manufacture Liquid Fertilizer (Nano Urea). The Plant's annual capacity is pegged at 5 crore bottles (~500 ml) per year, which is expected to commence the commercial production by Q4 FY24. It is anticipated to achieve a top line of ₹ 1,000 crores on an annual basis from this project. Foray into Liquid Fertilizers amplifies the growth strategy of the company and in agrochemical division. MOL's foray into Nano Urea is aligned with the Prime Minister's vision of Atmanirbhar Bharat and increasing farmers' income.

FIRE INSURANCE CLAIM

Fire in Dahej, SEZ in October 2022

An unfortunate accident, a fire broke out in Finished Goods warehouse of Pigment Plant of the Company located at SEZ unit, Dahej, on 22nd October, 2022 majorly leading to loss of inventories. The Company has estimated a loss of ₹ 39.25 Crores towards inventory and ₹ 3.10 Crore towards Building and others. The Company has lodged a claim with the insurance company for the loss suffered which is under assessment. The Company is adequately insured for the above-mentioned loss of asset hence does not expect any material net-losses.

Fire in Panoli unit in April 2023

An unfortunate accident, a fire broke out in Finished Goods warehouse of Pigment Plant of the Company located at Panoli G.I.D.C. District – Bharuch on 16th April, 2023. There is no impact on production as fire occurred at Finished Goods Warehouse. The Company has required insurance coverage to safeguard the loss/damage which is under assessment.

Fire in Agro-III at Dahej -2019

Your Company had received ₹ 650 Lakhs in FY 2021 and ₹ 611.14 Lakhs in FY 2022 against the Final Claim of material loss of ₹ 1,300 Lakhs of erstwhile Meghmani Organics Limited. The Company has also submitted the Business Interruption claim to Surveyor which is under process by the insurance Company.

DIVIDEND

The Board of Directors has recommended a Final Dividend of ₹ 1.40 per equity share (140%) on equity share for the Financial year 2022-23, which if declared at the ensuing Annual General Meeting of the Company, will be paid to the shareholders of the Company. The dividend pay-out for the year under review will be ₹ 3,560.40 Lakhs which is same as in the previous year.

(A) Dividend Distribution Policy

As per Regulation 43A of the SEBI (LODR) Regulations, 2015, the top 1000 listed companies shall formulate a dividend distribution policy. Accordingly, your Company has formulated and adopted the policy setting out the parameters and circumstances that shall be taken into account by the Board in determining the distribution of dividend to its shareholders and retaining profits earned by the company. A dividend distribution policy as adopted by the Company is available on the website of the Company at www. meghmani.com in the investor section.

(B) Transfer to Investor Education and Protection Fund (IEPF) Authority

During the year, unclaimed dividend amount of ₹ 6.17 Lakhs pertaining to FY 2014-15 were transferred to Investor Education & Protection Fund (IEPF) established by the Central Government.

SHARE CAPITAL

As on March 31, 2023,

1) the Authorised Capital is ₹ 37.00 Lakhs divided into 37,00,00,000 equity shares of ₹ 1 each.

2) the Paid up Equity Share Capital of the Company stood at 2,543.14 Lakhs divided into 25,43,14,211 equity shares of ₹ 1 each.

During the year under review, the Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme. The Company has not issued any convertible instrument during the year. No disclosure is required under Section 67(3)(c) of the Companies Act, 2013 in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said Section are not applicable.

AUDITORS' REPORT

There is no qualification, reservation or adverse remarks or disclaimer made by the Auditors in their report on the financial statement of the Company for the Financial Year ended on March 31, 2023.

FINANCIAL LIQUIDITY

Cash and Cash equivalent as at March 31, 2023 was ₹ 2,758.61 Lakhs compared with previous year of ₹ 906.33 Lakhs. The Company's working capital management is based on a well- organized process of continuous monitoring and controls on Receivables, Inventories and other parameters.

CREDIT RATING

CRISIL has reaffirmed Long Term Rating CRISIL AA-/ Stable and Short Term Rating CRISIL A1+ to its total Bank loan facility of ₹ 876 Crore vide its letter RL/MEGORGN/314970/BLR/0323/55396 issued on March 30, 2023 to the Company.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company as on March 31, 2023 is available on the website of the Company at www.meghmani.com in the investor section.

BOARD MEETINGS

During the year under review, the Board met four times on May 2, 2022, July 22, 2022, October 21, 2022 and January 21, 2023. The compositions of the Board and its attendance have been given in the Report on Corporate Governance which forms part of this Annual Report.

CONSTITUTION OF COMMITTEES

To comply with the requirements of listing, the Company has constituted the following Committees

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder Relationship committee
4. Corporate Social Responsibility
5. Risk Management Committee

The details with regard to the composition, its attendance, of reference etc. of above mentioned committees are provided in the Report on Corporate Governance which forms part of this Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RELATED PARTY TRANSACTIONS (RPT)

All contracts / arrangements / transactions entered into with Related Parties during the year under review were in the ordinary course of business and on an arm's length basis.

During the year under review, there is a no material Related Party Transactions with related parties required to be reported in AOC-2.

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

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided in **Annexure- A** appended to this report.

CONSOLIDATED FINANCIAL STATEMENT

As on March 31, 2023, the Company has the following five subsidiaries;

Sr. No.	Name of the Subsidiary	Status
1.	Meghmani Organics USA INC. (USA)	Active - Distribution Business
2.	P T Meghmani Organics Indonesia (Indonesia)	Operations Closed - Distribution Business
3.	Meghmani Overseas FZE - Sharjah - Dubai	Operations Closed -Distribution Business
4.	Meghmani Crop Nutrition Limited (Earlier known as Meghmani Synthesis Limited)	It is in the process of setting up a project to manufacture Liquid Fertilizer (Nano Urea)
5.	Kilburn Chemicals Limited	Resumed the operations to manufacture white pigments as per approved resolution Plan submitted to NCLT.

In accordance with the provisions of section 129(3) of the Companies Act, 2013 read with regulation 33 of SEBI (LODR) Regulations, 2015, the Company has prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. As provided in Section 129(3) of the Companies Act and Rules made thereunder a statement containing the salient features of the financial statements of its subsidiaries in the prescribed format AOC-1 is appended to this Report as **Annexure - B**. A policy relating to material subsidiaries as approved by the Board may be accessed on the Company's website in the investor section.

DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP)

The Board of Directors of the Company comprises of ten directors with combination of five independent and five executive directors.

(A) DIRECTORS RETIRING BY ROTATION

Mr. Jayanti Patel and Mr. Anand Patel are the Directors retiring by rotation and being eligible have offered themselves for re-appointment. Pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 read with Secretarial Standard-2 on General Meeting, brief profile of the Directors re-appointed is appended to the Notice of Annual General Meeting.

(B) KEY MANAGERIAL PERSONNEL

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

1. Mr. Ankit Patel – Chief Executive Officer (CEO)
2. Mr. Gurjant Singh Chahal – Chief Financial Officer (CFO)
3. Mr. Jayesh Patel – Company Secretary

(C) CHANGE IN INDEPENDENT DIRECTORS

During the year under review, two directors Mr. C S Liew and Mr. Bhaskar Rao ceased to be independent director w.e.f. May 4, 2022 due to expiry of their term. Dr. Varesh Sinha and Mr. Shalin Mehta have been appointed as non-executive independent director of the Company by the Board of directors in their meeting held on July 22, 2022 which were subsequently approved by the members through postal ballot. Your company has the following 5 (Five) Independent Directors as on March 31, 2023.

1) Mr. Manubhai Patel
2) Prof. (Dr) Ganapati Yadav
3) Ms. Urvashi Shah
4) Dr. Varesh Sinha and
5) Mr. Shalin Mehta

(D) APPOINTMENT OF EXECUTIVE DIRECTORS

As on March 31, 2023, the Company have the following executive directors;

Name	Designation	Tenure
Mr. Jayanti Patel	Executive Chairman	5 years from June 1, 2021
Mr. Ashish Soparkar	Managing Director	5 years from June 1, 2021
Mr. Natwarlal Patel	Managing Director	5 years from June 1, 2021
Mr. Ramesh Patel	Executive Director	5 years from June 1, 2021
Mr. Anand Patel	Executive Director	5 years from June 1, 2021

The remuneration payable to Executive Directors includes fixed amount of salary and performance based remuneration which shall be decided by the Board of Directors collectively considering the performance of the Company. The details of remuneration paid to Executive Directors are given in the Corporate Governance Report.

(E) INDEPENDENT DIRECTORS DECLARTION OF INDEPENDENCE

The Independent Directors were appointed at the Board meeting and hold office for a fixed term not exceeding five years and are not liable to retire by rotation. In accordance with Section 149(7) of the Companies Act 2013, each Independent Director has given a written declaration to the Company confirming that he/she meets the criteria of Independence as mentioned under Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

FIXED DEPOSITS

During the year, the Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Rules framed there under.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review, the Company has spent ₹ 219.31 Lakhs towards CSR activities in accordance with the policy on CSR and unspent CSR amount of ₹ 292.00 Lakhs has been transferred to Unspent CSR account FY2023 on April 27, 2023 in accordance with provisions of Section 135(6) of Companies Act, 2013, which will be utilized in terms of CSR policies of the Company. A detailed Annual Report on CSR activities prepared in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 is appended as Annexure - C to this report.

BOARD EVALUATION

The Company has adopted the policy for evaluation of the performance of the Board, its committees and individual directors in accordance with the requirement under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and accordingly evaluation of the performance of the Board and its Committees have been carried out. The brief information on performance evaluation of Board and individual director is provided in Corporate Governance Report which is annexed to this report.

REMUNERATION POLICY

The Board has adopted a policy for selection and appointment of Directors, Senior Management and their remuneration in order to comply with the requirement under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The brief information about Remuneration Policy is provided in the Corporate Governance Report which is annexed to this report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted Whistle Blower Policy to deal with instance of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct, if any. Further, the mechanism adopted by the Company encourages the whistleblower to report genuine concerns or grievances and provide for strict confidentiality, adequate safeguards against victimization of whistleblower who avails of such mechanism and also provides for direct access to the Chairman of the Audit and Risk Management Committee, in appropriate cases. The Whistle Blower Policy is hosted on the website of the Company under investor section.

RISK MANAGEMENT

The risks are measured, estimated and controlled with the objective to mitigate its adverse impact on the business of the Company. The Company has inherent risk associated with its business apart from credit risk, liquidity risk and market risk. The Company has an effective risk management framework to monitor the risk controls in key business processes. In order to minimize any adverse effects on the bottom line, your Company takes various mitigation measures such as credit controls, foreign exchange forward contracts to hedge foreign currency risk apart from insuring its assets through various insurance policies.

CORPORATE GOVERNANCE

The Management of the Company ensures to maintain high standards of Corporate Governance in conducting its business and to exist an effective self-regulatory mechanism to protect the interest of various Stakeholders. Your Company has complied with the mandatory requirement specified under SEBI (LODR) Regulations, 2015 and the Report on Corporate Governance for FY2022-23 prepared in accordance with Regulation 34(3) read with Schedule V of the SEBI (LODR), Regulations, 2015 is appended to this Report as **Annexure - D**. The requisite Certificate from Shahs & Associates, Practicing Company Secretaries, Ahmedabad confirming the compliance with the conditions of corporate governance is appended to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 read with Schedule V to the SEBI (LODR) Regulations, 2015, the Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of the Annual Report.

BUSINESS RESPONSIBILITY AND SUSTINABLE REPORTING (BRSR)

The SEBI (LODR) Regulations, 2015 mandate the inclusion of the BRSR as part of the Annual Report for top 1000 listed entities based on market capitalization. Business Responsibility and Sustainable Reporting for the year under review, as stipulated under Regulation 34 (f) of SEBI (LODR) Regulations, 2015 read with SEBI Circular No: SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021 is appended to this Report as **Annexure – F**.

INSURANCE

The Company's Plant, Property, Equipment and Stocks are adequately insured under the Industrial All Risk Policy. The Company has insurance coverage for Product Liability, Public Liability, Marine coverage and Commercial General Liability (CGL). The Company has Directors' and Officers' Liability Policy (D&OL) to provide coverage against the liabilities arising on them.

AGROCHEMICAL REGISTRATION

The Company has 690 registration of export (including Co-partner Registrations worldwide) and Central Insecticides Board (CIB), Faridabad. The company has 34 Trade Marks registrations.

RESEARCH & DEVELOPMENT

Research and Development (R & D) Center of the Company situated at Village Chharodi, Taluka: Sanand, District: Ahmedabad, state of the Art R&D facilities are spread over 5000 sq. feet area with ~35 researchers and scientists and have various sophisticated analytical instruments. R & D Center carries out development of off-patent molecules, improvements in process parameters, time cycle optimization and scale up of new technology from laboratory to production level.

The R&D center accredited with the GLP-certificate of OECD-GLP from National GLP Compliance Monitoring Authority (NGCMA), Department of Science and Technology, Government of India since Oct-2017. Currently GLP Certificate N0: GLP/C-162/2021 is valid from Oct, 2020 to 2023. Good Laboratory Practice (GLP) refers to a quality system of management controls for research labs to ensure the uniformity, consistency, reliability, reproducibility, quality and integrity of the tests conducted therein.

R&D center helped in developing new products and process of Agrochemical active ingredients and intermediates, generated and isolated process related impurities for all new developed products, which further characterized by IR, Mass, UV in our in-house GLP facility and standardized it for further use in GLP activities. It also helped to increase in CIB & Overseas registration of new products, which benefits to the Company in long term.

The Company has been granted 3 process patents by Indian Patent Authority and filed 1 Patent application which is under consideration.

ENVIRONMENT

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

INDUSTRIAL RELATIONS

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

PARTICULARS OF EMPLOYEES

The statement containing particulars of employees as required under section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in an Annexure and forms part of this report. In terms of Section 136(1) of the Companies Act, 2013, the Report and Audited Accounts are being sent to the members excluding the aforesaid Annexure. Any member interested in obtaining a copy of the Annexure may write to the Company Secretary at the registered office of the Company for a copy of it.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 of the Companies Act (Act):-

a) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for the period ended on March 31, 2023.

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

d) The Directors had prepared the Annual Accounts on a Going Concern Basis;

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

f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems have been found adequate and operating effectively.

AUDITORS:-

(A) INTERNAL AUDITOR:-

M/s. C N K Khandwala & Associates, Chartered Accountants has been reappointed as Internal Auditor for the Financial Year 2023-24.

The Internal Auditors reports to the Audit Committee of the Board, which helps to maintain its objectivity and independence. The scope and authority of the Internal Audit function is defined by Audit Committee. The Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

(B) STATUTORY AUDITORS:-

M/s. SRBC & Co LLP, Chartered Accountants, Ahmedabad (Firm Regn. No. 324982E / E 300003) were appointed as Statutory Auditors on August 4, 2020, to hold office for a period of five consecutive years from the conclusion of 1st Annual General Meeting (AGM) till the conclusion of 6th AGM.

During the year, the Auditors had not reported any matter under Section 143(12) of the Act and therefore, no detail is required to be disclosed under Section 134(3) (ca) of the Act.

The Statutory Auditor's comment on your Company's account for the year ended March 31, 2023 are self-explanatory in nature and do not require any explanation. The Auditors Report does not contain any qualification or adverse remarks.

(C) SECRETARIAL AUDITOR:-

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Shahs & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company and Kilburn Chemicals Limited, material unlisted company for FY 2022-23. The Secretarial Audit Report issued is appended to this report as **Annexure - E**. As there is no qualification, reservation or adverse remark made by the Auditors in their report, the report issued is self-explanatory and need no further clarification.

(D) COST-AUDITOR:-

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost records maintained by the Company in respect of Agrochemicals products are required to be audited by a Qualified Cost Accountant and accordingly, M/s. Kiran J Mehta & Co. Cost Accountants, has been appointed as Cost Auditors by the Board of Directors on the recommendation of Audit Committee for audit of cost records for the year ended on March 31, 2023 and their remuneration was ratified by members at the 3rd Annual General meeting held on June 27, 2022. The Cost Audit Report issued by the Cost Auditors for the FY 2021-22 filed with the Central Government in accordance with section 148(6) of Companies Act, 2013 read with rule 6(6) of the Companies (cost records and audit) Rules, 2014.

Your Directors have on the recommendation of the Audit Committee, appointed M/s. Kiran J Mehta & Co. existing Cost Auditors of the Company (Firm Registration number 00025) to audit the Cost records of the Company for the Financial Year 2023-24.

A Resolution seeking ratification of remuneration payable to M/s. Kiran J Mehta & Co., existing Cost Auditors for FY 2023-24, is included in the Notice convening the Annual General Meeting.

OTHER DISCSLOSURE AND INFORMATION: -

(A) Annual Listing Fee

The Company is listed with National Stock Exchange of India Limited and BSE Limited and paid annual listing fees to both the Stock exchanges for FY 2023-24.

(B) Prevention of Sexual Harassment at workplace

As per the requirement of the provisions of the sexual harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made thereunder, the Company has constituted Internal Complaints Committees as per requirement of the Act which are responsible for redressal of complaints relating to sexual harassment against woman at workplace. During the year under review, there were no complaints pertaining to sexual harassment against women.

(C) Significant or Material Orders passed by the Authority

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

(D) Secretarial Standards Compliance

During the year under review, the Company has complied with all applicable Secretarial Standards issued by Institute of Company Secretaries of India and approved by the Central Government pursuant to section 118 of the Companies Act, 2013.

ACKNOWLEDGMENT

The Board of Directors places on record their grateful appreciation for the assistance and continued support received from various Central and State Government Departments, Organizations and Agencies involved therein. Your Directors also gratefully acknowledge all stakeholders of the Company viz. Customers, Members, Dealers, Vendors, Banks and other business partners for the excellent support received from them during the year under review. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to achieve goals of the Company.

For and on behalf of the Board

Jayanti Patel
Executive Chairman
DIN - 00027224

Date: April 29, 2023
Place: Ahmedabad

Annexure A

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo

[A] Conservation of Energy

(i) (a) **Steps taken on conservation of energy:**

The Company carries out Energy Audit every three year of all manufacturing facilities and implement the worth suggestions to reduce the power consumption. The following major steps, inter alia were taken on conservation of energy.

1. Cable Loss Reduction by PF Improvement at Identified MCC's
2. Replacement of 3 and more times Rewound Motors with IE3 Class Motors
3. Application of Auto voltage Regulator for Lighting MLDB
4. Application of Delta Star Convertor for under Loaded Motors
5. Installation of VFD to reduce power consumption of unload hours for air compressor
6. Performance improvement of water chiller through condenser and evaporator cleaning
7. Flow controlling water pumping system
8. Poor performance (De rating Efficiency) Pump replacement with new Pump set.
9. Refurbishment and installation of new impeller for water pumping system

(b) **Impact on conservation of energy:**

During the year under review, the Company has saved ₹ 27 Lakhs unit by above mentioned steps on conservation of energy.

(ii) **The Steps taken by the Company for utilising alternate sources of energy :**

The Company has installed 4 Wind Mills to generate 2.1 megawatt power each for captive consumption. During the year under review, the Company has saved ₹ 15.20 Crores by utilizing power generated through Wind Mills.

The Company also use power generated through Solar by entering into power purchase agreement with the third party. During the year under review, the Company has saved ₹ 32.85 Lakhs by utilizing power generated through solar.

(iii) The capital investment on energy conservation equipment:

Sr. No	Particulars
1	The Company has invested ₹ 2.42 Crores towards operation and Maintenance of 4 Wind Mills to generate 2.1 megawatt power from each wind mill.
2	The Company has also invested ₹ 12.5 Lakhs in various equipment and process to reduce the power consumption in all manufacturing facilities.

[B] TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption:

Generally, the technologies and machineries made in India are being used in the setting up, replacement of deteriorated machineries and new projects.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

Technology absorption beings various benefits to the organisation including but not limited to, product improvement, time and cost reduction

(iv) Information regarding technology imported, during the last 3 years:

S. No	Particulars (Name of machinery imported)	From which Country	Amount (₹ In Lakhs)	Year of Import
		NIL		

(v) Expenditure incurred on Research and Development:

(₹ in Lakhs)

Particulars	FY2023	FY2022
Capital	93.52	41.02
Recurring	397.46	319.14
Total	**490.98**	**360.16**

[C] Foreign Exchange Earnings and Outgo:

(₹ in Lakhs)

Particulars	FY2023	FY2022
Foreign Exchange Earnings	2,15,563.67	2,02,772.42
Foreign Exchange Outgo	64,369.35	49,535.53

For and on behalf of the Board of Directors

(Jayanti Patel)
Executive Chairman
DIN-00027224

Place: Ahmedabad
Date: April 29, 2023

Annexure B

Statement of Salient Features of Financial Statement of Subsidiaries/Associates as per Section 129 (3) of the Companies Act, 2013

Part - A Subsidiaries

Name of Subsidiary	Kilburn Chemicals Limited	Meghmani USA INC	P T Meghmani Indonesia	Meghmani Overseas FZE	Meghmani Crop Nutrition Limited
Financial year ended	**March 31, 2023**	**March 31, 2023**	**March 31, 2023**	**March 31, 2023**	**March 31, 2023**
Reporting currency	₹	₹	₹	₹	₹
Share Capital	1,215.00	139.70	123.30	4.56	5.00
Reserve & Surplus	26,646.46	924.33	(123.30)	(3.64)	(34.80)
Total Assets	46,368.02	3879.87	-	0.92	606.57
Total Liabilities	18,506.56	2815.84	-	-	636.34
Investments	0.95	-	-	-	-
Turnover/Total Income	21.30	5373.94	-	-	-
PBT	(1395.59)	205.04	-	-	(34.78)
Provision for Tax	-	48.34	-	-	-
PAT	(1395.59)	156.70	-	-	(34.78)
Proposed Dividend	-	-	-	-	-
% of holding	100	100	100	100	100

1. Names of subsidiaries which are yet to commence operations-

Name of subsidiary	Status
Meghmani Crop Nutrition Limited	It was incorporated on January 29, 2021 and it is in the process of setting up manufacturing of Nano urea (Liquid Fertilizer) in Gujarat.

2. Names of subsidiaries which have been liquidated or sold during the year- Not Applicable

Part "B": Associates and Joint Ventures

Name of Associates/Joint Ventures	Name
1. Latest audited Balance Sheet Date	
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	
Amount of Investment in Associates/Joint Venture	
Extend of Holding %	
3. Description of how there is significant Influence	Not Applicable
4. Reason why the associate/joint venture is not consolidated	
5. Networth attributable to Shareholding as per latest audited Balance Sheet	
6. Profit / Loss for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations- **Not Applicable**

2. Names of associates or joint ventures which have been liquidated or sold during the year- **Not Applicable**.

Annexure C

Annual Report on CSR Activities to be included in the Board's Report for Financial Year 2022-23

[Pursuant to Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

The Company recognizes its responsibility as an important stakeholder in the society and strives to work towards the betterment of the society constantly. The CSR activities, inter alia includes Promoting education, promoting rural sports, women empowerment, Environment awareness programme, Contribution towards Disaster Management for COVID-19, Promote and Develop infrastructure for health care and education including preventive health care facilities, community development etc.

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

2. Composition of CSR Committee:

(₹ in Lakhs)

Sr. No	Name of Director	Designation	No of Meeting held and attended	
			02.05.2022	21.01.2023
1	Mr. Manubhai Patel	Chairman	✓	✓
2	Mr. Jayanti Patel	Member	✓	✓
3	Mr. Ashish Soparkar	Member	✓	✓
4	Mr. Natwarlal Patel	Member	✓	✓

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company: The CSR Policy of the Company is available at https://meghmani.com/investors/corporate-governance/Policies

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

5. (a) Average net profit of the Company as per section 135(5): ₹ **25558.57 Lakhs**

(b) Two percent of average net profit of the Company as per section 135(5): ₹ **511.17 Lakhs**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**.

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

(e) Total CSR obligation for the financial year (b + c - d): ₹ **511.17 Lakhs**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other then Ongoing Project): ₹ **219.31 Lakhs**

(b) Amount spent in administrative overheads: **Nil.**

(c) Amount spent in Impact Assessment, if applicable: **Nil.**

(d) Total amount spent for F.Y. 2022-23 (a + b + c): ₹ **219.31 Lakhs**

(e) CSR amount spent or unspent for the F.Y. 2022-2023:

(₹ In Lakhs)

Total amount spent for F.Y. 2022-23	Amount Unspent				
	Total amount transferred to unspent CSR account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5)		
	Amount	Date of transfer	Name of Fund	Amount	Date of transfer
219.30	292.00	27.04.2023	-	-	-

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

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

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

(₹ In Lakhs)

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6)	Balance Amount in Unspent CSR Account under section 135 (6)	Amount spent in the Reporting financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any.
					Amount	Date of Transfer		
1.	2019-20	-	-	-	-	-	-	-
2.	2020-21	-	-	-	-	-	-	-
3.	2021-22	115.00	89.00	26.00	-	-	89.00	-

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

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5): The Company has constituted Meghmani Foundation, a section 8 Company to carry out the project of Educational Institute/ healthcare/other permitted object for FY 2023 onwards. The Company has transferred unspent amount of ₹ 292 Lakhs to unspent CSR account on April 27, 2023 which shall be utilized for the project of Educational Institute/healthcare/other object as specified under Schedule VII of Companies Act, 2013.

Mr. Jayanti Patel
Executive Chairman

Mr. Manubhai Patel
Chairman – CSR Committee

Annexure D

CORPORATE GOVERNANCE REPORT

1. PHILOSOPHY ON CORPORATE GOVERNANCE

The Management of the Company is committed to maintain high standards of Corporate Governance in conducting its business and ensure that an effective self regulatory mechanism exists to protect the interest of various Stakeholders i.e. Investors, Customers, Suppliers and Government.

A report on Corporate Governance in accordance with Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") covering Company's compliance with the applicable corporate governance provisions for the financial year ended on March 31, 2023 as applicable is outlined below.

2. BOARD OF DIRECTORS

a) Composition of the Board

The Company has a balanced and diverse Board of Directors ('the Board'). The Board comprises of an appropriate mix of Executive, Non-Executive and Independent Directors as required under Companies Act, 2013 ('the Act') and Regulation 17 of the SEBI Listing Regulations to maintain the independence of the Board and to maintain an optimal mix of professionalism, knowledge and experience to enable it to discharge its responsibilities. The Board of Directors presently comprises of ten directors, out of which five are Non-Executive Directors including one-woman independent director and five are Executive Director, headed by Mr. Jayanti Patel as Executive Chairman. The details of directorship and other details of Directors are set out below;

Name of Director	Category Designation	Age	Date of Initial appointment	Directorship in Listed Company	Membership in Committee				No of Equity shares held
					AC	NRC	CSR	SRC	
Mr. Jayanti Patel	Executive Chairman	71	15.10.2019	Meghmani Organics Limited	-	-	M	-	18024390
Mr. Ashish Soparkar	Managing Director	70	15.10.2019	Meghmani Organics Limited	-	-	M	M	25540396
Mr. Natwarlal Patel	Managing Director	69	15.10.2019	Meghmani Organics Limited	-	-	M	-	21147850
Mr. Ramesh Patel	Executive Director	67	15.10.2019	Meghmani Organics Limited	-	-	-	-	16025067
Mr. Anand Patel	Executive Director	60	15.10.2019	Meghmani Organics Limited	-	-	-	-	7893200
Mr. Manubhai Patel	Independent Director	72	05.05.2021	Meghmani Organics Limited	C	C	C	C	Nil
				Meghmani Finechem Limited					
Prof. (Dr.) Ganapati Yadav	Independent Director	70	05.05.2021	Meghmani Organics Limited	M	-	-	-	Nil
				Aarti Industries Limited	M	M	-	-	
				Godrej Industries Limited	M	-	-	-	
				Bhageria Industries Limited	-	-	-	-	
				Clean Science & Technology Limited	M	M	M	-	
				Survival technologies limited	-	C	M	C	
Ms. Urvashi Shah	Independent Director	67	05.05.2021	Meghmani Organics Limited	M	M	-	M	Nil
Dr. Varesh Sinha*	Independent Director	69	22.07.2022	Meghmani Organics Limited	-	-	-	-	Nil
Mr. Shalin Mehta*	Independent Director	51	22.07.2022	Meghmani Organics Limited	-	-	-	-	Nil

*Appointed as director w.e.f. 22.07.2022 due to expiry of term as Independent Director.

C means Chairman, M means Member

b) Mapping of the Skills, Expertise and Competence among the Directors

The Board has identified the core skills, Experience and competencies required to carry out the business of the Company effectively and smoothly. The table below summaries the broad list of core skills. Experience and competencies as required in the context of business/sector of the Company and the said skills are available among the members of the Board.

List of core skills. Experience and competencies identified by Board		Name of Director who has such skills/ experience/ competency
Industry knowledge and experience	Industry knowledge in Pigment, agrochemicals & chemical	All executive Directors, Prof. Ganapati Yadav
Technical, Production, Sales and Marketing	Experience in production, sales and marketing management based on understanding of Pigment and Agrochemicals industry	All Executive Directors
Sourcing of raw materials	Effective sourcing of raw materials and minimum inventory level	All Executive Directors
Leadership	Leadership skills to manage the organization, including but not limited to strategy planning and motivate human resource capital	All Executive Directors Mr. Manubhia Patel
Corporate Finance & Banking operations	Extensive experience of managing banking, finance, taxation, forex and risk mitigation	All Executive Directors Mr. Manubhai Patel Ms. Urvashi Shah – taxation
Governance, Compliance & Legal	Experience in legal, governance, compliance & liaison with government	All Executive Directors Mr. Manubhai Patel

c) Attendance of Board meetings and AGM

The Board conducts regular scheduled meetings on a quarterly basis. An ad-hoc meeting is convened as and when circumstances require. The Company in consultation with the Directors prepares the Annual calendar of meetings and circulates a tentative Schedule for the meeting of the Board and Committee in order to facilitate the Directors to plan their schedules. During the financial year ended on March 31, 2023, 4 (four) meetings of the Board of Directors were held and the gap between two meetings has not exceeded 120 days. The details of attendance of the Directors at the Board Meeting held during the year and at Annual General Meeting are given below:

Name	Position	Board Meetings during FY 2021-22				AGM held on
		02.05.2022	22.07.2022	21.10.2022	21.01.2023	27.06.2022
Mr. Jayanti Patel	Executive Chairman	✓	✓	✓	✓	✓
Mr. Ashish Soparkar	Managing Director	✓	×	✓	✓	✓
Mr. Natwarlal Patel	Managing Director	✓	✓	✓	✓	✓
Mr. Ramesh Patel	Executive Director	✓	✓	✓	✓	✓
Mr. Anand Patel	Executive Director	✓	✓	✓	✓	✓
Mr. Manubhai Patel	Independent Director	✓	✓	✓	✓	✓
Ms. Urvashi Shah	Independent Director	✓	✓	✓	✓	✓
Prof (Dr) G D Yadav	Independent Director	✓	✓	✓	✓	No
Dr. Varesh Sinha	Independent Director	NA	✓	✓	✓	NA
Mr. Shalin Mehta	Independent Director	NA	×	×	×	NA

d) Limit on number of Directorship

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

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

e) Independent Director

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

The Independent Directors have been appointed for a fixed term of not exceeding 5 (five) years with an option to retire from the office at any time during the term of appointment. Their appointment has been approved by the Members of the Company. The Independent

Directors have confirmed that they meet with the criteria of independence laid down under the Act, the Code and SEBI Listing Regulation.

f) Familiarisation Programme to Independent Directors

In order to comply with the SEBI Listing Regulation, the Board has appointed five independent directors including woman independent director and the Company has in place familiarization program for the Independent Directors with respect to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc.

The Board Members are apprised by the Senior Management at quarterly Board Meetings by way of presentations which include industry outlook, competition update, company overview, operations and financial highlights, regulatory updates, presentations on internal control over financial reporting, succession planning, strategic investment, etc. which not only give an insight to the Directors on the Company and its operations but also allows them an opportunity to interact with the Senior Management. The Directors are also informed of the various developments in the Company in every Board Meeting of the Company.

The Company would also encourage existing directors to attend seminars and trainings to enable them to keep pace with changes of regulatory and financial reporting standards that have a material bearing on the Company and its industry. The policy on familiarization program for Independent Directors are available on the Company's website at https://www.meghmani.com in the investor section.

g) Separate Meeting of Independent Director

The Independent Directors of the Company meet without the presence of other Directors or the Management of the Company. These Meetings are conducted to enable the Independent Directors to, inter-alia, discuss matters pertaining to review of performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the financial year under review, the Independent Directors of the Company met on January 21, 2023, where all Independent Directors remained present except Mr. Shalin Mehta.

h) Issuance of Letter of Appointment

A formal letter of appointment was issued to all Independent Directors.

All newly appointed directors would be provided an induction program on his duties as a director and how to discharge those duties. Briefings would also be provided by management on the Group's history, business operations and corporate governance practices.

i) Performance Evaluation of the Board and Individual Directors

Pursuant to the applicable provisions of the Act and the SEBI Listing Regulations, the Board of the Company at its meeting carried out an annual evaluation of its own performance, performance of its Committees, the performance and independence of Independent Directors as well as the performance of the Directors individually for financial year 2022-23. The Board also carried out performance evaluation of the Managing Directors, Executive Directors & CEO of the Company.

All Directors of the Company as on January 21, 2023 participated in the evaluation process except one independent director. The Directors expressed their satisfaction on the parameters of evaluation, the implementation and compliance of the evaluation exercise and the outcome of the evaluation process. The evaluation exercise for the financial year 2022-23 concluded that the transparency and free-flowing discussions at meetings, the adequacy of the Board and its Committee compositions and the frequency of meetings were satisfactory. They concluded that the Board functions in a healthy professional manner.

j) Board's Role

The Board's role is to:

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

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

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

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

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

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

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

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

To assist the Board in the execution of its responsibilities, the Board has constituted various Board committees, namely the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee etc.

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

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

k) Chairman and Managing Director

The Chairman and Managing Director is the different person. The Chairman and Managing Directors have defined responsibilities which, during his tenure so far, have not been conflicted with each other. Major business proposals are discussed at Board meetings before decisions are made.

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

The Chairman is responsible to, among others:–

(a) lead the Board to ensure its effectiveness on all aspects of its role;

(b) set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;

(c) promote a culture of openness and debate at the Board;

(d) ensure that the directors receive complete, adequate and timely information;

(e) ensure effective communication with shareholders;

(f) encourage constructive relations within the Board and between the Board and management;

(g) facilitate the effective contribution of non-executive directors in particular; and

(h) promote high standards of corporate governance.

l) Agenda for Board Meeting

Agenda and Notes on Agenda are circulated to the Directors in advance, in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful discussion. Where it is not practicable the same is tabled before the meeting.

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

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

m) Post meeting follow-up mechanism

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

n) Recording minutes of proceedings of Board and Committee meetings

As per Secretarial Standard 1 (SS-1) issued by The Institute of Company Secretaries of India (ICSI), the Company Secretary records the minutes of the proceedings of each Board and Committee meeting. The Draft minutes are circulated to the members for their comments.

o) Compliance Report

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

p) Access to Information

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

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

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

q) Relationship between Directors and KMP

Except Mr. Jayanti Patel, Mr. Natwarlal Patel and Mr. Ramesh Patel who are brothers, none of our Directors are related to each other as per the provisions of Companies Act, 2013.

Further, except Mr. Natwarlal Patel who is father of Ankit Natwarlal Patel, CEO of our Company, none of our Directors are related to any of the Key Managerial Personnel.

r) Chairman and CEO

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

There is a clear separation of the roles and responsibilities of the Chairman and the CEO to ensure a balance of power and authority, increased accountability and greater capacity of the Board for independent decision-making.

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

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

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

Mr. Ankit Patel - CEO, is responsible for the day-to-day management affairs. He also executes the strategic plans set out by the Board and ensures that the Directors are regularly kept updated and informed of the Group's business.

s) Subsidiaries

Members may refer the details of subsidiaries as given in Directors' Report. Out of total five subsidiaries, Kilburn Chemicals Limited is a material subsidiary. The members of Kilburn Chemicals Limited have appointed M/s. S R B C & Co LLP, Chartered Accountants, Ahmedabad (ICAI Reg.No:324982E/E00003) as statutory auditors for a period of five years to hold office from September 30, 2022 up to the conclusion of 37th AGM.

3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted the following Committees: –

(1) Audit Committee (AC).

(2) Nomination & Remuneration Committee (NRC).

(3) Shareholders Relationship Committee (SRC).

(4) Corporate Social Responsibility Committee (CSR).

(5) Risk Management Committee (RMC)

The terms of reference of the Committees are determined by the Board from time to time. The respective Chairman of the Committees also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are tabled at the respective Committee Meetings. The role, composition, meetings and attendance of these Committees are provided as under;

4. AUDIT COMMITTEE

The Audit Committee acts as a link between the Statutory Auditors, Internal Auditors and the Board. The Committee is governed by regulatory requirements mandated by Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) 2015. The Committee has full access to financial information.

4.1 Terms of Reference

The broad terms of reference of the Audit Committee include the following

(1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

(3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

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

   (b) Changes, if any, in accounting policies and practices and reasons for the same;

   (c) Major accounting entries involving estimates based on the exercise of judgment by management;

   (d) Significant adjustments made in the financial statements arising out of audit findings;

   (e) Compliance with listing and other legal requirements relating to financial statements;

   (f) Disclosure of any related party transactions;

   (g) Modified opinion(s) in the draft audit report;

(5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

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

(7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) Approval or any subsequent modification of transactions of the listed entity with related parties;

(9) Scrutiny of inter-corporate loans and investments;

(10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;

(11) Evaluation of internal financial controls and risk management systems;

(12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

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

(14) Discussion with internal auditors of any significant findings and follow up there on;

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

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

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

(18) To review the functioning of the whistle blower mechanism;

(19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

(21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding 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.

Further, the Audit Committee shall mandatorily review the following information:

(1) management discussion and analysis of financial condition and results of operations;

(2) statement of significant related party transactions (as defined by the audit committee), submitted by management;

(3) management letters / letters of internal control weaknesses issued by the statutory auditors;

(4) internal audit reports relating to internal control weaknesses; and

(5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

(6) statement of deviations:

(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

4.2 Composition, Meetings and its attendance

During the Financial Year 2022-23, Audit Committee met four times. The Composition of the Committee, meetings and its attendance are as under;

Member	Category	Meetings			
		02.05.2022	22.07.2022	21.10.2022	21.01.2023
Mr. Manubhai Patel	Chairman - Independent Director	✓	✓	✓	✓
Ms. Urvashi Shah	Member – Independent Director	✓	✓	✓	✓
Prof. (Dr). Ganapati Yadav	Member – Independent Director	✓	✓	✓	✓

The Chief Financial Officer, representative of Statutory Auditors and Internal Auditors, as and when required attend the meetings of Audit Committee from time to time. Mr. Jayesh Patel, Company Secretary, acts as the Secretary of the Audit Committee. The Chairman of the Audit Committee attended the last AGM held on June 27, 2022.

4.3 Internal Audit Function

The Company has appointed M/s C N K Khandwala & Associates, Chartered Accountants as Internal Auditors, who reports directly to the Chairman of the Audit Committee.

4.4 Non Audit Services

The Audit Committee has reviewed and confirmed that all non-audit services provided by the auditors have not affected the independence of the auditors

4.5 Total fees for all services paid by the Company to the Statutory Auditors is given below:

(₹ in Lakhs)

M/s. S R B C & Co. LLP	FY 2022-23
Audit Fees	39.75
Other Services	0.20
Reimbursement of Expenses	1.21
Total	**41.16**

4.6 Maintenance of Financial Records

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

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

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

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

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

4.7 Assurance from CEO AND CFO

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

5. RISK MANAGEMENT COMMITTEE

Regulation 21 of SEBI Listing Regulations was amended which mandates top 1000 Listed Companies to constitute risk management committee. Accordingly,

the Board has constituted Risk Management Committee on May 2, 2022 in compliance with regulation 21 of SEBI Listing Regulations.

5.1 Composition, Meetings and its attendance*:

During the Financial Year 2022-23, Committee met two times. The Composition of the Committee, date of meetings and its attendance is as under;

Member	Category	21.10.2022	21.01.2023
Mr. Manubhai Patel	Chairman - Independent Director	✓	✓
Mr. Jayanti Patel	Member- Executive Chairman	✓	✓
Mr. Natwarlal Patel	Member- Managing Director	✓	✓

5.2 Terms of Reference

The broad terms of reference of the Risk Management Committee include the following;

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

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

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

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

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

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

6. NOMINATION & REMUNERATION COMMITTEE (NRC)

The Nomination and Remuneration Committee of the Board has been constituted as per requirements of section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations.

6.1 Composition, Meetings and its attendance:

During the Financial Year 2022-23, Nomination and Remuneration Committee met two times. The Composition of the Committee, date of meeting and its attendance is as under;

Member	Category	02.05.2022	22.07.2022
Mr. Manubhai Patel	Chairman - Independent Director	✓	✓
Ms. Urvashi Shah	Member – Independent Director	✓	✓
Prof. (Dr). Ganapati Yadav	Member – Independent Director	✓	✓

Mr. Jayesh Patel, Company Secretary, acts as the Secretary of the Nomination and Remuneration Committee.

6.2 Terms of Reference

The broad terms of reference of the Nomination and Remuneration Committee include the following:

a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.

b) To recommend to the Board on the appointment of new executive and non-executive directors;

c) To recommend to the Board the appointment and removal of Senior Management.

d) To carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.

e) To review the Board structure, size and composition, having regard the principles of the Code;

f) Assess nominees or candidates for appointment or election to the Board, determining whether or not such nominee has the requisite qualifications and whether or not he/she is independent;

g) Put in place plans for succession, in particular, for the Chairman of the Board and Chief Executive Officer of the Group;

h) Determine, on an annual basis, whether a director is independent taking into account the circumstances set forth in Guideline 2.1 of the Code and any other salient factors;

i) Make recommendations to the Board for the continuation in services of any Executive Director who has reached the age of seventy years;

j) Recommend directors who are retiring by rotation to be put forward for re-election;

k) Decide whether or not a director is able to and has been adequately carrying out his duties as a director of the Company, particularly when he has multiple board representations;

l) Recommend to the Board internal guidelines to address the competing time commitments faced by directors who serve on multiple boards; and

m) Assess the effectiveness of the Board as a whole and for assessing the contribution of each individual director to the effectiveness of the Board on an annual basis

n) Devising a policy on Board diversity;

o) To recommend the Board on policy and framework relating to remuneration for (i) Directors (ii) Executive Directors (iii) Key Managerial Personnel and (iv) Senior Management remuneration and incentive package.

p) All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by the Remuneration Committee

q) Reviewing and enhancing on the compensation structure to incentive performance base for key executives;

r) Ensure that the remuneration packages are comparable within the industry and comparable companies and include a performance-related element coupled with appropriate and meaningful measures of assessing individual executive director's performance.

s) To facilitate the transparency, accountability and reasonableness of the remuneration of Director and Senior Management Personnel.

t) To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

u) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,

v) Carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the NRC by the Board of Directors from time to time;

w) to develop a succession plan for the Board and to regularly review the plan;

6.3 Nomination process for new Directors

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

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

6.4 Pecuniary Relationship or Transaction

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

6.5 Remuneration to Non Executive Directors

The Non-Executive Directors were not paid any Compensation except sitting fees. The Board has fixed the sitting fees payable to Non-Executive Directors within the limits prescribed under the Companies Act, 2013.

6.6 Remuneration to Executive Directors

The Company pays remuneration to its Executive Directors by way of Salary, perquisites and Performance Bonus. The members at the Extra Ordinary General Meeting held on May 7, 2021 have approved the appointment for a period of 5 years from 01 June, 2021 to 30 May, 2026 and terms of remuneration payable to Mr. Jayanti Patel Executive Chairman, Mr. Ashish Soparkar and Mr. Natwarlal Patel Managing Directors, Mr. Ramesh Patel and Mr. Anand Patel – Executive Directors (collectively referred to as Executive Directors").

During FY 2022-23, the Executive Directors were paid the following remuneration;

(₹ in Lakhs)

Name of Director	Salary, perquisites	Performance Bonus
Mr. Jayanti Patel	102.59	400.00
Mr. Ashish Soparkar	101.61	400.00
Mr. Natwarlal Patel	102.61	400.00
Mr. Ramesh Patel	102.42	240.00
Mr. Anand Patel	101.82	160.00
Total	**511.05**	**1600.00**

The remuneration paid is within the limits approved by the Shareholders. Currently, the Company does not have any contractual provisions to allow the Company to reclaim incentive from Executive Directors and Key Management Personnel in exceptional cases of wrongdoings.

The Company does not have any Employee Share Option Scheme or Employee Stock Option or any long-term similar incentive scheme in its place.

The Company has paid the following sitting fees to Independent Directors during FY 2022-23

Name of Independent Director	Amount (In Lakhs)
Ms. Urvashi Shah	7.35
Mr. Manubhai Patel	8.10
Mr. Bhaskar Rao	8.90
Mr. C. S. Liew	12.27
Prof. (Dr.) Ganapati Yadav	6.50
Dr. Varesh Singha	2.33

7. SHAREHOLDERS'/INVESTORS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee has been constituted as per the requirement of 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations.

7.1 Composition, Meetings and its Attendance

During the Financial Year 2022-23, Stakeholders Relationship Committee met two times. The Composition of the Committee, meetings and its attendance are as under;

Member	Category	Meetings 02.05.2022	Meetings 21.10.2022
Mr. Manubhai Patel	Chairman - Independent Director	✓	✓
Ms. Urvashi Shah	Member – Independent Director	✓	✓
Mr. Ashish Soparkar	Member – Managing Director	✓	✓

Mr. Jayesh Patel, Company Secretary, acts as the Secretary of the Shareholder's/ Investors Relationship Committee.

7.2 Terms of Reference:

The terms of reference of the Shareholder's/ Investors Relationship Committee include the following:

(a) To allot equity shares of the Company,

(b) Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;

(c) Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc;

(d) Issue of duplicate / split / consolidated share certificates;

(e) Allotment and listing of shares;

(f) Review of cases for refusal of transfer / transmission of shares and debentures;

(g) Reference to statutory and regulatory authorities regarding investor grievances;

(h) And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

7.3 Name, Designation and contact details of Compliance Officer

Mr. Jayesh Patel, Company Secretary (ICSI M.No:A14898) is the Compliance Officer of the Company. The Compliance Officer can be approached at the Registered Office of the Company at 1st to 3rd Floor, Meghmani House, Near Safal Profitaire, Prahlad Nagar, Satellite, Ahmedabad – 380015, Gujarat, India, Tel No. 91-79- 2970 9600/ 7176 1000 Fax No. 91-79-2970 9605 E-mail: cs@meghmani.com Website: http://www.meghmani.com//

8. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

8.1 Terms of Reference

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

a. To formulate and recommend to the board of directors, the CSR Policy, indicating the CSR activities to be undertaken as per Companies Act, 2013, as amended;

b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken;

c. To monitor the CSR Policy of the Company from time to time;

d. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time

8.2 Composition and its Attendance

During the Financial Year 2022-23, CSR Committee met two times. The Composition of the Committee, meeting and its attendance is as under;

Name of Member	Category	02.05.2022	21.01.2023
Mr. Manubhai Patel	Chairman-Independent Director	✓	✓
Mr. Jayanti Patel	Member - Executive Chairman	✓	✓
Mr. Ashish Soparkar	Member- Executive Director	✓	✓
Mr. Natwarlal Patel	Member- Executive Director	✓	✓

During the year under review, the Company has spent ₹ 219.31 Lakhs towards CSR activities in accordance with the policy on CSR and unspent CSR amount of ₹ 292.00 Lakhs has been transferred to Unspent CSR account FY2023 on April 27, 2023 in accordance with provisions of Section 135(6) of Companies Act, 2013, which will be utilized in terms of CSR policies of the Company. A detailed Annual Report on CSR activities prepared in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 is appended as Annexure - D to this report.

9. GENERAL BODY MEETINGS

9.1 The details as to date, time and location of Annual General Meetings (AGM) held in last three years and Special resolutions passed thereat are as under: -

Year ended	Category-Date & Time	Venue	Special Resolutions passed
31.03.2020	1st AGM on August 4, 2020 at 11.00 a.m.	1st to 3rd Floor, Meghmani House, Near Raj Bunglow, Near Safal Profitaire, Prahlad Nagar, Satellite, Ahmedabad-380015	Nil
2021-2022	Extra Ordinary General Meeting May 7, 2021 at 10.30 a.m.	1st to 3rd Floor, Meghmani House, Near Raj Bunglow, Near Safal Profitaire, Prahlad Nagar, Satellite, Ahmedabad-380015	1) Appointment of Mr. Jayanti Patel as Executive Chairman of the company for 5 years u/s 196 of Companies Act, 2013 2) Appointment of Mr. Ashish Soparkar as Managing Director of the company for 5 years u/s 196 of Companies Act, 2013 3) Appointment of Mr. Natwarlal Patel as Managing Director of the company for 5 years u/s 196 of Companies Act, 2013 4) Appointment of Mr. Ramesh Patel as Executive Director of the company for 5 years u/s 196 of Companies Act, 2013

Year ended	Category-Date & Time	Venue	Special Resolutions passed
			5) Appointment of Mr. Anand Patel as Executive Director of the company for 5 years u/s 196 of Companies Act, 2013 6) To adopt new set of Articles of Association of the Company u/s 14 of Companies Act, 2013 7) to authorize to borrow under section 180(1)(c) of the companies act, 2013 for an amount not exceeding ₹ 1,500 Cr. 8) to create mortgage / charge over property of the company under section 180(1)(a) of the companies act, 2013 for securing borrowing of ₹ 1,500 Cr
31.03.2021	2nd AGM on September 23, 2021 at 10.00 a.m.	Through Video Conferencing (VC)/ Other Audio-Visual Means(OAVM)	Nil
31.03.2022	3rd AGM on June 27, 2022 at 12.00 noon	Through Video Conferencing (VC)/ Other Audio-Visual Means(OAVM)	Nil

9.2 The appointment of two independent directors i.e. Dr. Varesh Sinha and Mr. Shalin Mehta were ratified by the shareholders in the form of special Resolution(s) through Postal Ballot in the month of August, 2022.

During the year under review, the Company has sought shareholders' approval through postal ballot in accordance with Section 108 and 110 and other applicable provisions of the Companies Act, 2013 as amended, (the "Act") read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, as amended (the "Rules"), (including any statutory modification or re-enactment thereof for the time being in force), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the appointment of Dr. Varesh Sinha and Mr. Shalin Mehta as Non-Executive Independent Director of the Company for a period of 5 years from July 22, 2022

10.OTHER DISCLOSURES

10.1 Related Party Transactions

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

There were no materially significant transactions with related parties during the financial year, which were not in conflict with the interest of the Company. Suitable Disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements in this Annual Report. The Policy on Related Party Transaction has been placed on the Company's website.

10.2 Vigil Mechanism / Whistle Blower Policy

The Company has a Whistle Blower Policy to deal with instance of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct, if any. The Whistle Blower Policy is posted on the website of the Company.

10.3 Compliance with SEBI LODR

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

10.4 Recommendation by Committee

There were no instances during the financial year 2022-23 wherein the Board had not accepted the recommendations made by any committee of the Board.

10.5 Prevention of Sexual Harassment (PSH) of Women at workplace

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has framed a policy on prevention of sexual harassment of women at workplace and constituted

Internal Complaints Committee. Status of complaints during FY 2022-23 is as under:

Opening as on April 1, 2022	Nil
Received – FY 2022-23	Nil
Disposed of – FY 2022-23	Nil
Pending as at March 31, 2023	Nil

10.6 Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

10.7 Certificate on Corporate Governance

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

10.8 Shareholder's Information

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

10.9 Code of Conduct

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

10.10 Management Discussion and Analysis Report

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

10.11 Insider Trading

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

10.12 Disclosures regarding Re-appointment of Directors

As per the Articles of Association of the Company, one third of the Directors are liable to retire by rotation every year and if eligible, they offer themselves for re- election by the shareholders at the General Meeting. There is no Alternate Director being appointed to the Board.

10.13 Appointment & Removal of Company Secretary

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

10.14 Credit Rating

CRISIL has reaffirmed Long Term Rating CRISIL AA-/ Stable and Short Term Rating CRISIL A1+ to its total Bank loan facility of ₹ 876 Crore vide its letter RL/ MEGORGN/314970/BLR/0323/55396 issued on March 30, 2023 to the Company.

10.15 Commodity Price Risk or Foreign Exchange risk and it's hedging

During the financial year 2022-23, the Company has managed the foreign exchange risk by hedging to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in notes to Standalone Financial Statements.

10.16 Discretionary Requirements

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

#	Particulars	Status
1	Non-Executive Chairman's office	The Company does not have a Non-executive Chairman
2	Shareholders Rights	As the quarterly, half yearly and yearly financial results are published in the newspapers and are also posted on the website of Stock Exchanges and website of the Company, the same are not being sent to the shareholders.
3	Audit Qualifications	The Company's Financial Statements for FY 2022-23 is unmodified.
4	Separate posts of Chairman and MD or CEO	There is a separate post of Chairman, Managing Director and CEO but Company has Executive Chairman who may be considered relatives of MD/ CEO.

11.Reminders to Unpaid Dividend

Reminders for unpaid dividend of Meghmani Organics Limited are sent to the shareholders every year.

12.MEANS OF COMMUNICATION

12.1 Newspapers

The Unaudited Quarterly/Half yearly/yearly financial statements are announced within statutory timeline. The aforesaid financial statements reviewed by the Audit Committee are taken on record by the Board of Directors and are communicated to the Stock Exchanges where the Company's securities are listed. Once the Stock Exchanges have been intimated, these results are given by way of a press release to news agency and published within 48 hours in two leading daily newspapers – one in English and one in Gujarati.

12.2 Disclosure to Stock Exchanges

The Company also timely disseminates on the website of Stock Exchanges, all price sensitive matters or such other matters which in its opinion are material and have relevance to the shareholders.

12.3 Website Display

The Company's website www.meghmani.com contains a separate dedicated section "Investors" where information for shareholders is available. Quarterly and Annual Financial results, disclosures and filing with the stock exchanges, official press releases, presentations to analysts and institutional investors and other general information about the Company are available

12.4 Annual Report

Annual Report containing, inter alia, Board's Report, Auditors' Report, Audited Financial Statements and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis (MDA) Report and Business Responsibility and sustainability Reporting form part of the Annual Report. The Annual Report of the Company and its subsidiaries is also available on the website of the Company.

12.5 Green Initiative for paperless communication

As a responsible Corporate citizen, the Company welcomes and supports the 'Green Initiatives' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report to shareholders at their e-mail address registered with the Depository Participant(DP) and Registrar and Transfer Agent (RTA).

Shareholders who have not registered their e-mail address so far are requested to do the same. Shareholders may refer Note no: 27 annexed with Notice of 4th Annual General Meeting of the shareholders which forms part of Annual Report.

13.General Shareholder Information

13.1 Schedule of Third Annual General Meeting

Date	Tuesday, June 27, 2023
Venue	The meeting is being conducting through VC / OAVM pursuant to the MCA Circular dated May 5, 2022, hence there is no requirement to have a venue for the AGM. Please refer detailed notes annexed to the Notice of this AGM to attend the meeting.
Time	12:00 noon
Last date of receipt of Proxy	Not Applicable
Posting of Annual Report	**On or before 3rd June, 2023**

13.2 Financial Year

The financial year of the Company is from April 1 to March 31. The tentative schedule of Board Meeting for approval of Quarterly financial results is as under;

Financial Calendar 2023-24

First Quarter Results - Q1FY24	Within 45 days from the close of quarter
Second Quarter Result - Q2FY24	Within 45 days from the close of quarter
Third Quarter Results - Q3FY24	Within 45 days from the close of quarter
Fourth Quarter Results - Q4FY24	Within 60 days from the close of quarter

13.3 Record Date

Record Date	Tuesday, June 20, 2023

13.4 Dividend payment

The Board of Directors at their meeting held on April 29, 2023 has declared Final Dividend of ₹ 1.40 (140%) per Equity shares of the face value of ₹ 1/- each for the financial year 2022-23, which will be paid on or after July 4, 2023. The Company has fixed Tuesday, June 20, 2023 as “Record date” to determine the entitlement of the shareholders to receive dividend for the year 2022-23.

The information of unclaimed dividend of the Company as on March 31, 2023 is as under:

Particulars	Dividend%	₹	Payment Date	7 years expiry date
Un- paid dividend – 2016	30%	548,070.63	23.03.2016	22.03.2023*
Un- paid dividend – 2017	40%	562,463.50	07.08.2017	06.08.2024
Un- paid dividend – 2018	40%	536,373.09	06.08.2018	05.08.2025
Un-paid dividend –2019 (Interim)	60%	539,341.20	25.03.2019	24.03.2026
Un- paid dividend – 2019 (Final)	40%	695,269.00	29.07.2019	28.07.2026
Unpaid dividend – 2020(Interim)	100%	1,518,686.00	20.03.2020	19.03.2027
Unpaid dividend – 2021(Final)	140%	1,383,955.82	04.10.2021	03.10.2028
Unpaid dividend – 2022(Final)	140%	1,130,404.40	06.07.2022	05.07.2029
Total		**6,914,563.64**		

*In process for transfer

13.5 Unclaimed Shares

The Company has allotted shares to the shareholders of erstwhile Meghmani Organics Limited under the Scheme of Arrangement which was approved by NCLT vide its order dated May 3, 2021. The following shares were remained unclaimed by the shareholders in the process of allotment due to various reasons i.e. BO closed/inactive/invalid demat account. The Company has sent a letter to respective shareholders to claim the shares on August 4, 2021 and further reminder in February, 2022. The details of shares given to rightful owners and unclaimed shares are as follow;

	No of Shareholders	Unclaimed shares
Outstanding at April 1, 2022	27	112826
7 shareholders have approached and Company transferred 8575 shares to respective shareholders during FY 2023		
Details of outstanding shares at March 31, 2023	20	104251

13.6 Payment of Listing Fees

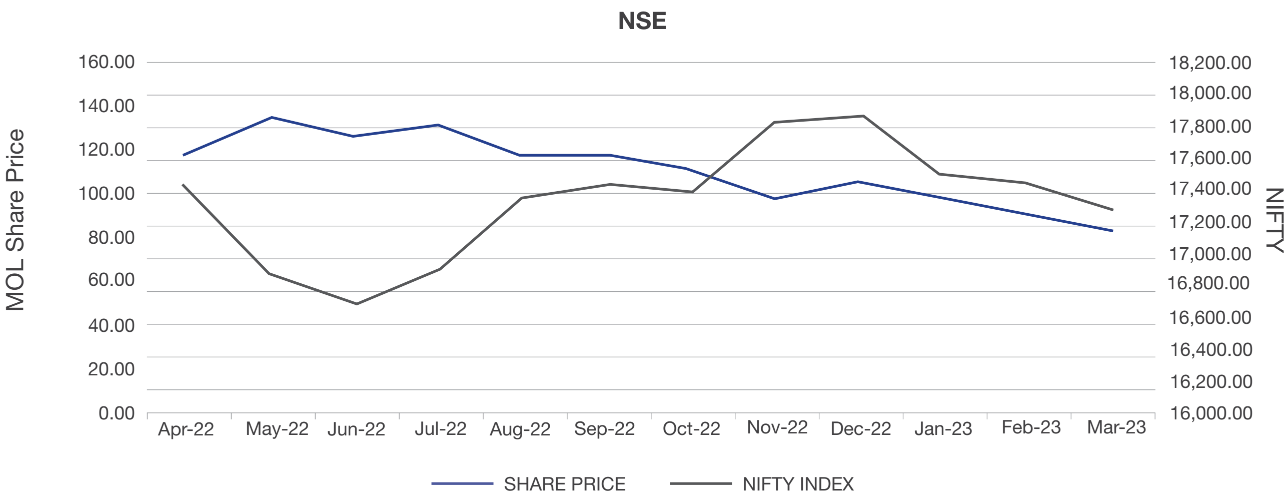
The Company has paid listing fess for FY 2023-24 to both the exchanges National Stock Exchange of India (NSE) and BSE Limited.

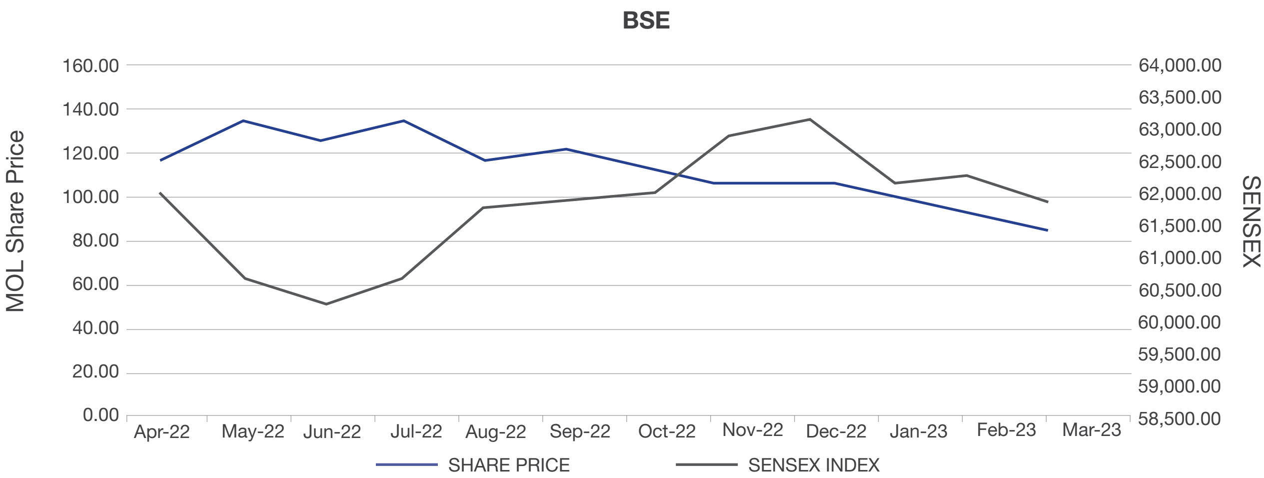
13.7 Market Price Data: High Low during each month in Financial Year 2022-23

The Monthly High and Low prices of equity shares traded on NSE and BSE from August 18, 2021 (Listing date) to March 31, 2022 is set out below

National Stock Exchange of India Limited: - March 31, 2023

Month	NSE				BSE			
	SHARE PRICE		NIFTY INDEX		SHARE PRICE		SENSEX INDEX	
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
Apr-22	132.40	104.00	18114.65	16824.70	132.40	104.00	60,845.10	56,009.07
May-22	152.50	110.00	17132.85	15735.75	152.50	110.05	57,184.21	52,632.48
Jun-22	140.09	105.95	16793.85	15183.40	140.85	106.05	56,432.62	50,921.22
Jul-22	148.02	122.02	17172.80	15511.05	147.95	122.25	57,619.27	52,094.25
Aug-22	133.75	12.05	17992.20	17154.8	133.70	118.80	60,411.20	57,367.47
Sep-22	132.90	115.05	18096.15	16747.7	135.90	115.05	60,676.12	56,147.23
Oct-22	126.40	109.65	18022.8	16855.55	126.35	108.60	60,786.70	56,683.40
Nov-22	111.35	108.00	18816.55	17959.2	120.90	108.10	63,303.01	60,425.47
Dec-22	117.80	105.45	18887.6	17774.25	118.50	105.50	63,583.07	59,754.10
Jan-23	113.35	93.65	18251.95	17405.55	113.30	92.90	61,343.96	58,699.20
Feb-23	104.10	91.85	18134.75	17255.2	104.00	91.00	61,682.25	58,795.97
Mar-23	94.50	76.00	17799.95	16828.35	94.42	75.26	60,498.48	57,084.91





13.8 Listing details of Equity shares

Name of Stock Exchange	Address	Stock Code
National Stock Exchange of India Limited	Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	MOL
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street,Mumbai - 400 001	543331
ISIN		INE0CT101020

13.9 Share Transfer System

Link Intime India Private Limited, Mumbai, is Registrar & Share Transfer Agent of the Company. The Share Transfer and Share Dematerialization are processed by Link Intime India Private Limited, Mumbai.

13.10 Shareholding Pattern as on March 31, 2023

Category of Shareholder	No. of Shares	%
(1) Promoter		
Promoter & Promoter Group	12,58,23,635	49.48
(2) Public		
Non-Institutional		
Individual Shareholders	9,44,80,034	37.15
Non Resident Indians	72,87,759	2.87
Hindu Undivided Family	77,65,393	3.05
Body Corporate	1,25,14,334	4.92
Clearing Members	1,28,852	0.05
Investor Education And Protection Fund	1,78,018	0.07
Escrow Account	1,04,251	0.04
Government Companies	1,16,194	0.05
Trusts	2,758	0.00
NBFCs registered with RBI	50,681	0.02
LLP	8,20,725	0.32
Key Managerial Personnel	10,000	0.00
Institutional		
Alternate Investment Funds	11,38,215	0.45
Foreign Portfolio Investors Category-I	37,43,362	1.47
Foreign Portfolio Investors Category-II	1,50,000	0.06
Total	**25,43,14,211**	**100.00**

13.11 Dematerialization of Shares as on March 31, 2023

Share Capital	No. of shares	%
Listed Capital	**25,43,14,211**	**100.00**
Held in Dematerialized form :-	**25,43,14,211**	**100.00**
National Securities Depository Limited **(NSDL)**	19,53,64,879	76.82
Central Depository Services (India) Limited **(CDSL)**	5,89,49,332	23.18
Held in Physical Form	Nil	Nil
Total	**25,43,14,211**	**100.00**

13.12 Distribution of Shareholding as on March 31, 2023

Shareholding of Shares	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1 to 500	1,07,727	82.80	1,46,37,508	5.76
501 to 1,000	10,648	8.18	87,74,014	3.45
1,001 to 2,000	5,396	4.15	83,63,904	3.29
2,001 to 3,000	1,987	1.53	51,43,157	2.02
3,001 to 4,000	920	0.71	33,47,828	1.32
4,001 to 5,000	836	0.64	39,65,233	1.56
5,001 to 10,000	1,315	1.01	99,11,318	3.90
10,001 & above	1,274	0.98	20,01,71,249	78.71
TOTAL	**1,30,158**	**100.00**	**25,43,14,211**	**100.00**

13.13 REGISTRAR AND SHARE TRANSFER AGENT & INVESTOR CORRESPONDENCE

Link Intime India Private Limited 506 To 508, Amarnath Business Centre – 1, Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off, C. G. Road, Ahmedabad- 380006 Contact No.: 91-79-2646 5179 Email: ahmedabad@linkintime.co.in	Mr. Jayesh Patel, Company Secretary 1st to 3rd Floor, Meghmani House, B/h Safal Profitaire, Corporate Road, Prahaladnagar, Ahmedabad 380 015 Contact No. 91-79-2970 9600/ 7176 1000 E-mail: cs@meghmani.com

13.14 LOCATION OF MANUFACTURING FACILITY

1. Pigment Division - Green	Plot No. 184, Phase II, G.I.D.C. Vatva, Ahmedabad -382 445
2. Pigment Division – Blue	Plot No. 21, 21/1, G.I.D.C. Panoli, District :- Bharuch
3. Pigment Division - Blue	Plot No. Z-31 Z-32, Dahej SEZ Limited, District :- Bharuch
4. Agro Division – I	Plot No. 402,403,404 & 452, Village Chharodi, Taluka Sanand, District :- Ahmedabad
5. Agro Division – II	5001/B, G.I.D.C. Ankleshwar, District:- Bharuch
6. Agro Division – III	Plot No. CH-1+2/A GIDC Industrial Estate, Dahej, District :- Bharuch
7. Agro Division – IV	Plot No. 20, G.I.D.C. Panoli, District :- Bharuch
8. Titanium Dioxide (TiO_2) (KCL)	Plot No. D2/CH-17,Dahej-II, Industrial Estate,Village: Jolwa, Ta: Vagra, Dist:Bharuch-392 130

13.15 Company's RECOMMENDATIONS TO THE SHAREHOLDERS

Encash your Dividends on time

Members are requested to register/update their Bank details with their DP to receive credit of amount of dividend in time.

Members are requested to deposit dividend warrants promptly with their Bankers to receive credit of amount of dividend.

Claim of unclaimed dividend

Members who have not claimed their dividend declared and paid by he Company are requested to claim their dividend in order to avoid to transfer the same into the Investor Education and Protection Fund. Your Company sends the reminder to claim the unclaimed dividend and if not claimed, to transfer the amount of dividend together with shares thereof into the Investor Education and Protection Fund.

Claim of unclaimed shares

The Company has allotted shares to the shareholders of erstwhile Meghmani Organics Limited under the Scheme of Arrangement which was approved by Hon'ble NCLT vide its order dated 3 May, 2021. 112826 Equity Shares were remained unclaimed by the shareholders as on March 31, 2023. Members are requested to claim these shares and refer Note No: 23 to the Notice of 4th AGM for guidance 'How to Claim shares'.

For **Meghmani Organics Limited**
(formerly known as Meghmani Organochem Limited)

April 29, 2023
Ahmedabad

Natwarlal Patel
Managing Director

Auditors' Certificate on Corporate Governance

To,

The Members,

MEGHMANI ORGANICS LIMITED

1st+2nd+3rd FL Nr. Raj Bunglow,

Nr. Safal Profitaire, Prahlad Nagar, Satellite

AHMEDABAD GJ380015 IN

We have examined the compliance of conditions of Corporate Governance of **MEGHMANI ORGANICS LIMITED CIN L24299GJ2019PLC110321**, for the year ended on **31st March 2023**, as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock Exchanges.

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

For, **SHAHS & ASSOCIATES**
Company Secretaries

Kaushik Shah
Partner
FCS No 2420 CP No 1414
UDIN: F002420E000160501
Peer Review No.833/2020

Place: Ahmedabad
Date: 27th April, 2023

Certificate of Non-Disqualification of Directors

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

To,

The Members,

MEGHMANI ORGANICS LIMITED

$1^{st}+2^{nd}+3^{rd}$ FL Nr. Raj Bunglow,

Nr. Safal Profitaire, Prahlad Nagar, Satellite

AHMEDABAD GJ380015 IN

We have examined the relevant registers, records, forms, returns and disclosures **including thereon in digital/ electronic mode** received from the Directors of **Meghmani Organics Limited CIN L24299GJ2019PLC110321** and having its Registered Office **at $1^{st}+2^{nd}+3^{rd}$ FL Nr. Raj Bunglow, Nr. Safal Profitaire, Prahlad Nagar, Satellite, AHMEDABAD GJ 380015 IN** (hereinafter referred to as 'the Company'), as produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the **Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

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

Sr. No	Name of Director	DIN	Date of Appointment
1	JAYANTILAL MEGHJIBHAI PATEL	00027224	15/10/2019
2	ASHISHBHAI NATAWARLAL SOPARKAR	00027480	15/10/2019
3	NATWARLAL MEGHJIBHAI PATEL	00027540	15/10/2019
4	RAMESHBHAI MEGHJIBHAI PATEL	00027637	15/10/2019
5	ANANDBHAI ISHWARBHAI PATEL	00027836	15/10/2019
6	MANUBHAI KHODIDAS PATEL	00132045	05/05/2021
7	GANAPATHI DADASAHEB YADAV	02235661	05/05/2021
8	URVASHI DHIRUBHAI SHAH	07007362	05/05/2021
9	VARESH GOVINDPRASAD SINHA	03259880	22/07/2022
10	SHALIN NIRANJANBHAI MEHTA	09679732	22/07/2022

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

For, **SHAHS & ASSOCIATES**
Company Secretaries

Kaushik Shah
Partner
FCS No 2420 CP No 1414
UDIN: F002420E000160481
Peer Review No.833/2020

Place: Ahmedabad
Date: 27^{th} April, 2023

CEO and CFO Certification

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

To,
The Board of Directors
Meghmani Organics Limited
(formerly known as Meghmani Organochem Limited)
Ahmedabad

Dear Sir/Madam,

CEO/CFO Certification in terms of Regulation 17 (8) of the SEBI (LODR) Regulations, 2015.

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

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

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

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

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

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

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

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

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

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

For, Meghmani Organics Limited

Date: April 29, 2023	**Ankit N. Patel**	**G. S. Chahal**
Place: Ahmedabad	CEO	CFO

Annexure E

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31.03.2023

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

To,

The Members,

MEGHMANI ORGANICS LIMITED

1st+2nd+3rd FL Nr. Raj Bunglow,

Nr. Safal Profitaire, Prahlad Nagar, Satellite

AHMEDABAD GJ380015 IN

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Meghmani Organics Limited CIN L24299GJ2019PLC110321** (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon. It is further stated that **we have also relied up on the scanned documents and other papers in digital/ electronic mode** submitted to us by the official of the Company for the financial year ended on **31st March, 2023**.

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

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

1. The Companies Act, 2013 (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;

    b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time; 2009;

    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009;

    d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable during the Audit Period)**;

    e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable during the Audit Period)**;

    f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client 2009;

    g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable during the Audit Period); and**

    h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; **(Not Applicable during the Audit Period);**

6. The other laws, as informed and certified by the Management of the Company, which are specifically applicable to the Company based on the industry are as listed in Annexure – I and we report that based on the examination of the relevant documents and records, and as certified by the Management, prime facie it appears that the proper system exist in the Company to confirm compliance of the applicable laws.

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

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

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

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

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

We further report that;

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

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

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

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

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

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

(2) Redemption/Buy Back of Securities.

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

(4) Foreign Technical Collaborations.

(5) Merger / Amalgamation / Reconstruction etc.

For, **SHAHS & ASSOCIATES**
Company Secretaries

Kaushik Shah
Partner
FCS No 2420 CP No 1414
UDIN: F002420E000160391
Peer Review No.833/2020

Place: Ahmedabad
Date: 27th April, 2023

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

Annexure “I”

(1) INSECTICIDES ACT, 1968

(2) ENVIRONMENT PROTECTION ACT, 1986

(3) THE GOODS AND SERVICES TAX ACT, 2016

(4) INDIAN EXPLOSIVE ACT, 1952 – POISON ACT, 1884

(5) INCOME TAX ACT, 1961

(6) PROFESSIONAL TAX, 1976

(7) NEGOTIABLE INSTRUMENT ACT, 1938

(8) THE FACTORIES ACT, 1948

(9) THE APPRENTICE ACT, 1961

(10) THE INDUSTRIAL DISPUTE ACT, 1947

(11) EMPLOYEES PROVIDENT FUND & MISC. PROVISIONS ACT

(12) THE PAYMENT WAGES ACT, 1965

(13) THE PAYMENT OF BONUS ACT, 1965

(14) THE PAYMENT OF GRATUITY ACT, 1972

(15) THE MINIMUM WAGES ACT, 1946

(16) THE TRADE UNION ACT, 1926

(17) THE EMPLOYMENT EXCHANGE ACT 1952

(18) INDIAN STAMP ACT, 1899

(19) THE TRADE MARKS ACT, 1999

(20) FOREIGN TRADE (DEVELOPMENT AND REGULATION) ACT, 1992

(21) ESSENTIAL COMMODITIES ACT 1955

(22) CUSTOMS ACT 1962

(23) INDUSTRIES (DEVELOPMENT AND REGULATION) ACT, 1951

(24) COMPETITION ACT, 2002

(25) COVID-19 GUIDELINES

(26) PETROLEUM ACT 1934, RULES 1976

(27) INDUSTRIAL EMPLOYMENT (STANDING ORDERS) ACT, 1946 & RULES 1957

(28) CHILD LABOUR (P&R) ACT,1986 & RULES.

(29) OZONE DEPLETING SUBSTANCE (REGULATIONS & CONTROL) RULE 2000

(30) INDIAN BOILER ACT, 1923 & REGULATIONS

For, **SHAHS & ASSOCIATES**
Company Secretaries

Kaushik Shah
Partner
FCS No 2420 CP No 1414
UDIN: F002420E000160391
Peer Review No.833/2020

Place: Ahmedabad
Date: 27th April, 2023

Annexure "II"

To,

The Members,

MEGHMANI ORGANICS LIMITED

1st+2nd+3rd FL Nr. Raj Bunglow,

Nr. Safal Profitaire, Prahlad Nagar, Satellite

AHMEDABAD GJ380015 IN

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

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

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

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

c. We have not verified the correctness and appropriateness of the financial statement of the Company.

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

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

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

For, **SHAHS & ASSOCIATES**
Company Secretaries

Kaushik Shah
Partner
FCS No 2420 CP No 1414
UDIN: F002420E000160391
Peer Review No.833/2020

Place: Ahmedabad
Date: 27th April, 2023

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31.03.2023

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

To,

The Members,

KILBURN CHEMICALS LIMITED

“Meghmani House”, 2nd Floor, Near Raj Bunglow,

B/h. Safal Profitaire, Corporate Road, Prahladnagar

AHMEDABAD GJ380015 IN

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kilburn Chemicals Limited CIN U24117WB1990PLC199409** (hereinafter called the “Company”). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon. It is further stated that **we have also relied up on the scanned documents and other papers in digital/ electronic mode** submitted to us by the official of the Company for the financial year ended on **31st March, 2023**.

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

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

1. The Companies Act, 2013 (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’)
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time; **(Not Applicable during the Audit Period);**
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time; 2009; **(Not Applicable during the Audit Period);**
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009; **(Not Applicable during the Audit Period);**
   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable during the Audit Period);**
   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable during the Audit Period);**
   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client 2009;
   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable during the Audit Period); and**
   h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; **(Not Applicable during the Audit Period);**
6. The other laws, as informed and certified by the Management of the Company, which are specifically applicable to the Company based on the industry are as listed in **Annexure – I** and **we report that** based on

the examination of the relevant documents and records, and as certified by the Management, prime facie it appears that the proper system exist in the Company to confirm compliance of the applicable laws.

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

(1) The Listing Agreements entered into by the Company with Stock Exchanges **(Not Applicable during the Audit Period);**

(2) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from December, 2015) **(Not Applicable during the Audit Period);**

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

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

We further report that;

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

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

(2) Redemption/Buy Back of Securities.

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

The Company has passed Special Resolution at its **Extra Ordinary General Meeting of the members of the Company on 01st June, 2022** in respect of borrowing and creation of mortgage to the extent of ₹ 350 Crores pursuant to Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013 for which necessary compliances were carried out by the Company.

The Company has also altered the clauses of memorandum and articles of association of the Company on account of its being delisted for which necessary compliances were carried out by the Company.

(4) Foreign Technical Collaborations.

(5) Merger / Amalgamation / Reconstruction etc.

For, **SHAHS & ASSOCIATES**
Company Secretaries

Kaushik Shah
Partner
FCS No 2420 CP No 1414
UDIN: F002420E000172251
Peer Review No.833/2020

Place: Ahmedabad
Date: 27th April, 2023

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

Annexure "I"

(1) ENVIRONMENT PROTECTION ACT, 1986

(2) THE GOODS AND SERVICES TAX ACT, 2016

(3) INDIAN EXPLOSIVE ACT, 1952 – POISON ACT, 1884

(4) INCOME TAX ACT, 1961

(5) PROFESSIONAL TAX, 1976

(6) NEGOTIABLE INSTRUMENT ACT, 1938

(7) THE FACTORIES ACT, 1948

(8) THE APPRENTICE ACT, 1961

(9) THE INDUSTRIAL DISPUTE ACT, 1947

(10) EMPLOYEES PROVIDENT FUND & MISC. PROVISIONS ACT

(11) THE PAYMENT WAGES ACT, 1965

(12) THE PAYMENT OF BONUS ACT, 1965

(13) THE PAYMENT OF GRATUITY ACT, 1972

(14) THE MINIMUM WAGES ACT, 1946

(15) THE TRADE UNION ACT, 1926

(16) THE EMPLOYMENT EXCHANGE ACT 1952

(17) INDIAN STAMP ACT, 1899

(18) THE TRADE MARKS ACT, 1999

(19) FOREIGN TRADE (DEVELOPMENT AND REGULATION) ACT, 1992

(20) CUSTOMS ACT 1962

(21) INDUSTRIES (DEVELOPMENT AND REGULATION) ACT, 1951

(22) COMPETITION ACT, 2002

(23) COVID-19 GUIDELINES

(24) PETROLEUM ACT 1934, RULES 1976

(25) INDUSTRIAL EMPLOYMENT (STANDING ORDERS) ACT, 1946 & RULES 1957

(26) CHILD LABOUR (P&R) ACT,1986 & RULES

(27) OZONE DEPLETING SUBSTANCE (REGULATIONS & CONTROL) RULE 2000

(28) INDIAN BOILER ACT, 1923 & REGULATIONS

For, **SHAHS & ASSOCIATES**
Company Secretaries

Kaushik Shah
Partner
FCS No 2420 CP No 1414
UDIN: F002420E000172251
Peer Review No.833/2020

Place: Ahmedabad
Date: 27th April, 2023

Annexure "II"

To,

The Members,

KILBURN CHEMICALS LIMITED

"Meghmani House", 2nd Floor, Near Raj Bunglow,

B/h. Safal Profitaire, Corporate Road, Prahladnagar

AHMEDABAD GJ380015 IN

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For, **SHAHS & ASSOCIATES**
Company Secretaries

Kaushik Shah
Partner
FCS No 2420 CP No 1414
UDIN: F002420E000172251
Peer Review No.833/2020

Place: Ahmedabad
Date: 27th April, 2023

Annexure - F

Business Responsibility and Sustainability Reporting

SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10/05/2021

SECTION A : GENERAL DISCLOSURES

I. Details of the listed entity

	Guarantees	Loans
1	Corporate Identity Number (CIN) of the Listed Entity	L24299GJ2019PLC110321
2	Name of the Listed Entity	Meghmani Organics Limited
3	Year of incorporation	15.10.2019
4	Registered office address	1st to 3rd Floor, Meghmani House", Nr.safal Profitaire, Prahlad Nagar, Satellite Ahmedabad-380015
5	Corporate address	As above
6	E-mail	ir@meghmani.com
7	Telephone	91-79-29709600/ 71761000
8	Website	www.meghmani.com
9	Financial year for which reporting is being done	31.03.2023
10	Name of the Stock Exchange(s) where shares are listed	BSE and NSE
11	Paid-up Capital	2543.14 Lakhs
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Jayesh Patel cs@meghmani.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone

II. Products / Services

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

Sl. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Agrochemicals	Manufacture of Insecticides and Herbicides	75.75
2	Pigment	Manufacture of Pigments from any source in basic form or as concentrate.	24.25

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

Sl. No	Product / Service	NIC Code	% of total Turnover contributed
1	Manufacture of Insecticides and Herbicides	24211	75.75
2	Manufacture of pigments	24224	24.25

III. Operations

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

Location	Number of plants	Number of offices	Total
National	6	2	8
International	0	2	2

17 Market Served by the entity:

a Number of locations

Locations		Number
	National (No. of States)	19
	International (No. of Countries)	75
b.	What is the contribution of exports as a percentage of the total turnover of the entity?	88
C.	A brief on type of customers	We serve B2B and B2C MNC and domestic customers in Agrochemicals. We supply technical bulk formulation and Formulation in small pack(P2P). In case of pigment, we serve to MNC and domestic customers dealing in ink, plastic, paint and polymer wherein 90% are repeat customers.

IV. Employees

18 Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.C	% (C/A)
		Employees				
1	Permanent (D)	1,254	1,241	98.96%	13	1.04%
2	Other than Permanent (E)	13	12	92.31%	1	7.69%
3	Total employees (D+E)	1,267	1,253	98.90%	14	1.10%
		Workers				
4	Permanent (F)	740	740	100.00%	0	0.00%
5	Other than Permanent (G)	2,091	2,073	99.14%	18	0.86%
6	Total workers (F+G)	2,831	2,813	99.41%	18	0.64%

b. Differently abled Employees and workers:

Sl. No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.C	% (C/A)
		Differently Abled Employees				
1	Permanent (D)	3	3	100%	0	0.00%
2	Other than Permanent (E)	0	0	0.00%	0	0.00%
3	Total differently abled employees (D+E)	3	3	100%	0	0.00%
		Differently Abled Workers				
4	Permanent (F)	1	1	100%	0	0.00%
5	Other than Permanent (G)	0	0	0.00%	0	0.00%
6	Total differently abled workers (F+G)	1	1	100%	0	0.00%

19 Participation/Inclusion/Representation of women:

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

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

Particulars	FY 2022-23 (Turnover rate in current FY)			FY 2021- 22 (Turnover rate in previous FY)			FY 2020- 21 (Turnover rate in previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	28.12%	0.14%	28.26%	23.33%	-	23.33%	19.54%	-	19.54%
Permanent Workers	17.78%	-	17.78%	13.26%	-	13.26%	8.92%	-	8.92%

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

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

Sl. 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)
	Kilburn Chemicals Limited	Subsidiary	100%	No
	Meghmani Crop Nutrition Limited	Subsidiary	100%	No
	Meghamni Organics USA INC	Subsidiary	100%	No
	Meghmani Overseas FZE	Subsidiary	100%	No
	P T Meghmani Organics Indonesia	Subsidiary	100%	No

VI. CSR Details

22	(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
	(ii) Turnover (₹ In Lakhs)	2,55,673.91
	(iii) Net worth ₹ In Lakhs)	1,65,600.32

VII. Transparency and Disclosure Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)		FY 2022 - 23			FY 2021 - 22		
			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
The list of the stakeholders	https://meghmani.com/investors/corporate-governance/							
Communities	Yes	0	0	0	NA	0	0	NA
Investors (other than shareholders)*	Yes	0	0	0	NA	0	0	NA
Shareholders*	Yes	0	0	0	NA	0	0	NA
Employees and workers	Yes	0	0	0	NA	0	0	NA
Customers	Yes	0	0	0	NA	0	0	NA
Value Chain Partners	Yes	0	0	0	NA	0	0	NA
Other (please specify)					NA			NA

*Details of Investors (including Bond Holders) /Shareholder are covered)

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

Sl. 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	Waste Management Energy Management	Risk and Opportunity	**Risk-** The environmental risks emphasize on the company's climate consiousness and ability to manage consequences due to deficiencies in waste and energy management. **Opportunity-** Effective energy and waste management systems improves the resource management of the company thereby improving its performance and top-line growth. Comprehensive resource management plans in alignment with the Company's environment conservation strategy will highlight the Company's commitment to improving environment preservation and its contribution toward climate change mitigation action plans.	Meghmani has an ISO 14001 certification in place. At Meghmani, we have taken proper control measures in addressing issues of climate change, pollution management, and emission control. We have installed Continuous Emissions Monitoring System (CEMS), to keep a check on our emissions. The CEMS collects data continuously and is more exact than off-line monitoring. Additionally, we monitor our wastewater quality on a regular basis to ensure we comply to the statutory requirements of the Central and/or State Pollution Control Boards.	**Positive**- The company's focus on sustainability initiatives fosters long-term value-creation and enables the company to effectively respond to rising stakeholder demands. **Negative:** Lack of robust initiatives and action plans to contribute to ESG awareness and climate change could adversely impact ESG profile of the company."
2	Employee Practices & Benefits	Risk & Opportunity	**Risk-** Employee development programs and provision for employee benefits could be considered as incurred expenses to the company. **Opportunities**- Structured employee development and engagement programs accelerate the work satisfaction of the company thereby enhacing the performance and company's topline. An enhanced collaboration amongst the team members lead to better communication, trust, talent pipeline, share understanding of company's goals and priorities and improved employee retention.	We are committed to enhance knowledge and leadership quotient of our employees through constant training and development. Refresher training for existing employees hones the skills required to ensure smooth operations. Scope of training programmes mainly covers refresher training on plant safety, process safety, emergency response, first aid, on job training and behaviour-based training. We also conduct training on environment, health and safety (EHS) and	**Positive**- A strong workforce with higher engagement, retention rate and diversity in the workforce brings new perspectives, experiences, and ideas which enable innovation, enhances the performance and enables a positive culture in the organization, and highlights the Company's efforts toward creating a conducive work environment. Negative- The inability to meet workforce expectations

Sl. 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)
			An empowered and organized workforce is more stable, predictable and productive which reduces resource shocks and generates productivity gains.	technical knowhow. We organise various employee engagement activities including interplant cricket tournament, women cricket tournament, Celebration of International Women's Day, Safety Day Republic Day, blood donation camps	may result in adverse impacts on workforce productivity, morale and the company's growth plan in a long run.
3	Health & Safety	Risk	**Risk-** Workplace hazards directly hampers the company's productivity, finances and reputation. The repurcussions and efforts to develop a safe environment would take time and resources to recover from. Effective health & safety practices boosts employee morale, increases productivity and promotes corporate responsibility.	The company has an ISO 18001 certified Health, Safety and Environment Policy (HSE Policy) which governs all the activities to ensure safe and healthy workplace for its employees and the community. Performance against HSE Policy objectives and Targets are being reviewed periodically. At Meghmani, we ensure highest safety standards. As a proactive precaution, we've begun documenting and investigating 'Process Safety Near Misses'. Company is also pursuing for "Responsible Care" logo for safety standards.	**Negative-** Weak health & safety practices directly impacts the company's finance resulting in stunted growth. Effective systems reduce costs associated with accidents and incidents, thereby leading to improved confidence and lower turnover rates in the future.
3	Human rights practices	Risk	**Risk**- Parameters on human rights such as fair working environment, equal opportunities, remuneration, freedom of association without ethinic discrimination will impact the performance of the company on the social front from the employee's perspective.	At Meghmani, the human rights policy is applicable to the employee and contractors associated with the Company. The Company prohibits indulgence of business and the value chain with any kind of child labor in any of its operation supported and complied by Child Labor (Prohibition and Regulation) Act, 1996. The Company is committed to fair employment practices and freedom of expression.	**Negative**- Absence of effective grievance mechanisms impacts commitment towards human rights integration within the Company's business model.

Sl. 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)
4	ESG Oversight	Opportunity	Opportunity- Having an efficacious ESG oversight on the board level will augment the overall ESG performance and reflect the Company's commitment to integrating responsible business practices within its growth model. Integrating ESG into the business practices would propel an enhanced risk management, governance, accountability reporting and decision-making. It would build the ability to identify and manage risks and opportunities related to environmental and social impact as well as build trust and transparency amongst investors and stakeholders.		Positive: Leadership oversight on the ESG strategy, action plan, and performance fosters a positive impact on the environment and community. It also enables the company to further embed robust monitoring mechanisms across ESG initiatives and business practices. As we move into the future, ESG will be the cornerstone of our financial success, competitive advantage, and future accomplishments.
5	Risk Management	Opportunity	**Opportunity**- Risk management is the process of proactively identifying, assessing and controlling threats to an organization's capital and earnings. It helps to analyze the relation between risks and the potential consequences for an organization's strategic goals.	The Company has an effective risk management framework to monitor the risks controls in key business processes.	**Positive**- Effective risk management systems are critical to the company's overall performance and .
6	Regulatory & Legal Compliances	Risk	**Risk**- Risk of non-compliance exposes the organization to legal penalties and financial losses resulting from failure to comply with the industry laws and regulations. Failure to adhere to the laws would directly affect the company's revenue, valuations and could lead to loss of reputation and business opportunities. More compliant companies tend to have improved performances and better process efficiency. Compliance gives assurance and provides a broader insight to the investors.	The Company has a proper and adequate system of Internal Controls for fair reporting and compliance with all applicable regulatory laws and company policies.The company has code of conduct, whistle-blower and insider trading policies to safeguard the interests of the investors and other stakeholders.	**Negative**- Non-compliance would lead to loss of reputation and consequently affect the business activities. Companies who are compliant with the regulatory laws have a better ability to manage risks and builds a better sense of fairness and loyalty among employees

SECTION B : MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	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)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://meghmani.com/investors/corporate-governance/								
2 Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3 Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N	N
4 Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The company has ISO 9001, ISO 14001, ISO 45001 and ISO18001 certifications in place. Agro business has obtained Responsible Care Logo from Indian Chemical Council. R&D centers are accredited with the GLP-certificate of OECD-GLP from National GLP Compliance Monitoring Authority (NGCMA), Department of Science and Technology, Government of India. All their factories adhere to the National Ambient Air Quality Standards (NAAQS). The company complies with the Environment Protection Act, 1986, Child Labor (Prohibition and Regulation) Act, 1996 and Minimum Wages Act, 1946. The Company continues to stay committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of honesty, integrity, governance, ethical and transparency in all its businesses.								
5 Specific commitments, goals and targets set by the entity with defined timelines, if any.	At Meghmani Organics, we aim to create value for all our stakeholders not only through our products but by striking a balance between our sustainability priorities and our business. We're committed in fostering a culture of inclusion, diversity and continuous learning to ensure every MOL employee is respected, valued and encouraged to make their fullest contribution. We are constantly endeavouring to reduce our energy consumption in an effort to reduce our carbon footprint. We are consistently moving towards adopting and implementing projects based on innovative production technologies that are more sustainable. We have taken proper control measures in addressing issues of climate change, pollution mmanagement, and emission control. We acknowledge the necessity of coordinating our ESG endeavors with our business objectives. We shall ensure putting all plans into actions that shall compliment sustainability requirements. We are committed to improving our ESG practices and outcomes. As a responsible organisation, we commit ourselves to retain all our certifcations with respect to Environment, Safety and quality in coming years including Responsible Care logo having validity of 3 years by March' 24. We are commited to source renewable energy sourcing as per Government Policies, we shall attain 100% of permissible limit								
6 Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	At Meghmani, we endeavour to create a positive impact on people and the environment, while also enriching the lives of our stakeholders, is intrinsic to our business. We have been awarded for our relentless efforts to deliver superior sustainable performance emanacing through our business activities • Awarded the 'The Global Indian Company of the Year' by PMFAI (The Pesticides Manufacturers & Formulators Association of India) • Accorded the Status of "Four Star export House" by the Ministry of Commerce and Industry, Govt. of India • Declared as the 'Best Company in CSR activities' by the Chief Minister of Gujarat • Received many accolades by GDMA and FICCI Chemicals and Petrochemicals								

		Governance, leadership and oversight
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Meghmani organics is committed to integrate ESG principles into its businesses which is central to improving the quality of life of the communities it serves. Our main targets shall be integrating quantified ESG targets in existing system. We shall ensure adherance of our business values trouigh our business conduct. We shall respect code of conducts developed to make business more resilient. In coming years we shall allign our business goals with SDG's so that we can discharge our responsibility towards societ as a responsible chemical producer.
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors are responsible for implementation and oversight of the Business Responsibility policies. Mr. Jayanti Patel, Executive Chairman Mr. Natwarlal Patel, Managing Director
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Company has committee of Baord of Directors for risk management and responsible for making decisions on sustainability issues.

10 Details of Review of NGRBCs by the Company:

Subject of 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	Board of Directors									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Board of Directors									Annually								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
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	Yes. CareEdge Advisory and Research, has mapped the existing policies and procedures against the requirements of BRSR and accordingly suggested the improvements to bridge it with the BRSR requirements.								

12 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:	
a. The entity does not consider the Principles material to its business (Yes/No)	-
b. The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-
c. The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-
d. It is planned to be done in the next financial year (Yes/No)	-
e. Any other reason (please specify)	-

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership".

While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	15	Team Building - Conclave- Good to Great , Management integration, Family Business and Code of conduct, Familiarisation Program, updates on Risk Management, ESG initiatives, Code of Conduct, etc	62%
Key Managerial Personnel	46	Code of conducts (business), business ethics, labor and human rights, diversity, POSH, Sustainable business, Inclusiove growth, Information security, Business Risk management, sustainable sorcing, safety in supply chain, Responsible Care awareness, Technical Training on process safety, Goal Setting, Leadership, Human Relation/Team Work, Team Building - Conclave- Good to Great	84%
Employees	379	Good work practices, POSH, labor and human rights at workplace, life style manegement- well being, Leadership & Human Relation, Team Work & Team Building, Goal Setting, skill development, career advancement at workoplace, Security Training, Communication & Interpersonnel Skills, Information security, sustainable procurement, product distribution safety, product safety and stewardship, process safety, emergency preparedness and response, contractor management, 5S, Housekeeping Training, how to prevent accident in plant, First Aid Training, Risk Management- HAZOP, HIRA, JSA, JRA etc., asset management. pollution control / pollution prevention, sustainable sourcing, Energy conservation, regulatory compliance,waste reduction and water saving, Promoting Values & Harmony by Swami Gyanvatsalji. General safety awareness and EHS induction, workplace safety.	76%
Workers	539	labor and human rights, Risk identification and control, chemical safety, energy saving, workplace regulatory compliance, waste reduction, skill improvement, good work practices, POSH, contract worker safety, Promoting Values & Harmony by Swami Gyanvatsalji. General safety awareness and EHS induction, workplace safety.	75%

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

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

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

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

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

4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.	The Company continues to stay committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of honesty, integrity, governance, ethical and transparency in all its businesses. Covered under the Code of Conduct policy. The company has a policy (code of conduct) to discourage bribery, corruption, gifts, payments, or any kind of consideration solicited, from or given to any person, to secure advantage in business transactions/ dealings. To ensure compliance with these standards, the company has a code of conduct policy. The policy is applicable to all individuals working at all levels and grades, including Board Members and Senior Managerial Personnel. https://meghmani.com/investors/corporate-governance/

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

Particulars	FY 2022-23 (Current Financial Year)	FY 2021 - 22 (Previous Financial Year)
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6 Details of complaints with regard to conflict of interest:

Particulars	FY 2022-23 (Current Financial Year)		FY 2021 - 22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
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

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

Leadership Indicators

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

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
150	Fair business practices / Code of conduct for owners of service providers or onsite contractors owners. Information protection awareness sessions for service providers engaged in risk assessment and designing. Legal compliance awareness sessions for all onsite contractors, labour supply contractors, transporters. Safe Handling of products and product safety for national customers. Safe Handling of products farmers in India. Workplace safety for onsite contractors and drivers. Safe transportation of chemicals for transporters, logistic service providers and drivers. Safe use of pesticides for farmers, shop keepers and stockists. PPE use during pesticides use for farmers. Workplace safety for onsite chemical loading unloading workers.	55%

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	Yes, the company has a policy to avoid/manage to conflict of interests involving members of the Board. The web link of the policy is as follows https://meghmani.com/wp-content/uploads/2021/10/Code-of-conduct-for-Directors-and-Senior-Management-MOL01.pdf

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

Essential Indicators

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

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R & D	28.70%	14.06%	Agro division has approved capex of ₹ 1447.96 Lakhs for establishing pilot plant at Dahej site. This pilot plant will help to improve process and chemistries that we handle in agro business. Process development studies will be streamlined with this initiative. Pilot plant is under installation.
Capex	0.22%	8.48%	Phenol recovery project commissioned at Dahej site for recovery of Phenol from trade effluent. Phenol is being recovered to below detection limit in treated water. This has helped in improvement in quality parameters of treated waste water.

2	a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)	No
	b. If yes, what percentage of inputs were sourced sustainably?	NA

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 (d) other waste.	The Company always monitors its waste generation limits, which helps the Company to ensure that generated waste is within the limits specified by CPCB / SPCB. The Company also monitors the emissions from all the plants of the Company to ensure the same within the limits specified by GPCB. Whatever the products are being manufactured by the Company are 100% recyclable. Generated waste during manufacturing process is being grounded and then blended with the Raw material. Out of generated waste, no or very little waste cannot be reused and recycled. The Company ensures the 95% recovery of the solvents from the processes.

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.	At Meghmani, we focus on product end-of-life management that is both sustainable and cost effective. We strive towards reducing waste and reusing treated water at different stages of our operations. Additionally, we monitor our wastewater quality on a regular basis to ensure we comply to the statutory requirements of the Central and/or State Pollution Control Boards. Disposal of solid waste is being done through authorized agencies.

Leadership Indicators

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?

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.
The company did not conducted any LCA in FY 22-23					

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.

Name of Product / Service	Description of the risk / concern	Action Taken
Agrochemicals	Misuse of pesticides.	There is regular practice of conducting awareness training sessions for farmers, dealers about safe handling and use of pesticides. This activity is being under the product stewardship initiatives. Senior management and entire distribution network ensure regular trainings of farmers.

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 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Phenol	1.12%	2.36%
Bromine	2.59%	NIL

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:

Particulars	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NIL					
E-waste						
Hazardous waste						
Other waste						

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category(Pigment)
We recovered 6662 tonnes of Copper Sulphate, Ammonium Sulphate and Aluminium Hydroxide during the process of production of pigment	33.35%

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

Essential Indicators

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

Category	Total (A)	% of employees covered by									
		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	1,241	1,181	95.17%	1,241	100.00%	NA		0	0.00%	0	0.00%
Female	13	13	100.00%	13	100.00%	13	100.00	NA		0	0.00%
Total	1,254	1,194	95.22%	1,254	100.00%	13	100.00	0	0.00%	0	0.00%
Other than Permanent employees											
Male	12	5	41.67%	12	100.00%	NA		0	0.00%	0	0.00%
Female	1	1	100.00%	1	100.00%	1	100.00	NA		0	0.00%
Total	13	6	46.15%	13	100.00%	1	100.00	0	0.00%	0	0.00%

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

Category	Total (A)	% of employees covered by									
		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	740	740	100%	740	100%	NA		0	0.00%	0	0.00%
Female	0	0	0.00%	0	0%	0	0.00%	NA		0	0.00%
Total	740	740	100%	740	100%	0	0.00%	0	0.00%	0	0.00%
Other than Permanent workers											
Male	2,073	0	0.00%	2,073	100%	NA		0	0.00%	0	0.00%
Female	18	0	0.00%	18	100%	18	100%	NA		0	0.00%
Total	2,091	0	0.00%	2,091	100%	18	100%	0	0.00%	0	0.00%

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

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100.00%	Y	100.00%	100.00%	Y
Gratuity	100%	100.00%	Y	100.00%	100.00%	Y
ESI	21.28%	17.82%	Y	18.49%	15.23%	Y
Others - Please specify	-	-	-	-	-	-

3 Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard	Yes, at Registered cum Corporate office

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.	Yes, Internal guidelines are present. It is mentioned in code of conduct. The Company provides equal opportunities to all its employees and to all eligible applicants for employment in the Company. It does not unfairly discriminate on any ground including race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability or any other category protected by applicable law https://meghmani.com/wp-content/uploads/2021/10/Code-of-conduct-for-Directors-and-Senior-Management-MOL01.pdf

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

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

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

	Yes (If Yes, then give details of the mechanism in brief)
Permanent Workers	MOL has grievance redressal mechanism in place. This mechanism is a formal process for workers to report any issues or concerns they may have in a safety or workplace related issues. Workers can report grievances in person to HR officer, via email or letter. Once a grievance is reported, the company's HR team takes necessary actions to resolve it. HR officer gives periodical feedback to workers. There are regular meetings with worker representatives and HR department to improve workplace safety and adherence to safety systems.
Other than Permanent Workers	We recognizes the importance of feedbacks and grievances hence in addition to the formal grievance redressal mechanism, we have also started regular meetings with contractors to get feedbacks about improving workplace EHS conditions. Contract workers are being involved in safety meetings so that they can give grievances if they have. We have a whistle blower system that allows to report issues.
Permanent Employees	Permanent employees can use multiple platforms to communicate grievances, these mechanism mainly includes one to one discussion, direct discussion with HR team, reporting or use of whistle blower policy. If permanent employee discovers an incident that can cause or has caused impact on business or reputation then he / she is free to report through whistle blower policy. Management reviews meetings are also suitable platform to communicate grievances.
Other than Permanent Employees	Contract employees, apprentice, service engineers, fixed termed employees can directly report their grievances to the admin / HR department. Regardless of their employment status, they can report their concerns to mentioned individuals.

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

Category	FY 2022-23			FY 2021-22		
	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	1,254	0	0.00%	1,249	0	0.00%
Male	1,241	0	0.00%	1,234	0	0.00%
Female	13	0	0.00%	15	0	0.00%
Total Permanent Workers	740	740	100%	703	703	100%
Male	740	740	100%	703	703	100%
Female	0	0	0.00%	0	0	0.00%

8 Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Male	1,993	1,138	57.10%	883	44.31%	1,949	1,128	57.88%	938	48.13%
Female	14	14	100%	14	100%	16	13	81.25%	13	81.25%
Total	2,007	1,152	57.40%	897	44.69%	1,965	1,141	58.07%	951	48.40%
Workers										
Male	2,073	740	35.70%	740	35.70%	1,450	680	46.90%	568	39.17%
Female	18	0	0.0%	0	0.00%	18	0	0.00%	0	0.00%
Total	2,091	740	35.39%	740	35.39%	1,468	680	46.32%	568	38.69%

9 Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	1,241	1,241	100.00%	1,234	1,234	100.00%
Female	13	13	100.00%	15	15	100.00%
Total	1,254	1,254	100.00%	1,249	1,249	100.00%
Workers						
Male	740	0	0%	703	0	0%
Female	0	0	0%	0	0	0%
Total	740	0	0%	703	0	0%

10 Health and safety management system:

a.	Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	Yes. Safety Management Framework covers all the business activities and the same are aligned with the EHS Management System as well as ISO 45001:2018 requirements. The coverage is 100% and includes all employees, workers and contractors associated with us. Maintaining and improving the safety and well-being of our people is integral part of core values of our organization. In year 2022 Meghmani organics has re-visited core values of business to give more emphasis on Safety and added ""Safety"" as a core value. We have adopted Integrated management system (IMS) at our all manufacturing sites, this includes system inline with standards like ISO45001, ISO14001 and ISO9001. Responsible Care and Process safety management systems have been adopted to improve safety systems at all sites. The efficacy of these management systems gets reviewed internally in every quarter. External verification of effectiveness of safety systems is through certified external auditors at the all operating units, this is being done by keeping with business need. The conversion of management systems from OHSAS 18001 to ISO 45001 was successfully completed.
b.	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	Meghmani's Safety management systems have multiple processes to identify work-related hazards and risk assessment processes as; HAZOP i.e. hazard and operability studies, HIRA i.e. hazard identification and risk assessment techniques, Job safety analysis, area risk assessment, various system audits done to check compliance to standard conditions laid through safe operating procedure, periodical inspections of automation or engineering controls. Regular identification of hazards and reporting it through near miss events, unsafe acts and unsafe conditions is integral part of job responsibilities.
c.	Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)	Yes, We have implemented multiple procedures across the all locations to reports work related hazrads and remove them from workplace. We have also implemented multiple levels of safety committees at manufacturing sites. Employees and workers are using these platforms to report hazards. There is regular practice of audits and inspections to identify hazrads and deficinencies at workplace. Company has an established Hazard Identification and Risk Assessment (HIRA) process for routine jobs and Job Safety Assessment (JSA) for maintenance jobs. We provided regular trainings on HIRA and JSA. The process of incident reporting and investigation also helps to remove workplace hazards. HAZOP or Hazard in Operation, is a systematic assessment conducted at a plant site to identify and address potential hazards in chemical reaction or chemical processes. We use HIRA or Hazard Identification and Risk Assessment for all manual activities done at site, from this year onwards we have started to review of HIRA on annual basis. JSA or Job Safety Analysis is being used to identify hazards and assess risks associated with major maintenance and shutdown jobs. JSA is integrated with work permit procedure. PSSR or Pre-Startup Safety Review is conducted when a new building or plant is constructed.
d.	Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes, Employees and workers of organisation have access to non-occupational medical healthcare services. At all sites we have dedicated doctors, person can approach him for non-occupatuonal ilness related issues.

11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.23	0.00
	Workers	0.00	0.27
Total recordable work-related injuries	Employees	1.00	0.00
	Workers	0.00	1.00
No. of fatalities	Employees	0.00	0.00
	Workers	0.00	0.00
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0.00	0.00
	Workers	0.00	0.00

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

HIRA i.e. Hazard identification and Risk Assessment and Management is being done in accordance with Hazard Identification and Risk Assessment (HIRA) Procedure. Job Safety Analysis (JSA) Procedure is being followed for non-routine jobs. HAZOP i.e. Hazard and operability studies are being doe to ensure adequate controls are in place to prevent process related events. QRA is being for all storage tanks.

Workplace monitoring and detection systems are in place to detech health hazards. Hierarchy of controls is being ensured for application of risk control measures. Control measure are in place to bring risksin acceptable range. Steering Committees are in place to review the adequacy of resources for safety and to provide support for safety management system deployment. Deployment of Safe and Healthy system of work is assured through periodic safety audits and inspections across sites.

We have placed engineering controls to prevent and minimise the release of chemicals from primary containment. These controls serve as an essential barrier to protect employees and the environment from potential hazards.Operating Procedures and Safe Work Practices ensures uniform and safe operations and minimise operational errors with consistent performance.Hazard Monitoring and Communication of materials and processes are continuously monitored, reported, and communicated to all employees.All these systems and practices help to ensure availability of safe and health workplace.

13 Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	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	We have not received any complaint on "Health & Safety" and "Working Conditions" in FY22-23 however, the Company encourages its employees and contractor workers to proactively submit safety observations and report unsafe acts and conditions at workplace as a preventive action.	0	0	We have not received any complaint on “Health & Safety" and “Working Conditions" in FY22-23 however, the Company encourages its employees and contractor workers to proactively submit safety observations and report unsafe acts and conditions at workplace as a preventive action.
Health & Safety	0	0		0	0	

14 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices Working Conditions	100% of plants have been assessed by IMS auditors and third parties. This includes IMS (Integrated Management system) audit of Ankleshwar, panoli, Dahej and Vatva sites.

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.	Safety related incidents are being investigated and learnings from investigation reports are shared across the sites for deployment of corrective actions and to stop recurrence of such incidents. Effectiveness of Corrective actions deployment being checked during safety Audits. Significant risks/ concerns arising from safety risk assessment of Health and Safety Practices are addressed through adeqaute engineering and system controls.

Leadership Indicators

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

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:

	FY 2022-23	FY 2021-22	No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
			FY 2022-23	FY 2021-22
Employees	0	0	0	0
Workers	0	0	0	0

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)	Yes

5 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices Working Conditions	25%, We have practice to visit our customers purchasing technical products. We ensure adeqaute trainings are being provided by supply chain partner to handle products safely. For domestic value chain partners we have done assessments. We ensure adequate trainings are being provided by supply chain partner to handle products safely, this activity done for domestic value chain partners.

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.	As a responsible company and to ensure commitment towards global product stewardship we are regularly communicating product safety related information and training to all value chain partners. We are providing technical training sessions to our customers for safe use and handling of our products. Stakeholders in entire supply chain includes logistic service providers, warehouse agents and shopkeepers, we have monthly planner in place for consucting safety trainings for these stakeholders. In year 22-23 we have conducted 50+ such training sessions to improve competency of value chain partners and onsite service providers.

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

Essential Indicators

1 Describe the processes for identifying key stakeholder groups of the entity

Identification of key stakeholders is beig done as a part of intergrated management system. The relevant stakeholder identification exercise has been carried out by senior management in consultation with board members and different departments. The stakeholders are identified based on a group who can be affect or affected by the company. The identified stakeholder includes both internal and external stakeholders relevant to the organisation. The key stakeholder for the organisation includes employees and workers, Investors and shareholders, Government and regulators, vendors, customers and dealers, bank and financial institution, and the community.

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

	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Shareholders	No	Email/newspaper/con-call/ meetings	Monthly/quarterly/ annually	Update on business performance and new product development/ initiatives
2	Customers	No	Email/newspaper/con-call/ meetings	Monthly/quarterly/ annually	Update on business performance and new product development/ initiatives
3	Suppliers	No	Email/newspaper/con-call/ meetings	Monthly/quarterly/ annually	Update on business performance and new product development/ initiatives
4	Employees	No	Email/newspaper/con-call/ meetings	Regularly	Update on policies/ achievement/awards/ employee engagement initiatives/training
5	Government and govt. officials	NO	E-mail, calls, meetings, legal submissions and approvals	Annually or as and when required	Regulatory filings, legislation
6	Banks/ Financial institutions	No	Email/meetings	quarterly	Update on business performance and new products/Projects

Leadership Indicators

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 has a Stakeholder Relationship Committee in place ensure that an effective self-regulatory mechanism exists to protect the interest of various stakeholders. Stakeholder concerns are regularly reported to the committee for consideration, while the Company's policies and actions are shared as input for the stakeholders. The concerns identified and are resolved to the satisfaction of the shareholders.
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.	Feedback received from stakeholders is used wherever applicable in the activities and policies of the entity
3	Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.	NIL

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
			Employees			
Permanent	1,254	1,254	100%	1,249	1,249	100%
Other than permanent	13	13	100%	13	13	100%
Total Employees	1,267	1,267	100%	1,262	1,262	100%
			Workers			
Permanent	740	740	100%	703	703	100%
Other than permanent	2,091	2,091	100%	1,498	1,468	100%
Total Workers	2,831	2,831	100%	2,171	2,171	100%

2 Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than minimum Wage		Total (A)	Equal to Minimum Wage		More than minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
				Employees						
Permanent	1,254	-	-	1,254	100%	1,249	-	-	1,249	100%
Male	1,241	0	0%	1,241	100%	1,234	0%	0%	1,234	100%
Female	13	0	0%	13	100%	15	0%	0%	15	100%
Other than permanent	13	-	-	13	100%	13	-	-	13	-
Male	12	0	0%	12	100%	12	0%	0%	12	100%
Female	1	0	0%	1	100%	1	0%	0%	1	100%
				Workers						
Permanent	740	-	-	740	100%	703	-	-	703	100%
Male	740	0	0%	740	100%	703	0%	0%	703	100%
Female	0	0	0%	0	0%	0	0%	0%	0	0
Other than permanent	2,091	-	-	2,091	100%	1,468	-	-	1,468	100%
Male	2,073	0	0%	2,073	100%	1,450	0%	0%	1,450	100%
Female	18	0	0%	18	100%	18	0%	0%	18	100%

3 Details of remuneration/salary/wages, in the following format:

Gender	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	5	8,40,000	0	0
Key Managerial Personnel(including senior employees)	25	3,51,179	0	0
Employees other than BoD and KMP	1,211	24,123	13	39,814
Workers	740	21,500	0	0

4	Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)	Yes.
5	Describe the internal mechanisms in place to redress grievances related to human rights issues.	Grievances Handling Policy present. The human rights policy is applicable to the employee and contractors associated with the Company. The Company prohibits indulgence of business and the value chain with any kind of child labor in any of its operation supported and complied by Child Labor (Prohibition and Regulation) Act, 1996. The Company is committed to fair employment practices and freedom of expression.

6 Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	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	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other Human rights related issues	0	0	NA	0	0	NA

7	Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases	We have whistle-blower policy to protect the interest of complainant https://meghmani.com/wp-content/uploads/2022/01/Whisle-Blower-Policy-MOL01.pdf
8	Do human rights requirements form part of your business agreements and contracts? (Yes/No)	Yes

9 Assessments for the year:

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

10	Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.	No such concern

Leadership Indicators

1	Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.	NIL
2	Details of the scope and coverage of any Human rights due-diligence conducted.	NIL
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?	NO

4 Details on assessment of value chain partners:

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

5	Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.	No such concern

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

Essential Indicators

1 Details of total energy consumption (in Giga Joules) and energy intensity, in the following format:

Particulars	FY 2022-23	FY 2021-22
Total electricity consumption (A)	2,82,413.90	3,01,366.32
Total fuel consumption (B)	2,827.74	2,050.20
Energy consumption through other sources (C)	99,332.22	1,19,968.95
Total energy consumption (A+B+C)	3,84,573.86	4,23,385.48
Energy intensity per rupees (Lakhs) of turnover (Total energy consumption/ turnover in Lakhs)	1.50	1.70
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, Energy audit carried out for FY 2022 by SUBODH ENERGY SERVICES

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.	No

3 Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	2,03,727	3,06,891
(ii) Groundwater	1,147.29	1,158
(iii) Third party water (tanker)	25,780	16,074
(iv) Seawater / desalinated water	0	0
(v) Water from municipal corporation	4,984	4,645
(vi) Others	7,81,299	8,97,166
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	10,16,937.29	12,25,934
Total volume of water consumption (in kilolitres)	10,62,291.29	12,25,934
Water intensity per rupee (Lakhs) of turnover (Water consumed / turnover)	4.15	4.92
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

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

4 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.	No

5 Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	microgram/ m^3	191.64	202.40
Sox	microgram/ m^3	220.55	277.86
Particulate matter (PM)	microgram/ m^3	289.62	237.79
Persistent organic pollutants (POP)	microgram/ m^3	0	0
Volatile organic compounds (VOC)	microgram/ m^3	0	0
Hazardous air pollutants (HAP)	microgram/ m^3	0	0
Others – please specify	microgram/ m^3	63.29	37.62

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

6 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Tonnes of CO2	190.52	138.13
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Tonnes of CO2	61,974.16	66,133.17
Total Scope 1 and Scope 2 emissions per rupees (Lakhs) of turnover	Tonnes of CO2/ Turnover	0.24	0.27
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

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

7 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.	Company is entering into an agreement to get electricity generated from solar power plant of 1.5 MW. This project will ensure reduction of greenhouse gas emission

8 Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil) . Please specify, if any. (G)	72,860.69	45,855.23
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	105.84	56.10
Total (A+B + C + D + E + F + G + H)	74,556.27	48,432.24
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	NIL	
(ii) Re-used	886	
(iii) Other recovery operations	NIL	
Total	886	
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration		
(ii) Landfilling	16,028.97	
(iii) Other disposal operations	20,790.08	
Total	36,819.05	

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

9	Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Scope of Environment department is to treat trade effluent, ensure emissions to air are within prescribed limit and safe disposal of solid and liquid waste as per regulatory requirements. This is being done through water treatment facility, provision of scrubbers in plant. Disposal of solid waste is being done through authorized agencies. Pollution prevention activities are being done through process improvements and adopting advanced technologies. Quantitative inventory of waste generated gets measured and monitored at source of generation and release points to keep it within permissible limit.

10 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sl. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
1	Not applicable		
2	Not applicable		NIL

11 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
No assessments taken					

12 Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sl. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the noncompliance"	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	Meghmani has been compliant with the applicable environment laws and regulations. Emission from all the			
2	operation is monitored and controlled as per the design and Environmental Guidelines of the CPCB/ SPCB.			

Leadership Indicators

1 Provide break-up of the total energy consumed (in Giga Joules) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources (Wind & Solar)		
Total electricity consumption (A)	99,332.22	1,19,968.95
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	99,332.22	1,19,968.95
From Non-renewable sources		
Total electricity consumption (D)	2,82,413.90	3,01,366.32
Total fuel consumption (E)	2,827.74	2,050.20
Energy consumption through other sources (F)	-	-
Total energy consumed from non renewable sources (D+E+F)	2,85,241.64	3,03,416.52

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

2 Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
(i) To Surface Water		
---No treatment	-	-
---With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
---No treatment	-	-
---With treatment – please specify level of treatment	-	-
(iii) To Seawater		
---No treatment	-	-
---With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	0	0
---No treatment	0	0
---With treatment – please specify level of treatment	0	0
(v) Others	5,01,915.63	6,95,244.00
---No treatment	0	0
---With treatment – please specify level of treatment	0	0
Total Water discharged (in kilolitres)	5,01,915.63	6,95,244.00

3 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area	Not applicable
(ii) Nature of operations	Not applicable

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	2,03,727	3,06,891
(ii) Groundwater	1,147.29	1,158
(iii) Third party water	25,780	16,074
(iv) Seawater / desalinated water	0	0
(v) Others	7,86,208	5,49,733
Total volume of water withdrawal (in kilolitres)	10,16,862.29	8,73,856
Total volume of water consumption (in kilolitres)	10,18,216.29	8,73,856
Water intensity per rupee (Lakhs) of turnover (Water consumed / turnover)	3.98	3.50
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	0	0
---No treatment	0	0
---With treatment – please specify level of treatment	0	0
(ii) Into Groundwater	0	0
---No treatment	0	0
---With treatment – please specify level of treatment	0	0
(iii) Into Seawater	0	0
---No treatment	0	0
---With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	0	0
---No treatment	0	0
---With treatment – please specify level of treatment	0	0
(v) Others	5,01,915.63	4,55,324.00
---No treatment	0	0
---With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	5,01,915.63	4,55,324.00

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

4 Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

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

5	With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.	The Company monitors the water quality and air quality on a regular basis as per the environmental norms and regulations

6 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. NO	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Phenol Recovery Project	We have installed phenol recovery plant to recover phenol from the waste water which helps us in reducing cost of raw material and recovery of phenol from waste water. We recycle water from scrubber and recover 100% of bromine from process water to reduce effluent load	Phenol recovery resulted in reduction of phenol content in waste water inlet of ETP (biological waste water treatment)

7	Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.	On Site emergency plans are aligned with Local crises plan and District Emergency Response Plan. On-Site Emergency plan is prepared as per Schedule 8-A of Sub rule 68-J-(12) (1) of the Gujarat Factory Rule 1963. Disaster management plan is as per Gujarat State Disaster Management Act, 2003 & Disaster Management Act, 2005. Possible scenarios considered for disaster management and crisis plan are as: Fire & Explosion, Toxic gas release, Spillage of Acid & Alkali, Collapse of Building, structure, Failure of Electrical Installations, Bomb threat, Terrorist attack, natural disaster, rain, flood, earth quake, storm & cyclone etc. Disaster management plan and crisis management plan mainly includes communication flow and instruction flow to respond and recover normalcy of plant operations.

8	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	No such instances
9	Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.	Not applicable

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1 a. Number of affiliations with trade and industry chambers/ associations. (As below)

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.

Sl. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State / National)
1	CHEMEXIL	National
2	Federation of Indian Export Organisations (FIEO)	National
3	Export Promotion Council	National
4	International chamber of commerce	International
5	Pesticides manufacturers association of India - PMFAI	National
6	Gujarat Chamber of Commerce	State
7	Gujarat Chemical Association	State
8	ICC - Indian Chemical Council	State
9	CCFI - Crop Care	National
10	GDMA	State

2 Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	NA	

Leadership Indicators

1 Details of public policy positions advocated by the entity:

	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			Nil		
2					

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1			No assessments carried out		
2					

2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sl. 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 ₹)
1				NA		
2						

3	Describe the mechanisms to receive and redress grievances of the community.	We at Meghmani believe that the overall development of communities is of paramount importance. Therefore, we work towards assisting communities with their social and economic well-being. In addition, the Company proactively engages with the community as a part of the CSR initiatives.

4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	21.29%	21.69%
Sourced directly from within the district and neighbouring districts	78.71%	78.31

Leadership Indicators

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):

Details of negative social impact identified	Corrective action taken
NA	

2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sl. No	State	Aspirational District	Amount spent (In ₹)
1	CSR Projects not undertaken in aspirational districts		
2			

3	(a)	Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)	No
	(b)	From which marginalized /vulnerable groups do you procure?	NA
	(c)	What percentage of total procurement (by value) does it constitute?	NA

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:

Sl. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1	Not applicable			
2				

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.

Name of authority	Brief of the Case	Corrective action taken
NA		

6 Details of beneficiaries of CSR Projects:

Sl. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
The company has spent CSR fund in the area of education and healthcare through registered trusts. The company is in process of conducting CSR projects in the coming financial year.			

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1	Describe the mechanisms in place to receive and respond to consumer complaints and feedback.	Feedback and complaint, if any from customers is received by marketing department and response is provided in consultation with respective department i.e. production, supply chain and R& D etc.

2 Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	All products carry information on the label as per statutory requirement
Safe and responsible usage	
Recycling and/or safe disposal	NA

3 Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	NIL	NIL	NA	NIL	NIL	NA
Advertising	NIL	NIL	NA	NIL	NIL	NA
Cyber-security	NIL	NIL	NA	NIL	NIL	NA
Delivery of Products	NIL	NIL	NA	NIL	NIL	NA
Quality of Products	NIL	NIL	NA	NIL	NIL	NA
Restrictive Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Unfair Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Other	NIL	NIL	NA	NIL	NIL	NA

3 Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	
Forced recalls	Nil	

5	Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.	The company does not have a policy but periodic updates taken on cyber security issues
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	NA

Leadership Indicators

1	Channels / Platforms where information on products and services of the entity can be accessed (provide web link, if available).	https://meghmani.com/
2	Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.	User manual/product leaflets are provided along with the products
3	Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services	Concerned customers are informed by email / telephone
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's product labels display all information that is essential to ensure safe and efficacious use of our products. Product labels are compliant with all CIB regulations and legal metrology guidelines applicable from time to time for retail and bulk packages. Labeling of products include "Direction for Use (DFU) to enable our customers to utilize our products in ways that generate utmost value for their enterprises including safety standards.

5 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	NIL

Independent Auditor's Report

To the Members of **Meghmani Organics Limited** (formerly known as Meghmani Organochem Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Meghmani Organics Limited (formerly known as Meghmani Organochem Limited) ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition *(as described in Note 2 of the standalone financial statements)*	
The Company majorly operates in two segments viz: Agro Chemicals and Pigment. The Company recognises revenue from sales of goods in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers, measured at fair value of the consideration received or receivable in the ordinary course of its activities. Revenue from sale of goods is recognised net of discounts, rebates and taxes. Certain terms in sales arrangements relating to timing for transfer of control to the customer and delivery	Our audit procedures included the following: • Read and evaluated the Company's policy for revenue recognition and assessed its compliance with Ind AS 115 'Revenue from contracts with customers'. • Assessed the design and tested the operating effectiveness of internal controls related to revenue. • Performed on test check basis, sales transactions and inspected the underlying sales orders, invoice copies, terms of delivery, lorry receipts, bill of lading, and collection as per the terms of the contract with customers.

Key audit matters	How our audit addressed the key audit matter
specifications including incoterms, involves significant judgment in determining whether the revenue is recognised in the correct period.	• Performed on test check basis, transactions near year end date as well as credit notes issued after the year end date. • Assessed the relevant disclosures in Standalone financial statements for compliance with disclosure requirements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 42 to the standalone financial /statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term derivative contracts – Refer Note 45 to the standalone financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. As stated in note 17 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sukrut Mehta**
Partner
Membership Number: 101974
UDIN: 23101974BGUFLG7544

Place of Signature: Ahmedabad
Date: April 29, 2023

Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Meghmani Organics Limited (formerly known as Meghmani Organochem Limited) for the year ended March 31, 2023.

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a) (B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) Property, Plant and Equipment have been physically verified by the management during the year in accordance with a planned programme of verifying them over the period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were identified on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The inventory (except for goods in transit, inventories lying with third parties) has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them. No material discrepancies in aggregate for each class of inventory were noted on physical verification of inventory.

(b) As disclosed in note 24 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The company does not have such sanctioned working capital limits from any financial institution. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the audited books of accounts of the Company.

iii. (a) During the year the Company has provided loan and guarantees to bank against the borrowing by subsidiary company to companies as follows.

Particulars	Guarantees	Loans	Securities
Aggregate amount granted/ provided during the year*			
- Subsidiaries	₹ 42,500 Lakhs	₹ 584.78 Lakhs	₹ 12,254.00 Lakhs
Balance outstanding as at balance sheet date in respect of above cases			
- Subsidiaries	₹ 42,500 Lakhs	₹ 584.78 Lakhs	₹ 24,580.00 Lakhs

During the year the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to firms, Limited Liability Partnerships or any other parties.

(b) During the year the guarantees provided and the terms and conditions of the grant of all loan and advanced in the nature of loan and guarantees to company is not prejudicial to the Company's interest.

(c) The Company has granted loan during the year to company where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans and advances in the nature of loans granted to company which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the year.

iv. There are no loans, investments, guarantees, and security in respect of which provisions of section 185 of the Companies Act, 2013 is applicable and accordingly, the requirement to report on clause 3(iv) of the Order with respect to section 185 of the Companies Act, 2013 is not applicable to the Company. According to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013, to the extent applicable.

v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacturing of Agrochemicals and pigment products are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, duty of excise provident fund, employees' state insurance, income-tax, duty of customs, professional tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of duty of goods and services tax, duty of excise provident fund, employees' state insurance, income-tax, duty of customs, professional tax, cess and other statutory dues which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount involved (₹ in Lakhs)*	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Central Excise Act	Excise duty demand	1,721.87	2002-03 to 2008-09 and 2011-12 to 2015-16	Gujarat High Court, Central Excise and Service Tax Appellate Tribunal, Commissioner (Appeals)	
Goods and Service Tax Act, 2017	Goods and Service Tax	2,951.63	2017-18 and 2018-19	Gujarat High Court	
Income tax Act, 1961	Income Tax demands	1,833.33	2002-03,2008-09, 2012-13 to 2018-19	Gujarat High Court, Income Tax Appellate Tribunal, Commissioner Appeals, Income Tax	

*Net of amount paid under protest amounting to ₹ 163.55 Lakhs.

viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) Monies raised during the year by the Company by way of term loans, ₹ 17,236.31 Lakhs were initially invested in Fixed deposit and liquid investments payable on demand and were ultimately applied for the purpose for which they were raised.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. Hence, the requirement to report on clause 3 (ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) (b) and (c) of the Order is not applicable to the Company.

xiii. Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3 (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) (d) of the Order is not applicable to the Company.

xvii. The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

xix. On the basis of the financial ratios disclosed in note 47 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 36 to the standalone financial statements.

(b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special bank account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 36 to the standalone financial statements.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sukrut Mehta**
Partner
Membership Number: 101974
UDIN: 23101974BGUFLG7544

Place of Signature: Ahmedabad
Date: April 29, 2023

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Meghmani Organics Limited (formerly known as Meghmani Organochem Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Meghmani Organics Limited (formerly known as Meghmani Organochem Limited) ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sukrut Mehta**
Partner
Membership Number: 101974
UDIN: 23101974BGUFLG7544

Place of Signature: Ahmedabad
Date: April 29, 2023

Standalone Balance Sheet

as at 31st March 2023

₹ in Lakhs except as stated otherwise

Particulars	Note	31st March 2023	31st March 2022
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3.1	99,699.21	73,174.95
(b) Capital Work-in-Progress	3.2	13,536.01	17,915.29
(c) Intangible Assets	3.3	184.68	330.23
(d) Intangible Assets under development	3.2	992.42	774.68
(e) Investments in Subsidiaries	4	25,944.26	13,690.26
(f) Financial Assets			
(i) Investments	5	15,322.71	21,149.20
(ii) Other Financial Assets	6	699.35	1,218.01
(g) Income Tax Assets (Net)	7	2,302.57	2,046.06
(h) Other Non-Current Assets	8	935.48	1,671.96
Total Non-Current Assets		**1,59,616.69**	**1,31,970.64**
Current Assets			
(a) Inventories	9	61,785.81	62,789.50
(b) Financial Assets			
(i) Investments	10	3,000.44	-
(ii) Trade Receivables	11	54,063.24	54,314.90
(iii) Cash and Cash Equivalents	12	2,758.61	906.33
(iv) Bank Balances other than (iii) above	13	158.15	77.12
(v) Loans	14	623.49	47.90
(vi) Other Financial Assets	15	8,930.68	13,971.42
(c) Other Current Assets	16	9,141.51	9,219.66
Total Current Assets		**1,40,461.93**	**1,41,326.83**
TOTAL ASSETS		**3,00,078.62**	**2,73,297.47**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	17	2,543.14	2,543.14
(b) Other Equity	18	1,63,057.18	1,41,463.08
Total Equity		**1,65,600.32**	**1,44,006.22**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	27,377.11	20,878.62
(ii) Lease liabilities	20	186.61	344.31
(iii) Other Financial Liabilities	21	1,673.60	115.44
(b) Provisions	22	1,563.24	1,604.71
(c) Deferred Tax Liabilities (Net)	23	6,045.31	6,199.11
Total Non-Current Liabilities		**36,845.87**	**29,142.19**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	41,890.63	28,547.53
(ii) Lease liabilities	20	157.70	142.94
(iii) Trade Payables	25		
Total outstanding dues of micro and small enterprise		5,465.20	7,269.94
Total outstanding dues of creditors other than micro and small enterprise		38,503.72	49,975.31
(iv) Other Financial Liabilities	26	8,465.35	7,748.09
(b) Other Current Liabilities	27	1,304.62	4,556.88
(c) Provisions	28	17.08	16.04
(d) Current Tax Liabilities (Net)	29	1,828.13	1,892.33
Total Current Liabilities		**97,632.43**	**1,00,149.06**
Total Liabilities		**1,34,478.30**	**1,29,291.25**
TOTAL EQUITY AND LIABILITIES		**3,00,078.62**	**2,73,297.47**
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of these Standalone Financial Statements.

AS PER OUR REPORT OF EVEN DATE

For And on Behalf of The Board of Directors of Meghmani Organics Limited (Formerly known as Meghmani Organochem Limited) (CIN-L24299GJ2019PLC110321)

FOR S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**
Partner
Membership No : 101974

Ankit N Patel
Chief Executive Officer

G S Chahal
Chief Financial Officer

Jayesh R Patel
Company Secretary

J.M.Patel - Executive Chairman
(DIN - 00027224)

A.N.Soparkar - Managing Director
(DIN - 00027480)

N.M.Patel - Managing Director
(DIN - 00027540)

Place : Ahmedabad
Date : 29th April 2023

Place : Ahmedabad
Date : 29th April 2023

Standalone Statement of Profit and Loss

for the year ended on 31st March 2023

₹ in Lakhs except as stated otherwise

Particulars	Note	For the year ended 31st March 2023	For the year ended 31st March 2022
I - Revenue From Operations	30	2,55,673.91	2,49,397.15
II - Other Income	31	9,596.31	9,623.51
III - Total Income (I+II)		**2,65,270.22**	**2,59,020.66**
IV - Expenses			
Cost of Materials Consumed	32	1,51,861.22	1,59,756.66
Purchase of Stock-in-Trade		1,104.16	1,131.82
Changes in Inventories of Finished Goods, Work-in- Progress and Stock-in-Trade	33	(1,449.03)	(15,498.51)
Employee Benefits Expense	34	12,068.42	11,700.55
Finance Costs	35	6,440.54	933.29
Depreciation and Amortization Expenses	3	6,811.08	5,998.91
Other Expenses	36	55,690.52	54,365.34
Total Expenses (IV)		**2,32,526.91**	**2,18,388.06**
V - Profit Before Exceptional items and Tax (III-IV)		**32,743.31**	**40,632.60**
VI - Exceptional Items	37	-	(611.14)
VII - Profit Before Tax (V-VI)		**32,743.31**	**41,243.74**
VIII - Tax Expense	23		
1 - Current Tax		7,897.53	8,775.00
2 - Adjustment of Tax Relating to Earlier Years		-	(80.05)
3 - Deferred Tax Charge / (Credit) (Net)		(192.80)	1,751.57
Total Tax Expenses (VIII)		**7,704.73**	**10,446.52**
IX. Net Profit For The Year (VII-VIII)		**25,038.58**	**30,797.22**
X. Other Comprehensive Income			
Items that will not be reclassified to profit or loss in Subsequent periods			
Remeasurement gain on defined benefit plans	38&23	154.91	57.57
Income tax effect on above		(38.99)	(14.49)
Total other comprehensive income for the year, net of tax (X)		**115.92**	**43.08**
XI. Total Comprehensive Income For The Year (IX + X)		**25,154.50**	**30,840.30**
XII. Earnings Per Equity Share (Face Value Per Share - Re 1 Each) (In ₹)	39		
Basic and Diluted		9.85	12.11
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of these Standalone Financial Statements.

AS PER OUR REPORT OF EVEN DATE

FOR S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**
Partner
Membership No : 101974

Place : Ahmedabad
Date : 29th April 2023

Ankit N Patel
Chief Executive Officer

G S Chahal
Chief Financial Officer

Jayesh R Patel
Company Secretary

For And on Behalf of The Board of Directors of Meghmani Organics Limited (Formerly known as Meghmani Organochem Limited) (CIN-L24299GJ2019PLC110321)

J.M.Patel - Executive Chairman
(DIN - 00027224)

A.N.Soparkar - Managing Director
(DIN - 00027480)

N.M.Patel - Managing Director
(DIN - 00027540)

Place : Ahmedabad
Date : 29th April 2023

Standalone Cash Flow Statement

for the year ended on 31st March 2023

₹ in Lakhs except as stated otherwise

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
A. Cash Flow from Operating Activities		
Profit Before Tax	32,743.31	41,243.74
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation and Amortisation Expenses	6,811.08	5,998.91
Unrealised Foreign Exchange (Gain) / Loss (Net)	(148.64)	(1,039.55)
Liability no longer Required written back	(44.71)	(1,798.68)
Finance Cost	6,440.54	933.29
Dividend and Interest Income	(1,746.78)	(1,778.06)
(Reversal) / Provision of Bad Debt	30.37	(226.58)
Sundry Balance (Written Back)	(37.42)	(46.51)
Profit on Sale of Investments	(94.46)	(298.09)
Fair Value Gain on investment in OCRPS measured at FVTPL	-	(946.04)
Loss on Sale/Discard of Property, Plant & Equipment (Net)	230.74	74.22
Operating Profit Before Working Capital Changes	**44,184.03**	**42,116.65**
Adjustment for:		
(Increase)/Decease in Inventories	4,790.77	(25,465.35)
(Increase)/Decrease in Trade Receivables	324.30	(12,463.82)
(Increase)/Decrease in Short Term Loans	9.19	(8.04)
(Increase)/Decrease in Other Current Financial Assets	1,901.38	(8,873.61)
(Increase)/Decrease in Other Current Assets	115.57	(4,458.65)
(Increase) in Other Non-Current Financial Assets	(25.71)	(155.88)
(Increase)/Decrease in Other Non-Current Assets	(65.18)	95.95
Increase/(Decrease) in Trade Payables	(13,230.70)	23,389.72
Increase/(Decrease) in Other Current Financial Liabilities	(206.67)	(291.25)
Increase/(Decrease) in Other Current Liabilities	(3,252.26)	2,313.85
Increase/(Decrease) in Other Non Current Financial Liabilities	15.82	(152.99)
Increase in Provisions	114.48	317.54
Working Capital Changes	**(9,509.01)**	**(25,752.53)**
Cash Generated from Operations	**34,675.02**	**16,364.12**
Direct Taxes Paid (Net of Refund)	(8,308.39)	(9,498.32)
Net Cash Generated from Operating Activities	**26,366.63**	**6,865.80**
B. Cash Flow from Investment Activities		
Purchase of Property, Plant & Equipment (including CWIP and intangible assets)	(27,479.45)	(24,196.61)
Proceeds from sale of Property, Plant & Equipment	124.91	136.51
(Investment) in Fixed Deposits & Margin Money	(43,181.77)	(107.54)
Redemption of Fixed Deposits & Margin Money	43,172.09	-
(Investment) of earmarked balances with Banks	(85.57)	(11.43)
Dividend and Interest Received	1,803.20	500.13
Loan given to subsidiary company	(584.78)	-
Redemption of Redeemable Preference shares	6,091.99	-
(Investments) in Equity Shares and Perpetual Securities of Subsidiary Company	(12,254.00)	(13,546.00)
Proceeds/(Investments)- Non - Current	(265.50)	-
Proceeds from sale of mutual fund	38,791.93	23,441.30
(Investment) in Mutual fund	(41,697.92)	(12,899.36)
Net Cash (Used in) Investing Activities	**(35,564.87)**	**(26,683.00)**
C. Cash Flow from Financing Activities		
Dividend Paid	(3,563.83)	(3,548.97)
Finance Cost Paid	(3,789.69)	(1,071.05)
Repayment of Finance Lease Liability	(178.95)	(157.32)
Proceeds from Short Term Borrowings	5,985.45	12,492.45
Proceeds from Bank Borrowing (Term Loan)	20,000.00	15,000.00
Repayment of Bank Borrowing (Term Loan)	(7,402.46)	(4,025.45)
Net Cash Generated From Financing Activities	**11,050.52**	**18,689.66**

Standalone Cash Flow Statement

for the year ended on 31st March 2023

₹ in Lakhs except as stated otherwise

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Net Increase / (Decrease) in Cash and Cash Equivalent (A+B+C)	**1,852.28**	**(1,127.54)**
Cash and Cash Equivalent at the beginning of the year	906.33	2,033.87
Cash and Cash Equivalent at the end of the year	**2,758.61**	**906.33**
Cash and Cash Equivalent Comprises as under :		
Balance with Banks in Current Accounts	854.15	899.41
Bank deposit with original maturity of less than 3 months	1,900.00	-
Cash on Hand	4.46	6.92
Cash and Cash Equivalent at the end of the year (Refer Note 12)	**2,758.61**	**906.33**

Notes to the Cash Flow Statement for the year ended on 31st March 2023.

1) The Cash Flow Statement has been prepared under the Indirect Method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows issued by the Institute of Chartered Accountants of India.

2) Changes in liabilities arising from financing activities

₹ in Lakhs except as stated otherwise

Particulars	April 1, 2022	Cash flows	Other	March 31, 2023
Current borrowings (Note 24)	22,390.13	5,985.45	616.41	28,991.99
Lease liabilities (Note 20)	487.25	(178.95)	36.01	344.31
Non - current borrowings (including current portion of Long term Debt) (Note 19 and 24)	27,036.02	12,597.54	642.18	40,275.74
Accrued interest (Note 26)	107.63	(107.63)	91.48	91.48
Total liabilities from financing activities	**50,021.03**	**18,296.41**	**1,386.08**	**69,703.52**

₹ in Lakhs except as stated otherwise

Particulars	April 1, 2021	Cash flows	Other	March 31, 2022
Current borrowings (Note 24)	9,878.19	12,492.45	19.49	22,390.13
Lease liabilities (Note 20)	597.99	(157.32)	46.58	487.25
Non - current borrowings (including current portion of Long term Debt) (Note 19 and 24)	16,315.10	10,974.55	(253.63)	27,036.02
Accrued interest (Note 26)	26.33	(26.33)	107.63	107.63
Total liabilities from financing activities	**26,817.61**	**23,283.35**	**(79.93)**	**50,021.03**

The 'Other' column includes the effect of reclassification of non-current portion of borrowings, including lease liabilities to current due to the passage of time and effect of Unrealised foreign currency amount on external commercial borrowings.

AS PER OUR REPORT OF EVEN DATE

FOR S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**
Partner
Membership No : 101974

Place : Ahmedabad
Date : 29th April 2023

For And on Behalf of The Board of Directors of Meghmani Organics Limited (Formerly known as Meghmani Organochem Limited) (CIN-L24299GJ2019PLC110321)

Ankit N Patel
Chief Executive Officer

G S Chahal
Chief Financial Officer

Jayesh R Patel
Company Secretary

J.M.Patel-Executive Chairman
(DIN - 00027224)

A.N.Soparkar - Managing Director
(DIN - 00027480)

N.M.Patel - Managing Director
(DIN - 00027540)

Place : Ahmedabad
Date : 29th April 2023

Standalone Statement of Changes in Equity

for the year ended 31st March 2023

(a) Equity Share Capital (Refer Note 17)

₹ in Lakhs except as stated otherwise

Particulars	Note	No of Shares	Amount
Issued, Subscribed and fully paid equity shares of Re 1 each			
As at 1st April 2021		**25,43,14,211**	**2,543.14**
Changes in Equity Share Capital due to prior period errors		-	-
Balance as at 1st April 2021		**25,43,14,211**	**2,543.14**
Changes in equity share capital during the year	17	-	-
As at 31st March 2022		**25,43,14,211**	**2,543.14**
Changes in Equity Share Capital due to prior period errors		-	
Balance as at 1st April 2022		**25,43,14,211**	**2,543.14**
Changes in equity share capital during the year	17	-	-
As at 31st March 2023		**25,43,14,211**	**2,543.14**

(b) Other Equity

₹ in Lakhs except as stated otherwise

Particulars	Other Equity (Refer Note18)					Total Other Equity
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earning	
Opening Balance at April 1, 2021	**(6,991.82)**	**15,650.48**	**184.33**	**12,467.18**	**92,873.00**	**1,14,183.17**
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Balance as at 1st April 2021	**(6,991.82)**	**15,650.48**	**184.33**	**12,467.18**	**92,873.00**	**1,14,183.17**
Profit for the year	-	-	-	-	30,797.22	30,797.22
Other Comprehensive Income for the year (net of taxes)	-	-	-	-	43.08	43.08
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**30,840.30**	**30,840.30**
Less : Dividend Paid	-	-	-	-	(3,560.39)	(3,560.39)
As at 31st March 2022	**(6,991.82)**	**15,650.48**	**184.33**	**12,467.18**	**1,20,152.91**	**1,41,463.08**
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Balance as at 1st April 2022	**(6,991.82)**	**15,650.48**	**184.33**	**12,467.18**	**1,20,152.91**	**1,41,463.08**
Profit for the year	-	-	-	-	25,038.58	25,038.58
Other Comprehensive Income for the year (net of taxes)	-	-	-	-	115.92	115.92
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**25,154.50**	**25,154.50**
Less : Dividend Paid	-	-	-	-	(3,560.40)	(3,560.40)
As at 31st March 2023	**(6,991.82)**	**15,650.48**	**184.33**	**12,467.18**	**1,41,747.01**	**1,63,057.18**

AS PER OUR REPORT OF EVEN DATE

FOR S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**
Partner
Membership No : 101974

Place : Ahmedabad
Date : 29th April 2023

For And on Behalf of The Board of Directors of Meghmani Organics Limited (Formerly known as Meghmani Organochem Limited) (CIN-L24299GJ2019PLC110321)

Ankit N Patel
Chief Executive Officer

G S Chahal
Chief Financial Officer

Jayesh R Patel
Company Secretary

J.M.Patel - **Executive Chairman**
(DIN - 00027224)

A.N.Soparkar - **Managing Director**
(DIN - 00027480)

N.M.Patel - Managing Director
(DIN - 00027540)

Place : Ahmedabad
Date : 29th April 2023

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

1. Corporate information

Meghmani Organics Limited (Formerly Known as Meghmani Organochem Limited) (the Company) is a public company limited by shares domiciled in India, incorporated under the provisions of Companies Act, 2013. Its shares are listed on Bombay Stock Exchange, and National Stock Exchange in India. The registered office of the company is located at Meghmani House, Nr. Safal Profitaire, Prahlad Nagar, Satellite, Ahmedabad 380015, Gujarat, India. The company is engaged in manufacturing and selling of pigment and agrochemicals products.

The Financial Statements were authorized for issue in accordance with a resolution passed in Board Meeting held on April 29, 2023.

2. Significant Accounting Policies

2.1 Basis for Preparation of Accounts

The Standalone financial statements have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended from time to time) and presentation requirements of Division II of schedule III to the Companies Act, 2013 (Ind As compliant Schedule III), as applicable to the standalone financial statements.

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

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

In addition, the financial statements are presented in INR which is also the Company's functional currency and all values are rounded to the nearest Lakh (₹ 00,000), except when otherwise indicated.

2.2 Significant accounting estimates, assumptions and judgements

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes:

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 41 for details of the key assumptions used in determining the accounting for these plans.

Useful economic lives of Property, plant and equipment

Property, plant and equipment as disclosed in note 3 are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values.

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

Intangible assets

Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and future economic benefits are probable. The costs which can be capitalised include laboratory testing expenses that are directly attributable to development of the asset. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer note 2.3 (f) for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in note 3.3.

Impairment of non- financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

The company assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount, These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

2.3 Summary of Significant accounting policies

a. Business Combination involving entities under common control

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

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

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

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

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonous accounting policies and tax adjustments if any.

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

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

b. Current Vs. Non-Current classification:

The Company presents assets and liabilities in the statement of Assets and Liabilities based on current/ non-current classification.

An asset is treated as current when it is:

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

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

c. Revenue recognition

Revenue from contract with customer is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

1) Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on dispatch/ delivery of the goods or terms as agreed with the customer. The normal credit term is 30 to 180 days from the date of dispatch. The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) Variable consideration

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

Volume rebates:

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract.

(ii) Contract assets

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs its obligation by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(a) Trade receivables

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

(iii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the

Notes to the Standalone Financial Statements
for the year ended 31st March 2023

customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2) Interest Income

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

3) Export Incentives

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and is included in revenue in the statement of profit and loss due to its operating nature.

4) Dividend

Dividend income is recognised when the right to receive the same is established, which is generally when shareholders approve the dividend.

5) Insurance Claims

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

6) Rent income

Rental income arising from operating leases is accounted on the basis of lease terms and is included in other income in the statement of profit and loss.

d. Foreign Currencies

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

Transactions and Balances

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

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

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

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

e. Fair Value Measurement

The Company measures certain financial instruments at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would

Notes to the Standalone Financial Statements

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use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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

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

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. Refer note 45.

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

f. Property, Plant and Equipment

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

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

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for the year ended 31st March 2023

Items of stores and spares that meet the definition of Property, Plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

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

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

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

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

Asset	Estimated Useful life
Right to use – Leasehold Land	99 Years
Right to use – Building	9 Years
Building	30 Years
Plant & Machinery	15 Years
Reactors / Storage Tanks	20 Years
Wind Power Generation Plants	22 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers	3 Years
Other equipments	5 Years

g. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Cost include acquisition and other incidental cost related to acquiring the intangible asset. Research costs are expensed as incurred. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable. The costs which can be capitalised include laboratory testing expenses that are directly attributable to development of the asset for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite.

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

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

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset

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- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

A summary of the policies applied to the Company's intangible assets is as follows:

Asset	Amortisation Method	Amortisation period
Software licenses	On Straight-line basis	5 Years
Product licenses	On Straight-line basis	5 - 25 Years
Usage rights	On Straight-line basis	5 Years

Intangible assets under development

Expenditure incurred on acquisition /development of intangible assets which are not ready for their intended use at balance sheet date are disclosed under intangible assets under development.

h. Investment In Subsidiaries, Jointly Controlled Entities And Associates

Investment in subsidiaries, jointly controlled entities and associates are measured at cost less impairment as per Ind AS 27- 'Separate Financial Statements'.

Impairment of investments:

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is recorded in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the Investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the Investment. A reversal of an impairment loss is recognised immediately in statement of profit or loss.

i. Impairment Of Non- Financial Assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

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for the year ended 31st March 2023

j. Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(A) Financial Asset

Initial Recognition and Measurement

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Debt instruments at amortised cost

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

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

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at Fair Value Through Profit 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 FVTPL.

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

Equity instruments designated at fair value through OCI include investments in equity shares and compulsory convertible debentures of non-listed companies. The company holds non-controlling interests (between 0.20 % to 2.28 %) in these companies. These investments were irrevocably designated at fair value through OCI as the company considers these investments to be strategic in nature.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of financial assets

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

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

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and

- Other receivables

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

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

(B) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement of financial liabilities

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

Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loan and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Trade and other payables

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

Derivatives and hedging activities

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

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification

Notes to the Standalone Financial Statements

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is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

OFF-SETTING FINANCIAL INSTRUMENT

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

k. Inventories

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

Semi-finished products, finished products and by-products are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

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

l. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs..

m. Retirement And Other Employee Benefits

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

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

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

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

n. Accounting For Taxes On Income

Income taxes

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

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

Deferred taxes

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

o. Provisions

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

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

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p. Contingent Liabilities

Provisions are not recognised for future operating losses.

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

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

q. Leases

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

Where the Company is the lessee

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

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

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

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

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

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

r. Earning Per Share

Basic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share

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

s. Cash And Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

t. Dividend

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u. Segment Reporting

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

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

v. New Standards, Interpretations And Amendments Adopted By The Company

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022:

i. Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

ii. Reference to the Conceptual Framework – Amendments to Ind AS 103

iii. Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

iv. Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

v. Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

vi. Ind AS 41 Agriculture – Taxation in fair value measurements

The Company assessed the above amendments for the accounting period beginning on or after 1st April 2022 and these do not have material impact on the financial statements of the Company.

The accounting policies adopted in the preparation of the financial statements are consistent with applicable Accounting Standards (Ind AS) for the year ended March 31, 2023.

W. Standards Notified But Not Yet Effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, as and when they

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

become effective. The Ministry of Corporate affairs (MCA) has notified certain amendments to Ind AS, through Companies (Indian Accounting Standards) Amendment Rules, 2023 on 31st March, 2023. The amendments have been made in the following standards:

i. Ind AS 1: Presentation of Financial Statements is amended to replace the term "significant accounting policies" with "material accounting policy information" and providing guidance relating to immaterial transactions, disclosure of entity specific transactions and more

ii. Ind AS 8: Accounting Policies, Changes in Accounting Estimates and Errors to include the definition of accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty."

iii. Ind AS 12: Income Taxes relating to initial recognition exemption of deferred tax related to assets and liabilities arising from a single transaction.

iv. Other Amendments in Ind AS 102 – Share based Payments, Ind AS 103 – Business Combinations, Ind AS 109 – Financial Instruments, Ind AS 115 – Revenue from Contracts with Customers which are mainly editorial in nature in order to provide better clarification of the respective Ind AS's.

v. These amendments shall come into force with effect from April 01, 2023. The Company is assessing the potential effect of the amendments on its financial statements. The Company will adopt these amendments, if applicable, from applicability date.

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

Note - 3

Property, Plant and Equipment, Capital Work In Progress, Intangible Assets, Intangibles under development as on 31st March 2023

₹ In Lakhs

Sr. No.	Particulars	Gross Block: Opening as at 1st April 2022	Gross Block: Addition	Gross Block: Deduction	Gross Block: Closing as at 31st March 2023	Accumulated Depreciation / Amortisation: Opening as at 1st April 2022	Accumulated Depreciation / Amortisation: Charge for the Year	Accumulated Depreciation / Amortisation: On Deduction	Accumulated Depreciation / Amortisation: Closing as at 31st March 2023	Net: As at 31st March 2023	Net: As at 31st March 2022
3.1	**Tangible Assets**										
1	Freehold Land	558.40	-	-	558.40	-	-	-	-	558.40	558.40
2	ROU - Leasehold Land	4,314.43	-	-	4,314.43	132.48	51.92	-	184.40	4,130.03	4,181.95
3	ROU - Building	797.13	-	-	797.13	393.09	131.03	-	524.12	273.01	404.04
4	Building	22,803.60	7,061.04	165.72	29,698.92	4,571.62	927.37	1.82	5,497.17	24,201.75	18,231.98
5	Plant & Machinery	68,575.42	25,188.76	819.34	92,944.84	21,248.62	4,972.39	668.75	25,552.26	67,392.58	47,326.80
6	Furniture & Fixtures	1,425.03	320.32	38.33	1,707.02	440.87	136.47	32.67	544.67	1,162.35	984.16
7	Vehicles	1,411.10	42.14	48.83	1,404.41	837.46	146.64	37.13	946.97	457.44	573.64
8	Computers	210.95	38.36	0.12	249.19	146.52	33.26	-	179.78	69.41	64.43
9	Other Equipments	1,253.80	852.44	28.43	2,077.81	404.25	229.40	10.08	623.57	1,454.24	849.55
	Sub Total	**1,01,349.86**	**33,503.06**	**1,100.77**	**1,33,752.15**	**28,174.91**	**6,628.48**	**750.45**	**34,052.94**	**99,699.21**	**73,174.95**
3.3	**Intangible Assets**										
1	Software Licenses	155.67	-	-	155.67	118.64	15.73	-	134.37	21.30	37.03
2	Product Licenses	2,246.62	37.05	-	2,283.67	2,015.51	138.39	-	2,153.90	129.77	231.11
3	Usage Rights	356.81	-	-	356.81	294.72	28.48	-	323.20	33.61	62.09
	Sub Total	**2,759.10**	**37.05**	**-**	**2,796.15**	**2,428.87**	**182.60**	**-**	**2,611.47**	**184.68**	**330.23**
	Total	**1,04,108.96**	**33,540.11**	**1,100.77**	**1,36,548.30**	**30,603.78**	**6,811.08**	**750.45**	**36,664.41**	**99,883.89**	**73,505.18**

3.2 Capital Work In Progress/Intangibles under development

₹ In Lakhs

Particulars	Capital Work In Progress: Tangible	Capital Work In Progress: Intangible	Capital Work In Progress: Total
Cost			
As at March 31, 2022	**17,915.29**	**774.68**	**18,689.97**
Addition	8,193.88	249.96	8,443.84
Capitalisation	12,573.16	32.22	12,605.38
As at March 31, 2023	**13,536.01**	**992.42**	**14,528.43**

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

Note - 3 (Contd..)

3.2 Capital Work In Progress/Intangibles under development (Contd..)

(i) Capital Work-In-Progress for Tangible Assets as at 31st March 2023 comprises expenditure for the Plant & Machineries and Buildings in the course of construction.

(ii) Intangible Assets under Development as at 31st March 2023 comprises expenditure for the development and registration of product licenses, considering which there are no stipulated timelines for completion of activities

(iii) The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31st March 2023 is ₹ 596.38 Lakhs (31st March 2022: ₹ 225.66 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 2.05% to 5.44%, which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

(iv) Refer Note 46 for Right of use Asset details

(v) For Property Plant & Equipment and Intangible Assets existing as on 1 April 2015 i.e. the date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation so netted off as on 1 April 2015."

Property, Plant and Equipment, Capital Work In Progress, Intangible Assets, Intangibles under development as on 31st March 2022

₹ In Lakhs

Sr. No.	Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net	
		Opening as at 1st April 2021	Addition	Deduction	Closing as at 31st March 2022	Opening as at 1st April 2021	Charge for the Year	On Deduction	Closing as at 31st March 2022	As at 31st March 2022	As at 31st March 2021
3.1	**Tangible Assets**										
1	Freehold Land	558.40	-	-	558.40	-	-	-	-	558.40	558.40
2	ROU - Leasehold Land	3,704.09	610.34	-	4,314.43	84.96	47.52	-	132.48	4,181.95	3,619.13
3	ROU - Building	797.13	-	-	797.13	262.06	131.03	-	393.09	404.04	535.07
4	Building	20,009.96	2,793.64	-	22,803.60	3,773.83	797.79	-	4,571.62	18,231.98	16,236.13
5	Plant & Machinery	57,295.91	11,720.94	441.43	68,575.42	17,170.69	4,322.07	244.14	21,248.62	47,326.80	40,125.22
6	Furniture & Fixtures	1,038.37	386.66	-	1,425.03	331.59	109.28	-	440.87	984.16	706.78
7	Vehicles	1,436.07	33.06	58.03	1,411.10	738.85	149.68	51.07	837.46	573.64	697.22
8	Computers	204.35	35.20	28.60	210.95	132.16	30.67	16.31	146.52	64.43	72.19
9	Other Equipments	599.21	682.50	27.91	1,253.80	293.32	138.41	27.48	404.25	849.55	305.89
	Sub Total	**85,643.49**	**16,262.34**	**555.97**	**1,01,349.86**	**22,787.46**	**5,726.45**	**339.00**	**28,174.91**	**73,174.95**	**62,856.03**

Notes to the Standalone Financial Statements
for the year ended 31st March 2023

Note - 3 (Contd..)

Property, Plant and Equipment, Capital Work In Progress, Intangible Assets, Intangibles under development as on 31st March 2022 (Contd..)

₹ In Lakhs

Sr. No.	Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net	
		Opening as at 1st April 2021	Addition	Deduction	Closing as at 31st March 2022	Opening as at 1st April 2021	Charge for the Year	On Deduction	Closing as at 31st March 2022	As at 31st March 2022	As at 31st March 2021
3.3	**Intangible Assets**										
1	Software Licenses	140.67	15.00	-	155.67	102.45	16.19	-	118.64	37.03	38.22
2	Product Licenses	2,137.72	108.90	-	2,246.62	1,787.72	227.79	-	2,015.51	231.11	350.00
3	Usage Rights	356.81	-	-	356.81	266.24	28.48	-	294.72	62.09	90.57
	Sub Total	**2,635.20**	**123.90**	**-**	**2,759.10**	**2,156.41**	**272.46**	**-**	**2,428.87**	**330.23**	**478.79**
	Total	**88,278.69**	**16,386.24**	**555.97**	**1,04,108.96**	**24,943.87**	**5,998.91**	**339.00**	**30,603.78**	**73,505.18**	**63,334.82**

3.2 Capital Work In Progress/Intangibles under development

₹ In Lakhs

Particulars	Capital Work In Progress		
	Tangible	Intangible	Total
Cost			
As at March 31, 2021	**10,586.68**	**632.36**	**11,219.04**
Addition	15,445.84	251.22	15,697.06
Capitalisation	8,117.23	108.90	8,226.13
As at March 31, 2022	**17,915.29**	**774.68**	**18,689.97**

(i) Capital Work-In-Progress for Tangible Assets as at 31st March 2022 comprises expenditure for the Plant & Machineries and Buildings in the course of construction.

(ii) Intangible Assets under Development as at 31st March 2022 comprises expenditure for the development and registration of product licenses, considering which there are no stipulated timelines for completion of activities

(iii) The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31st March 2022 is ₹ 225.66 Lakhs (31st March 2021: ₹ 59.37 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 2.05% to 5.44%, which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

(iv) Refer Note 46 for Right of use Asset details

(v) For Property Plant & Equipment and Intangible Assets existing as on 1 April 2015 i.e. the date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 “First Time Adoption of Indian Accounting Standard”. Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation so netted off as on 1 April 2015.”

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

Note - 3 (Contd..)

3.2 Capital Work In Progress/Intangibles under development (Contd..)

Capital work in progress (CWIP) Ageing Schedule As at 31 March 2023

₹ In Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7,277.65	5,879.99	378.37	-	13,536.01
Total	**7,277.65**	**5,879.99**	**378.37**	**-**	**13,536.01**

CWIP completion schedule for capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

₹ In Lakhs

Particulars	To be completed within				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Agro V	11,766.99	-	-	-	11,766.99

Capital work in progress (CWIP) Ageing Schedule As at 31 March 2022

₹ In Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	14,723.25	2,043.97	929.41	218.66	17,915.29
Total	**14,723.25**	**2,043.97**	**929.41**	**218.66**	**17,915.29**

CWIP completion schedule for capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

₹ In Lakhs

Particulars	To be completed within				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Agro V	15,517.58	-	-	-	15,517.58

Intangible Asset under Development (IAUD) Ageing Schedule As at 31 March 2023

₹ In Lakhs

Particulars	Amount in IADU for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	371.20	284.35	151.31	185.56	992.42
Total	**371.20**	**284.35**	**151.31**	**185.56**	**992.42**

Intangible Asset under Development (IAUD) Ageing Schedule As at 31 March 2022

₹ In Lakhs

Particulars	Amount in IADU for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	408.86	155.06	65.56	145.20	774.68
Total	**408.86**	**155.06**	**65.56**	**145.20**	**774.68**

Also Refer Note 3.2 (ii) above

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

4 INVESTMENTS IN SUBSIDIARIES

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Investment at cost		
(i) Investments in Equity Shares of Subsidiaries (Unquoted)		
(i) 2,92,500 (31st March 2022 - 2,92,500) Equity Shares of Meghmani Organics Inc., USA of USD 1 each	139.70	139.70
(ii) 1 (31st March 2022 - 1) Equity Shares of Meghmani Overseas FZE of AED 35,000 each	4.56	4.56
(iii) 50,000 (31st March 2022 - 50,000) Equity Shares of Meghmani Crop Nutrition Limited (Formerly Known as Meghmani Synthesis Limited) of ₹ 10/- each	5.00	5.00
(iv) 1,21,50,000 (31st March 2022 - Nil) Equity Shares of Kilburn Chemicals Limited of ₹ 10/- each **	1,215.00	1,215.00
(vi) 2,50,000 (31st March 2022 - 2,50,000) Equity Shares of PT Meghmani Organics Indonesia of USD 1 each	123.30	123.30
Less - Impairment of Investments in Equity Shares of PT Meghmani Organics Indonesia (Refer Note i below)	(123.30)	(123.30)
(ii) Investment in Perpetual Securities of subsidiary (Unquoted) (refer note ii below)		
Perpetual securities - Kilburn Chemicals Limited (31st March 2022 - Nil) (Refer Note 50) **	24,580.00	12,326.00
TOTAL	**25,944.26**	**13,690.26**

TOTAL INVESTMENTS IN UNQUOTED EQUITY SHARES OF SUBSIDIARIES (INCLUDING PERPETUAL SECURITIES)

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Aggregate Value Of Investments (including Perpetual Securities) in Subsidiaries (Gross)	26,067.56	13,813.56
Aggregate Value of Impairment of Investments in Subsidiary	123.30	123.30

Note (i) - The Subsidiary has discontinued business operations and the management is awaiting approval from regulatory authorities of Indonesia to formally close down the Entity

Note ii - Investment in perpetual securities

The Company has invested in unsecured non convertible non cumulative perpetual securities issued by Kilburn Chemical Limited its subsidiary company. These securities are redeemable at the issuer's option and carry non-cumulative interest coupon at the rate of 8%. The interest can be deferred if the issuer does not pay any dividend on its ordinary shares for the financial year. The issuer has classified this instrument as equity under Ind AS - 32 'Financial Instruments Presentation'. Accordingly, the Company has classified this investment as Equity Instrument and has accounted at cost as per Ind AS - 27 'Separate Financial Statements'.(Also Refer Note 50)

**Subscribed during the year w.e.f. 16th December 2021

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

5 FINANCIAL ASSETS : INVESTMENTS

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
(I) Investment at fair value through Other Comprehensive Income		
Investments in Equity Shares (Unquoted)		
(i) 4 (31st March 2022 - 4) Equity Shares of Alaukik Owners Association of ₹ 100/- each #	0	0
(ii) 5,17,085 (31st March 2022 - 5,17,085) Equity Shares of Narmada Clean Tech of ₹ 10/- each	51.71	51.71
(iii) 14,000 (31st March 2022 - 14,000) Equity Share of Bharuch Eco Enviro Infrastructure Limited of ₹ 10/- each	1.40	1.40
(iv) 500 (31st March 2022 - 500) Equity Shares of Green Environment Services Co-operative Society Limited of ₹ 10/- each	0.05	0.05
(v) 30,000 (31st March 2022 - 30,000) Equity Shares of Panoli Enviro Technology of ₹ 10/- each	3.00	3.00
(vi) 100 (31st March 2022 - 100) Equity Shares of Sanand Eco Project Limited of ₹ 10/- each	0.01	0.01
(vii) 2,000 (31st March 2022 - 2,000) Equity Shares of Suvikas Peoples Co-operative Bank Limited of ₹ 50/- each	1.00	1.00
(viii) 10 (31st March 2022 - 10) Equity Shares of Vellard View Premises Co-operative Society Limited of ₹ 50/- each	0.01	0.01
(ix) 264,001 (31st March 2022 - Nil) Equity Shares of AMP Energy C&I Two Private Limited of ₹ 10/- each *	26.40	-
(x) 15,000 (31st March 2022 - Nil) Equity Shares of Meghmani Foundation of ₹ 10/- each **	1.50	-
Investments in Compulsorily Convertible Debentures (CCD) (Unquoted)		
23,760 (31st March 2022 - Nil) 0.01% CCD of AMP Energy C&I Two Private Limited of ₹ 1000/- each (Subscribed during the year w.e.f. 1st March 2023).	237.60	-
Total (I)	**322.68**	**57.18**
(II) Investment at fair value through Profit and Loss		
Investments in Redeemable Preference Shares (RPS) (Unquoted)		
15,00,00,000 (31st March 2022 - 21,09,19,871) 8% RPS of Meghmani Finechem Limited of ₹ 10/- each (Refer Note 51)	15,000.00	21,091.99
Total (II)	**15,000.00**	**21,091.99**
(III) Investment at Amortised Cost		
Investments in Government Securities (Unquoted)		
National Savings Certificates	0.03	0.03
Total (III)	**0.03**	**0.03**
Total (I+II+III)	**15,322.71**	**21,149.20**

Note - # Amount is less than ₹ 0.01 Lakh

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Aggregate Value Of Investments in unquoted Investments	15,322.71	21,149.20

Note - i) Aggregate and Fair value of Quoted investment is ₹ Nil

ii) Aggregate value of impairment of Investment is ₹ Nil

*Subscribed during the year w.e.f. 1st March 2023.

**Subscribed during the year w.e.f. 15th December 2022.

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

6 OTHER FINANCIAL ASSETS (NON CURRENT)

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Unsecured, Considered Good		
Security Deposits	686.64	660.92
Bank Deposits with original maturity of more than 12 months (including interest accrued) (Refer Note below)	12.71	557.09
TOTAL	699.35	1,218.01

Note : -

Margin money deposits amounting ₹ 12.71 Lakhs are given as security against guarantees with Banks (31st March 2022 - ₹ 557.09 Lakhs). These deposits are made for varying periods of 1 year to 5 years and earns interest ranging between 5.10% to 6.10% (31st March 2022 - 5.00% to 6.25%).

7 INCOME TAX ASSETS (NET)

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Advance payment of Income Tax and TDS (Net of Provision)	2,302.57	2,046.06
TOTAL	**2,302.57**	**2,046.06**

8 OTHER NON-CURRENT ASSETS

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Unsecured, Considered Good (Current)		
Capital Advances	358.74	1,443.46
Balances with Government Authorities (Amount Paid Under Protest)	293.68	228.50
Others	283.06	-
TOTAL	**935.48**	**1,671.96**

9 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Raw Materials	15,739.17	16,508.93
Raw Materials in Transit	381.80	1,688.37
Work In Process	2,379.08	3,256.17
Finished Goods (See Note below)	22,272.29	11,001.33
Finished Goods in Transit	18,488.14	27,453.54
Stock in Trade	48.23	27.67
Stores and Spares	1,586.78	1,169.68
Others (Packing Material and Fuel Stock)	890.32	1,683.81
TOTAL	**61,785.81**	**62,789.50**

Notes : -

During the year ended 31st March 2023, ₹ 2,257.00 Lakhs (31st March 2022: ₹ Nil) was recognised as an expense for inventories carried at net realisable value.

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

10 INVESTMENTS

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Investment at fair value through Profit and Loss		
Investments in Mutual Funds (Quoted) (Fully Paid)		
Axis Overnight Fund Direct Growth	1,000.15	-
LIC MF Overnight Fund Direct Plan Growth	1,000.14	-
SBI Overnight Fund Direct Growth	1,000.15	-
TOTAL	**3,000.44**	**-**

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Aggregate Carrying value Of Quoted Investments	3,000.44	-
Aggregate Market value Of Quoted Investments	3,000.44	-

11 TRADE RECEIVABLES

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Trade receivables		
Trade receivables - Others	51,202.51	52,490.96
Receivables from related parties (Refer Note 44)	2,860.73	1,823.94
Total Trade receivables	**54,063.24**	**54,314.90**
Break-up for security details:		
Trade receivables		
Secured, Considered Good	169.09	155.22
Unsecured, Considered Good	53,894.15	54,159.68
Trade receivables which have significant increase in credit risk	170.06	292.73
Trade receivables - credit impaired	802.64	649.60
	55,035.94	**55,257.23**
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, Considered Good	-	-
Trade receivables which have significant increase in credit risk	(170.06)	(292.73)
Trade receivables - credit impaired	(802.64)	(649.60)
TOTAL	**54,063.24**	**54,314.90**

Trade receivable are secured to the extent of deposit received from the customers.

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

For amounts due and terms and conditions relating to related party receivables, Refer Note 44.

For information about Credit Risk and Market Risk related to Trade Receivables, Refer Note 45.

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

11 TRADE RECEIVABLES (Contd..)

Trade receivables Ageing Schedule

As at 31 March 2023

₹ In Lakhs

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	34,280.38	13,026.00	6,756.86	-	-	-	54,063.24
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	170.06	-	-	-	170.06
Undisputed Trade receivable – credit impaired	-	-	-	214.84	102.86	163.85	481.55
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	124.67	-	196.42	321.09
Total	**34,280.38**	**13,026.00**	**6,926.92**	**339.51**	**102.86**	**360.27**	**55,035.94**

As at 31 March 2022

₹ In Lakhs

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	43,895.65	9,685.88	635.63	-	-	-	54,217.16
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	289.45	-	-	-	289.45
Undisputed Trade receivable – credit impaired	-	-	-	144.25	69.81	48.56	262.62
Disputed Trade receivables - considered good	-	-	97.74	-	-	-	97.74
Disputed Trade receivables – which have significant increase in credit risk	-	-	3.28	-	-	-	3.28
Disputed Trade receivables – credit impaired	-	-	24.43	44.94	114.25	203.36	386.98
Total	**43,895.65**	**9,685.88**	**1,050.53**	**189.19**	**184.06**	**251.92**	**55,257.23**

12 CASH AND CASH EQUIVALENTS

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Balance with Banks in current accounts	854.15	899.41
Cash on hand	4.46	6.92
Bank deposits with original maturity of less than three months	1,900.00	-
TOTAL	**2,758.61**	**906.33**

Note

Fixed bank deposits amounting ₹ 1,900.00 Lakhs (31st March 2022 - ₹ Nil) is for period of 7 days earns interest @ 4.50% (31st March 2022 - Nil)

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

13 OTHER BANK BALANCES

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Deposits with original maturity of more than three months but less than twelve months (Refer Note below)	-	4.54
Earmarked balances for Unclaimed Dividend	69.15	72.58
Earmarked balances for CSR Unspent Account	89.00	-
TOTAL	**158.15**	**77.12**

Note

Deposits amounting ₹ Nil are given as security against guarantees with Banks (31st March 2022 - ₹ 4.54 Lakhs). These deposits are made for varying periods of 3 months to 12 months and earns interest ranging between 3.00% to 6.00%. (31st March 2022 4.90% to 6.00%).

14 LOANS

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Unsecured, Considered Good (Current)		
Loans to Employees (Refer Note below)	38.71	47.90
Loans to Subsidiary (Refer Note below)	584.78	-
TOTAL	**623.49**	**47.90**

Notes

The loans to employees are interest free and are generally for a tenure of 6 to 12 months.

Refer Note 49 for disclosure of details as required by Section 186 (4) of the companies Act, 2013.

Refer Note 44 for details with respect to amount due from Related Parties.

Since all the above loans given by the company are unsecured and considered good, the bifurcation of loan in other categories as required by Schedule III of Companies Act 2013 viz: a) secured, b) loans which have significant increase in credit risk and c) credit impaired is not applicable.

15 OTHER FINANCIAL ASSETS (CURRENT)

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Unsecured, Considered Good		
Insurance Claim Receivable	3,787.08	-
Export Benefit Receivable	688.92	675.66
Dividend Receivable on RPS (Refer Note 51)	1,474.63	1,385.48
Bank Deposit (Refer Note below)	671.06	118.62
Other Deposit	6.33	0.20
Balance with Government Authorities (GST Refund)	2,245.53	11,791.46
Other Receivable	57.13	-
TOTAL	**8,930.68**	**13,971.42**

Deposits amounting ₹ 671.06 are given as security against guarantees with Banks (31st March 2022 - ₹ 118.62 Lakhs). These deposits are made for varying periods of 3 months to 12 months and earns interest ranging between 4.40% to 7.00% (31st March 2022 4.90% to 6.00%).

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

16 OTHER CURRENT ASSETS

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Unsecured, Considered Good		
Balance with Government Authorities (Refer Note below)	7,028.28	6,296.43
Advances to Suppliers	203.49	493.77
Employee Imprest	12.98	8.03
Prepaid Expenses	1,151.70	612.75
Export Benefit Receivable	650.03	1,677.99
Others	95.03	130.69
TOTAL	**9,141.51**	**9,219.66**

Note: Balance with Government Authorities includes VAT / Cenvat / Service Tax credit receivable and GST, net of liability.

17 SHARE CAPITAL

AUTHORISED SHARE CAPITAL	No. of shares	₹ in Lakhs
Equity shares of Re. 1 each.		
As at 31st March 2021	37,00,00,000	3,700.00
Changes during the year	-	-
As at 31st March 2022	**37,00,00,000**	**3,700.00**
Changes during the year	-	-
As at 31st March 2023	**37,00,00,000**	**3,700.00**

ISSUED, SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL	No. of shares	₹ in Lakhs
Equity shares of Re. 1 each.	**25,43,14,211**	**2,543.14**

Reconciliation of shares outstanding at the beginning and at the end of the Year

Particulars	No. of shares	₹ in Lakhs
Equity shares of Re. 1 each.		
As at 31st March 2021	25,43,14,211	2,543.14
Changes during the year	-	-
As at 31st March 2022	**25,43,14,211**	**2,543.14**
Changes during the year	-	-
As at 31st March 2023	**25,43,14,211**	**2,543.14**

Terms / Rights attached to Equity shares

The Company has one class of Equity Shares having par value of Re 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the Standalone Financial Statements
for the year ended 31st March 2023

17 SHARE CAPITAL (Contd..)

Details of Equity shares of Re 1 each, as held by promoters

As at 31 March 2023

Promoter Name	No. of shares at the beginning of the year	Changes during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Mr. Jayanti Patel	1,80,24,390	-	1,80,24,390	7.09%	0.00%
Mr. Ashish Soparkar	2,55,40,396	-	2,55,40,396	10.04%	0.00%
Mr. Natwarlal Patel	2,08,97,850	2,50,000	2,11,47,850	8.32%	0.10%
Mr. Ramesh Patel	1,59,12,067	1,13,000	1,60,25,067	6.30%	0.04%
Mr. Anand Patel	79,43,200	(50,000)	78,93,200	3.10%	-0.02%
Mr. Ankit Patel	32,93,260	1,00,000	33,93,260	1.33%	0.04%
Mr. Karana Patel	19,71,000	-	19,71,000	0.78%	0.00%
Mr. Darshan Patel	11,46,205	-	11,46,205	0.45%	0.00%
Total	**9,47,28,368**	**4,13,000**	**9,51,41,368**		

As at 31 March 2022

Promoter Name	No. of shares at the beginning of the year*	Changes during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Mr. Jayanti Patel	1,80,24,390	-	1,80,24,390	7.09%	0.00%
Mr. Ashish Soparkar	2,54,40,396	1,00,000	2,55,40,396	10.04%	0.04%
Mr. Natwarlal Patel	2,07,39,850	1,58,000	2,08,97,850	8.22%	0.06%
Mr. Ramesh Patel	1,58,85,567	26,500	1,59,12,067	6.26%	0.01%
Mr. Anand Patel	78,93,200	50,000	79,43,200	3.12%	0.02%
Mr. Ankit Patel	32,53,260	40,000	32,93,260	1.29%	0.02%
Mr. Karana Patel	19,71,000	-	19,71,000	0.78%	0.00%
Mr. Darshan Patel	11,46,205	-	11,46,205	0.45%	0.00%
Total	**9,43,53,868**	**3,74,500**	**9,47,28,368**		

*Allotment of shares by Meghmani Organics Limited (Formerly known as Meghmani Organochem limited) was made on 20 May, 2021 in accordance with the Scheme of Arrangement and the Company had given effect to the scheme including allotment of shares for the year ended on 31 March, 2021 considering it to be an adjusting event. Accordingly, number of shares held by the promoters on 20 May, 2021 has been considered as held from the beginning of the year and changes during the year for the purpose of above disclosure.

Details of Shareholder holding more than 5% Equity Shares

₹ In Lakhs

Particulars	As at 31st March 2023		As at 31st March 2022	
	No of Shares	% of Holding	No of Shares	% of Holding
Mr. Jayanti Patel	1,80,24,390	7.09%	1,80,24,390	7.09%
Mr. Ashish Soparkar	2,55,40,396	10.04%	2,55,40,396	10.04%
Mr. Natwarlal Patel	2,11,47,850	8.32%	2,08,97,850	8.22%
Mr. Ramesh Patel	1,60,25,067	6.30%	1,59,12,067	6.26%
Total	**8,07,37,703**	**31.75%**	**8,03,74,703**	**31.60%**

As per records of the Company, including its register of shareholder / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to the Standalone Financial Statements
for the year ended 31st March 2023

17 SHARE CAPITAL (Contd..)

Dividend Distribution made and proposed

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Dividends on Equity shares declared and paid:		
Final dividend for 31 March 2022: ₹ 1.40 per share (31 March 2021: ₹ 1.40 per share)	3,560.39	3,560.39
Proposed dividends on Equity shares:		
Proposed dividend for 31 March 2023: ₹ 1.40 per share (31 March 2022: ₹ 1.40 per share)	3,560.40	3,560.39

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March.

18 Other Equity

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
(1) **Securities Premium**		
Balance as at the Beginning of the year	15,650.48	15,650.48
Balance as at the end of the year	**15,650.48**	**15,650.48**
(2) **Capital Reserve**		
Balance as at the Beginning of the year	(6,991.82)	(6,991.82)
Balance as at the end of the year	**(6,991.82)**	**(6,991.82)**
(3) **General Reserve**		
Balance as at the Beginning of the year	12,467.18	12,467.18
Balance as at the end of the year	**12,467.18**	**12,467.18**
(4) **Capital Redemption Reserve**		
Balance as at the Beginning of the year	184.33	184.33
Balance as at the end of the year	**184.33**	**184.33**
(5) **Retained Earning**		
Balance as at the Beginning of the year	1,20,152.91	92,873.00
Add : Profit for the Year	25,038.58	30,797.22
Add : Other Comprehensive Income for the Year (Net)	115.92	43.08
	1,45,307.41	**1,23,713.30**
Less : Appropriation		
Dividend Paid	3,560.40	3,560.39
	3,560.40	**3,560.39**
Balance as at the end of the year	**1,41,747.01**	**1,20,152.91**
TOTAL	**1,63,057.18**	**1,41,463.08**

Nature and purpose of reserves :

Securities premium

In cases where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares has been transferred to "Securities Premium". The Company may issue fully paid-up bonus shares to its members out of the securities premium and to buy-back of shares.

Capital Reserve

The Capital Reserve represents difference between consideration paid and net assets acquired under common control business combination transaction.

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

18 Other Equity

General reserve

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend and issue of fully paid-up bonus shares.

Capital Redemption Reserve

Capital Redemption Reserve was created for buy-back of shares in earlier years.

19 BORROWINGS

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
SECURED		
Term Loan Facilities from Banks :		
In Indian Currency (Refer Note - iii, iv and v below)	27,232.41	14,933.97
In Foreign currency (Refer Note - i & ii)	8,693.55	12,102.05
Unsecured Loan Facilities from Banks :		
In Foreign currency	4,349.78	-
TOTAL	**40,275.74**	**27,036.02**
Current maturity of long term borrowing disclosed under 'short term borrowings' (Refer Note 24)	12,898.63	6,157.40
Total non-current borrowing	**27,377.11**	**20,878.62**
The above amounts includes:		
Secured borrowing	25,927.14	20,878.62
Unsecured borrowing	1,449.97	-

Refer Note No - 45 for Interest rate Risk and Liquidity Risk.

Details of Security and Repayment Terms :

i The Company has Rupee Term Loan facility of ₹ 9,200.00 Lakhs (31 March 2022: ₹ 9,200.00 Lakhs). The Facility is secured by (a) First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Company (b) Assignment of Lease Hold Land used for Windmill (c) First Pari Passu charge by way of mortgage on immovable fixed assets of the Company (excluding the assets charged specifically to other lenders).

During the year 2019-2020, outstanding Indian Rupee loan of ₹ 6,899.23 Lakhs had been converted into foreign currency loan of Euro 87.41 Lakhs. The borrowing carries interest at 6 month Euribor + 1.75% p.a. payable at monthly rest. The effective interest rate is 1.75% p.a. Outstanding balance for this borrowing is Euro 29.14 Lakhs equivalent to ₹ 2,596.33 Lakhs (as at 31 March 2022: ₹ 4,089.79 Lakhs). As per the terms, the foreign currency loan is repayable in 9 half yearly instalments starting from financial year 2020-21

Repayment of loan is as follows :

1 - Nine half yearly instalment of Euro 9.71 Lakhs

ii The Company has availed External Commercial Borrowing of Euro 123.30 Lakhs (₹ 10,997.25 Lakhs) (31 March 2022: Euro 123.30 Lakhs). The Facility is secured by First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Company. The borrowing carries interest at 6 month Euribor + 1.20% p.a. payable at 6 monthly rest. The effective interest rate varies from 1.20% to 4.37% for the year. Outstanding balance for this borrowing is Euro 68.50 Lakhs equivalent to ₹ 6,097.22 Lakhs (31 March 2022: ₹ 8,076.70 Lakhs). As per the original terms, the loan is repayable in 9 half yearly instalments starting from financial year 2021-22.

Repayment of loan is as follows :

1 - Nine half yearly instalments of Euro 13.70 Lakhs

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

19 BORROWINGS (Contd..)

iii The Company has availed Rupee Term Loan facility of ₹ 15,000.00 Lakhs (31 March 2022: ₹ 15,000.00 Lakhs). The Facility is secured by (a) First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Company situated at Chharodi, Ankleshwar, Panoli and Vatva (b) First Pari Passu charge by way of mortgage on immovable fixed assets of the Company situated at as Chharodi, Ankleshwar, Panoli and Vatva (c) Second Pari Passu charge by way of mortgage on immovable fixed assets of the Company situated at as Dahej and Dahej SEZ. The borrowing carries interest at 6.40% p.a. payable at monthly rest. Outstanding balance for this borrowing is ₹ 12,696.95 Lakhs. As per the terms, the loan is repayable in 20 quarterly instalments starting from financial year 2022-23.

During current financial year, the Company has entered into a cross currency swap ("CCS") transaction on the said Rupee Term loan facility whereby outstanding Rupee Term loan has been swapped with notional principal of USD 201.48 Lakhs. As per the terms of CCS agreement, the company receives interest at 6.40% p.a. on notional principal of ₹ 15,000 Lakhs and pays interest at 2.05% p.a. on notional principal of USD 201.48 Lakhs at monthly rest. As per the notional principal settlement terms of CCS agreement, the Company will receive ₹ 750 Lakhs and pay USD 10.07 Lakhs in 20 equal quarterly instalments starting from financial year 2022-23

Repayment of loan is as follows :

1 - Twenty quarterly instalments of ₹ 750 Lakhs

iv The Company has availed Rupee Term Loan facility of ₹ 15,000.00 Lakhs (31 March 2022: NIL). The Facility is secured by (a) First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Company situated at Chharodi, Vatva, Ankleshwar and Panoli (b) First Pari Passu charge by way of mortgage to be created on immovable fixed assets of the Company situated at as Chharodi, Ankleshwar, Panoli and Vatva (c) Second Pari Passu charge by way of mortgage on immovable fixed assets of the Company situated at as Dahej and Dahej SEZ. The borrowing carries interest at 6.75% p.a. payable at monthly rest. Outstanding balance for this borrowing is ₹ 14,535.46 Lakhs. As per the terms, the loan is repayable in 20 quarterly instalments (First four installments of ₹ 150 Lakhs each and Sixteen installments of ₹ 900 Lakhs each) starting from financial year 2022-23.

During current financial year, the Company has entered into a cross currency swap ("CCS") transaction on the said Rupee Term loan facility whereby outstanding Rupee Term loan has been swapped with notional principal of USD 116.41 Lakhs and EUR 73.43 Lakhs. As per the terms of CCS agreement, the Company receives interest at 6.75% p.a. on notional principal of ₹ 15,000 Lakhs and pays interest at 3.25% p.a. on notional principal of USD 51.74 Lakhs at monthly rest, at ON SOFR + 0.87% p.a. on notional principal of USD 64.67 Lakhs and at ON ESTR +0.60% p.a. on notional principal of EUR 73.43 Lakhs payable at monthly rest. As per the notional principal settlement terms of CCS agreement, the Company will receive ₹ 150 Lakhs and pay USD 1.17 Lakhs and EUR 0.73 Lakhs (in four quarterly instalments) and receive ₹ 900 Lakhs and pay USD 6.98 Lakhs and EUR 4.41 Lakhs (in sixteen quarterly instalments) starting from financial year 2022-23.

v The Company has availed unsecured Foreign Currency Term Loan of Euro 56.73 Lakhs (₹ 5000.00 Lakhs). The borrowing carries interest at 3 month Euribor + 1.60% p.a. payable at monthly rest. The effective interest rate is 3.74% for the year. Outstanding balance for this borrowing is Euro 48.63 Lakhs equivalent to ₹ 4,349.78 Lakhs (31 March 2022: NIL). As per the original terms, the loan is repayable in seven equal quarterly instalments starting from financial year 2022-23.

vi Bank loans availed by the Company are subject to certain covenants relating to interest service coverage ratio, current ratio, debt service coverage ratio, total outside liabilities to total net worth, fixed assets coverage ratio, ratio of total term liabilities to net worth. The Company has complied with the covenants as per the terms of loan agreements.

Notes to the Standalone Financial Statements
for the year ended 31st March 2023

20 LEASE LIABILITIES (NON - CURRENT / CURRENT)

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Non - Current		
Lease Liability (Refer Note - 46)	186.61	344.31
TOTAL	**186.61**	**344.31**
Current		
Lease Liability (Refer Note - 46)	157.70	142.94
TOTAL	**157.70**	**142.94**

21 OTHER FINANCIAL LIABILITIES (NON - CURRENT)

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Financial liabilities carried at fair value through profit and loss		
Mark to Market Derivative Liabilities	1,630.87	88.53
Financial liabilities carried at Cost		
Employee Benefit Payable	42.73	26.91
TOTAL	**1,673.60**	**115.44**

22 PROVISIONS (NON - CURRENT)

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Provision for Employee benefits		
Gratuity (Refer Note 41)	**1,424.32**	**1,462.55**
Compensated absences	138.92	142.16
TOTAL	**1,563.24**	**1,604.71**

23 Income Taxes

(a) Amounts recognised in Profit and Loss

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Current Income Tax	7,897.53	8,775.00
Adjustment to tax related to earlier periods	-	(80.05)
Deferred tax relating to origination & reversal of temporary differences	(192.80)	1,751.57
Tax expense for the year	**7,704.73**	**10,446.52**

(b) Amounts recognised in other comprehensive income

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Items that will not be reclassified to statement of profit and loss		
Tax on Remeasurements of the Defined Benefit Plans	38.99	14.49

Notes to the Standalone Financial Statements
for the year ended 31st March 2023

23 Income Taxes (Contd..)

(c) Reconciliation of effective Tax Rate

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Profit Before Tax	**32,743.31**	**41,243.74**
Tax using the Company's domestic tax rate (31 March 2023: 25.17% and 31 March 2022: 25.17%)	8,240.84	10,380.22
Tax effect on non-deductible Expenses / Income not subjected to tax / other adjustments		
CSR and Donations	210.67	93.91
Dividend Income on RPS (Net of Taxes)	(800.17)	-
Indextation benefit on Fair Value Gain on Redeemption of RPS	(157.52)	-
Others	210.91	(5.96)
Allowable Tax Expenditure		
Differential tax rate on Fair Value Gain on RPS	-	(21.65)
Tax expense as per standalone statement of profit and loss	**7,704.73**	**10,446.52**
Effective Tax Rate	23.53%	25.33%

(d) Movement in Deferred Tax balances for the year ended March 31, 2023

₹ In Lakhs

PARTICULARS	Net balance April 1, 2022	Recognised in profit and loss	Recognised in OCI	Net	Deferred tax asset as at March 31, 2023	(Deferred tax liability) as at March 31, 2023
Property, Plant and Equipment	(4,295.34)	(875.06)	-	(5,170.40)	-	(5,170.40)
Trade Receivables	237.17	7.64	-	244.81	244.81	-
Loans and Borrowings	(32.84)	24.76	-	(8.08)	-	(8.08)
Employee Benefits	445.54	31.28	(38.99)	437.82	437.82	-
Fair Value gain on OCRPS	(2,325.44)	667.66	-	(1,657.78)	-	(1,657.78)
Stamp duty pursuant to Scheme of Arrangement (refer note 51)	159.33	(51.01)	-	108.32	108.32	-
Dividend on RPS	(387.53)	387.53	-	-	-	-
Tax Assets/(Liabilities)	**(6,199.11)**	**192.80**	**(38.99)**	**(6,045.31)**	**790.95**	**(6,836.26)**
Set off						**790.95**
Net Tax Liabilities						**(6,045.31)**

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

23 Income Taxes (Contd..)

Movement in Deferred Tax balances for the year ended March 31, 2022

₹ In Lakhs

PARTICULARS	Net balance April 1, 2021	Recognised in profit and loss	Recognised in OCI	Net	Deferred tax asset as at March 31, 2022	(Deferred tax liability) as at March 31, 2022
Property, Plant and Equipment	(3,625.81)	(669.53)	-	(4,295.34)	-	(4,295.34)
Trade Receivables	397.75	(160.58)	-	237.17	237.17	-
Loans and Borrowings	(26.19)	(6.65)	-	(32.84)	-	(32.84)
Employee Benefits	321.07	138.96	(14.49)	445.54	445.54	-
Investment	(39.69)	39.69	-	-	-	-
Fair Value gain on RPS	(2,095.67)	(229.77)	-	(2,325.44)	-	(2,325.44)
Stamp duty pursuant to Scheme of Arrangement (refer note 51)	635.49	(476.16)	-	159.33	159.33	-
Dividend on RPS	-	(387.53)	-	(387.53)	-	(387.53)
Tax Assets/(Liabilities)	**(4,433.05)**	**(1,751.57)**	**(14.49)**	**(6,199.11)**	**842.04**	**(7,041.15)**
Set off						**842.04**
Net tax Liabilities						**(6,199.11)**

24 BORROWINGS

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Loans Repayable on Demand - Cash credit, packing credit, working capital demand loan and Overdraft facility accounts (Refer Note below)		
Secured Loans		
From Banks - In Indian Currency	6,532.02	317.79
From Banks - In Foreign Currency	15,048.70	10,286.53
Current maturities of Non Current Borrowings (Refer Note 19)	12,898.63	6,157.40
Unsecured Loans		
From Banks - In Indian Currency	2,000.00	6,000.00
From Banks - In Foreign Currency	5,411.28	5,785.81
TOTAL	**41,890.63**	**28,547.53**

i The Company has availed Cash credit, packing credit and working capital demand loans of ₹ 40,000 Lakhs (31 March 2022: ₹ 40,000 Lakhs) as sanctioned limit from State Bank of India, HDFC Bank Limited, ICICI Bank Limited, DBS Bank India Limited and Axis Bank Limited (Collectively known as Consortium Bankers). The present consortium is lead by State Bank of India. These loans are secured by first pari passu charge by way of hypothecation of the entire Stock of Raw Materials, Work in Process, Finished Goods, Stores and Spares and Receivables and first pari passu charge on immovable Fixed Assets of the Company as a collateral security. Interest rate on these loans are as follows:

(a) Interest rates on cash credit loans vary within the range of 4.90% to 8.55% (31 March 2022: 7.10% to 7.40%).

(b) Interest rates on packing credit loans vary within the range of USD libor/ SOFR + 0.75% to 1.00% and Euribor + 0.20% to 4.70% Fixed(31 March 2022: USD libor/ SOFR + 0.84% to 1.09% and Euribor + 0.20% to 0.95%).

(c) Interest rates on working capital demand loans and overdraft facility vary within the range of 4.68% to 7.90% (31 March 2022: 4.83% to 8.00%).

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

24 BORROWINGS (Contd..)

Reconciliation of quarterly returns submitted to banks where borrowings have been availed based on security of current assets

Financial Year 2022-2023

From quarter ended March 31, 2022, the Company has filed provisional stock statement with banks as per the due date and subsequently filed final stock statement with respective banks where amounts as per return matches with underlying books of accounts as at respective quarter ended.

₹ In Lakhs

Quarter	Bank	Particulars of Security	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for differences
Jun-21	Working Capital Lenders*	Inventory	44,111.65	25,914.22	18,197.43	Refer note below
Jun-21	Working Capital Lenders*	Trade Receivables	41,026.17	59,633.18	-18,607.01	
Jun-21	Working Capital Lenders*	Trade Payables	34,240.01	37,290.05	-3,050.04	
Sep-21	Working Capital Lenders*	Inventory	52,776.69	28,442.71	24,333.98	
Sep-21	Working Capital Lenders*	Trade Receivables	41,360.28	68,650.65	-27,290.37	
Sep-21	Working Capital Lenders*	Trade Payables	38,956.94	41,936.58	-2,979.64	
Dec-21	Working Capital Lenders*	Inventory	63,759.35	36,337.89	27,421.46	
Dec-21	Working Capital Lenders*	Trade Receivables	42,554.28	79,603.75	-37,049.47	
Dec-21	Working Capital Lenders*	Trade Payables	49,211.66	53,058.34	-3,846.68	

*HDFC Bank, DBS, Axis Bank, SBI, ICICI bank are represented as working capital lenders

Note -Reason for differences:

- The differences in inventories and trade receivables are majorly on account of goods in transit where the goods have been physically dispatched from the Company location however, the same has not been considered as revenue from the purpose of revenue recognition principles and hence reversed from books of accounts for respective quarter ends. Similarly, goods in transit for goods which have not reached respective Company locations are not considered however, considered as purchases as per accounting principles. This has lead to offsetting differences between Inventory, trade receivables and trade payable balances.
- The management, basis their understanding with banks, submits stock statement of physical stock as available at respective locations at the period end. Accordingly adjustment for goods in transit (inward and outward) is not considered for the purpose of filing returns with banks.
- There are other differences on account of regrouping and reclassification of trade receivable and trade payable balances including adjustment of advances received / given from / to customers / vendors.

25 TRADE PAYABLES

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Outstanding Dues of Micro and Small Enterprises (Refer Note 40)	5,465.20	7,269.94
Outstanding Dues of Creditors other than Micro and Small Enterprises (Refer Note below)	38,503.72	49,975.31
TOTAL	**43,968.92**	**57,245.25**

Terms and Conditions of the above Outstanding Dues :

Trade payables are non-interest bearing and are normally settled on 30-360 days terms. For amounts due to related parties and terms and conditions with Related Parties, Refer Note 44. Refer Note 45 for Company's credit risk management processes. Trade Payable includes Acceptances amounting to ₹ 4540.48 Lakhs (31 March 2022 ₹ Nil).

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

25 TRADE PAYABLES (Contd..)

Trade payables Ageing Schedule

As at 31 March 2023

₹ In Lakhs

Particulars	Outstanding for following periods from due date of payment						
	Unbilled Dues	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	3,754.22	1,708.93	0.84	1.21	-	5,465.20
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,331.94	30,416.37	6,421.30	218.27	79.17	36.67	38,503.72
Total	**1,331.94**	**34,170.59**	**8,130.23**	**219.11**	**80.38**	**36.67**	**43,968.92**

As at 31 March 2022

₹ In Lakhs

Particulars	Outstanding for following periods from due date of payment						
	Unbilled Dues	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	4,333.69	2,936.25	-	-	-	7,269.94
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,300.79	34,796.81	13,523.02	280.09	71.10	3.50	49,975.31
Total	**1,300.79**	**39,130.50**	**16,459.27**	**280.09**	**71.10**	**3.50**	**57,245.25**

26 OTHER FINANCIAL LIABILITIES (CURRENT)

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Financial liabilities carried at amortised cost		
Interest accrued but not due on borrowings	91.48	107.63
Employee Benefits Payable	2,925.15	3,339.06
Unclaimed Dividend	69.15	72.58
Payable for retention money	598.74	394.43
Payable for Capital Goods	3,785.27	3,337.62
Security Deposits Payable	435.50	391.00
Expenses Payable	118.02	90.15
Financial liabilities carried at fair value through profit and loss		
Mark to Market Derivative Liabilities	442.04	15.62
TOTAL	**8,465.35**	**7,748.09**

Refer note 40 for capital creditors dues to MSMEs

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

27 OTHER CURRENT LIABILITIES

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Advance from Customers	1,067.93	4,283.97
Statutory dues payable	236.69	272.91
TOTAL	**1,304.62**	**4,556.88**

28 PROVISIONS (CURRENT)

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Provisions for Employee Benefits		
Leave Encashment	17.08	16.04
TOTAL	**17.08**	**16.04**

29 CURRENT TAX LIABILITIES (NET)

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Current Tax Payable (net)	1,828.13	1,892.33
TOTAL	**1,828.13**	**1,892.33**

30 REVENUE FROM OPERATIONS

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Revenue From Operations		
i - Manufactured Goods	2,51,802.59	2,45,423.03
ii - Traded Goods	1,366.73	1,408.06
Total Revenue From Operations	**2,53,169.32**	**2,46,831.09**
Other Operating Revenue		
i - Export benefits and other incentives	2,055.02	2,055.79
ii - Scrap Sales	449.57	510.27
Total Other Operating Revenue	**2,504.59**	**2,566.06**
TOTAL	**2,55,673.91**	**2,49,397.15**

30.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Type of goods		
Pigments	61,394.03	75,129.49
Agro Chemicals	1,91,775.29	1,71,701.60
Total revenue from contracts with customers	**2,53,169.32**	**2,46,831.09**
Geographical location of customer		
India	30,910.13	35,092.57
Outside India	2,22,259.19	2,11,738.52

Notes to the Standalone Financial Statements
for the year ended 31st March 2023

30 REVENUE FROM OPERATIONS (Contd..)

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Total revenue from contracts with customers	**2,53,169.32**	**2,46,831.09**
Timing of revenue recognition		
Goods transferred at a point in time	2,53,169.32	2,46,831.09
Total revenue from contracts with customers	**2,53,169.32**	**2,46,831.09**

30.2 Contract assets and contract liabilities

The Company has recognised the following revenue-related contract asset and liabilities

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Trade Receivables	54,063.24	54,314.90
Advance from customers	1,067.94	4,283.97

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days. Trade receivable are secured to the extent of deposit received from the customers. As at March 2023, ₹ 972.70 Lakhs (March 2022: ₹ 942.33 Lakhs) was recognised as provision for expected credit losses on trade receivables

Advance from customers includes short term advance received for sale of products.

30.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Revenue as per contracted price*	2,55,654.92	2,48,659.93
Adjustments		
Sales return	(1,456.59)	(731.62)
Trade and Cash Discount	(1,029.01)	(1,097.22)
Revenue from contract with customer	**2,53,169.32**	**2,46,831.09**

*Net of proceeds from sale of products, manufactured from trial runs conducted.

30.4 Performance obligation

Information about the Company's performance obligations are summarised below:

The performance obligation is satisfied upon dispatch of goods from the company's premises / delivery of goods to the customer in accordance with the terms of contract with customer.

30.5 Information about major customers

For Information about major customers Refer Note 43.

Notes to the Standalone Financial Statements
for the year ended 31st March 2023

31 OTHER INCOME

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
OTHER NON OPERATING INCOME		
Interest Income on		
- Bank Deposits	28.06	33.96
- Others	79.89	204.31
Dividend Income on investment in Redeemable preference shares	1,638.82	1,539.78
Net Gain on Foreign Currency transactions	7,623.45	4,497.80
Liabilities No Longer Required Written Back	90.63	2,071.77
Net gain on Investment in Mutual Funds	94.45	298.08
Fair Value Gain on investment in RPS measured at FVTPL (refer note 51)	-	946.04
Miscellaneous Income	41.01	31.77
TOTAL	**9,596.31**	**9,623.51**

32 COST OF MATERIALS CONSUMED

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Pigments	33,967.72	48,717.33
Agro Chemicals	1,17,893.50	1,11,039.33
TOTAL	**1,51,861.22**	**1,59,756.66**

Note:-

The above amount comprises of Raw Material consumption generated from the accounting system and related adjustment thereto. Purchases therein amounts to ₹ 149,784.89 Lakhs (₹ 168,631.94 Lakhs March 31, 2022) and inventory of raw material is as per note 9.

33 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
(A) Inventories at the beginning of the year		
(i) Finished Goods	11,001.33	9,150.02
(ii) Finished Goods in Transit	27,453.54	14,815.16
(iii) Stock in Trade	27.67	68.21
(iv) Work-in-Progress (WIP)	3,256.17	2,206.81
TOTAL (A)	**41,738.71**	**26,240.20**
(B) Inventories at the end of the year		
(i) Finished Goods	22,272.29	11,001.33
(ii) Finished Goods in Transit	18,488.14	27,453.54
(iii) Stock in Trade	48.23	27.67
(iv) Work-in-Progress (WIP)	2,379.08	3,256.17
TOTAL (B)	**43,187.74**	**41,738.71**
TOTAL (A - B) Changes in Inventories	**(1,449.03)**	**(15,498.51)**

Notes to the Standalone Financial Statements
for the year ended 31st March 2023

34 EMPLOYEE BENEFIT EXPENSE

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Salary, Wages and Bonus	8,569.67	7,784.94
Directors Remuneration (Including Contribution to Provident Fund) (Refer Note 44)	2,111.05	2,610.73
Contribution to Provident Fund, Other Funds and Gratuity (Refer Note 41)	567.58	528.68
Staff Welfare Expenses	820.12	776.20
TOTAL	**12,068.42**	**11,700.55**

35 FINANCE COSTS

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest expense on :		
-Term Loans	344.48	207.18
-Cash Credit and Working Capital Demand Loan	790.40	201.89
-Lease Liability (Refer Note 46)	36.01	46.58
-Others	265.15	236.73
Exchange difference on borrowing costs	2,650.70	(159.05)
Loss on Derivative Instruments	1,968.76	104.15
Other borrowing Costs (includes bank charges, etc.)	385.04	295.81
TOTAL	**6,440.54**	**933.29**

36 OTHER EXPENSES

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Consumption of Stores and Spares	2,317.42	1,821.51
Power and Fuel	20,613.40	19,388.27
Repairs and maintenance:		
- Buildings	315.29	266.27
- Plant and Machinery	1,989.71	1,952.28
Pollution Control Expenses	3,748.18	3,038.49
Labour Contract Charges	2,642.46	2,824.70
Rent (Refer Note 46)	114.71	117.05
Rates and Taxes	388.92	153.95
Insurance	776.12	662.44
Consumption of Packing Materials	6,358.94	6,061.45
Loss on Sale / Discarded Property, plant and equipment	52.51	74.22
Freight Expenses	8,247.08	10,848.77
Provision For Doubtful Debts and Advances	30.37	-
Water charges	709.70	691.70
Expenditure towards Corporate Social Responsibility (Refer Note - i below)	511.31	363.47
Payments to the Auditors (Refer Note - ii below)	41.16	42.21
Miscellaneous Expenses*	6,833.24	6,058.56
TOTAL	**55,690.52**	**54,365.34**

*Miscellaneous Expenses Includes Donation to Political Parties amounting to ₹ 300.00 Lakhs (31st March 2022 - ₹ Nil).

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

36 OTHER EXPENSES (Contd..)

i Details of Corporate Social Responsibility (CSR Expenditure)

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Amount Required to be spent during the year	511.31	363.47
Amount approved by the Board to be spent during the year	511.31	363.47
Amount Spent during the year	219.31	248.47
i - Construction / Acquisition of an Assets	-	-
ii - On Purposes other than (i) above	219.31	248.47
Amount yet to be spent	292.00	115.00
Details related to spent / unspent obligations:		
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	219.31	248.47
iii) Unspent amount	292.00	115.00

Nature of CSR activities for the year ended 31 March, 2023 and 31 March, 2022:

Promoting education and women empowerment, preventive healthcare, supporting sports activities in rural areas of country, promoting hygiene sanitation practices, supporting clean and pollution free environment, for renovation of school, and for other activities as prescribed under Schedule VII of The Companies Act, 2013.

Details of Ongoing Projects :

In case of S. 135(6) (Ongoing Project)

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening Balance	-	-
With Company	-	-
In Separate CSR Unspent Account	115.00	-
Amount Required to be spent during the year	511.31	363.47
Amount spent during the year		
From Company's Bank account	219.31	248.47
From Separate CSR unspent account	26.00	-
Closing Balance		
With Company	-	-
In Separate CSR Unspent Account (Refer note below)	381.00	115.00

Includes amount transferred to separate earmarked CSR bank account as per Section 135 of the Companies Act.

ii

₹ In Lakhs

Payments to Auditors (Excluding taxes)	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) as Auditors	39.75	38.25
(b) for Other Services	0.20	2.95
(c) for Reimbursement of Expenses	1.21	1.01
TOTAL	**41.16**	**42.21**

Notes to the Standalone Financial Statements
for the year ended 31st March 2023

37 EXCEPTIONAL ITEMS

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Insurance Claim Received (Refer Note below)	-	(611.14)
TOTAL	**-**	**(611.14)**

On October 22, 2022, there was a fire at warehouse of one of the manufacturing units of the Company at Dahej location majorly leading to loss of inventories. The company is adequately insured for the above-mentioned loss of assets and hence does not expect any material net-losses. The company has filed a claim for the loss suffered which is currently under assessment. Further, the claim is not disputed by the insurance company. The company has currently estimated and recognised an initial net loss of ₹ 39.85 crores on account of loss of assets for year ended March 31, 2023 and corresponding insurance claim receivable considering its assessment, opinion on admissibility of claim as per the policy, adequacy of coverage and nature of loss. The aforementioned losses and corresponding credit has been presented on a net basis under exceptional items in the financial statements.

During the year ended March 31, 2019, there was fire at one of the manufacturing units of Company at Dahej location for which the final claim of ₹ 611.14 Lakhs was received during the year ended March 31, 2022. The same has been disclosed as exceptional items.

38 OTHER COMPREHENSIVE INCOME

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Statement of other comprehensive income		
Remeasurement gain on defined benefit plans (Refer Note 41)	154.91	57.57
Income tax effect on above	(38.99)	(14.49)
Total	**115.92**	**43.08**

39 EARNINGS PER SHARE

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share used in the basic and diluted EPS computation:

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Profit attributable to Equity Shareholders	25,038.58	30,797.22
Weighted Average number of Equity Shares outstanding (No's)	25,43,14,211	25,43,14,211
Basic and Diluted Earnings Per Share (₹)	9.85	12.11
Face value per Equity Share (₹)	1	1

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

40 The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act').

Accordingly, the disclosure in respect of the amounts payable to such Enterprises as at March 31, 2023 has been made in the Financial Statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any Supplier as at the Balance- Sheet date.

The details as required by MSMED Act are given below:

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;		
Principal and Interest Amount		
Trade Payable	5,465.20	7,269.94
Capital Payable	1,725.74	1,153.26
The amount of interest paid by the buyer under the MSMED Act along with the amounts of the payment made to the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act not paid)	207.68	0.05
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

On basis of information and records available with the Company, the above disclosures are made in respect of amount due to the micro, small and medium enterprises, which have been registered with the relevant competent authorities. This has been relied upon by the auditors.

41 GRATUITY AND OTHER EMPOYMENT BENEFIT PLANS

(a) Retirement Benefits

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Table 1: Reconciliation of Defined Benefit Obligation (DBO)

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Opening balance of defined benefit obligation	1,949.07	1,764.43
Service Cost		
a. Current Service Cost	185.63	181.01
Interest Cost	109.15	95.27
Benefits Paid	(84.77)	(57.72)
Re-measurements		
b. Actuarial Loss/(Gain) from changes in financial assumptions	(133.91)	(17.94)
c. Actuarial Loss/(Gain) from experience over the past period	(15.87)	(15.98)
Closing balance of the defined benefit obligation	**2,009.30**	**1,949.07**

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

41 GRATUITY AND OTHER EMPOYMENT BENEFIT PLANS (Contd..)

Table 2: Reconciliation of Fair Value of Plan Assets

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Opening Balance of Fair Value of Plan Assets	**486.52**	**493.72**
Contributions by Employer	150.00	1.84
Benefits Paid	(84.77)	(57.72)
Interest Income on Plan Assets	28.10	25.03
Re-measurements		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	-
b. Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	5.13	23.65
Closing Balance of Fair Value of Plan Assets	**584.98**	**486.52**
Actual Return on Plan Assets	33.23	48.68
Expected Employer Contributions for the next year	150.00	100.00

Table 3: Expenses recognised in the Profit and Loss Account

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Service Cost		
Current Service Cost	185.63	181.01
Net Interest on net defined benefit liability/ (asset)	81.05	70.24
Employer Expenses	**266.68**	**251.25**

Table 4: Net Liability/ (Asset) recognised in the Balance Sheet

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Present Value of DBO	2,009.30	1,949.07
Fair Value of Plan Assets	584.98	486.52
Liability/ (Asset) recognised in the Balance Sheet	1,424.32	1,462.55
Funded Status [Surplus/(Deficit)]	(1,424.32)	(1,462.55)
Experience Adjustment on Plan Liabilities: (Gain)/Loss	(15.87)	(15.98)

Table 5: Percentage Break-down of Total Plan Assets

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Investment Funds with Insurance Company	100%	100%
Of which, Unit Linked	0%	0%
Of which, Traditional/ Non-Unit Linked	100%	100%
Total	**100%**	**100%**

Note: None of the assets carry a quoted market price in an active market or represent the Company’s own transferable financial instruments or are property occupied by the Company.

Notes to the Standalone Financial Statements
for the year ended 31st March 2023

41 GRATUITY AND OTHER EMPOYMENT BENEFIT PLANS (Contd..)

Table 6: Actuarial Assumptions

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Salary Growth Rate	10% p.a.	10% p.a.
Discount Rate	7.1% p.a.	5.6% p.a.
Withdrawal Rate	12% p.a.	12% pa
Mortality	IALM 2012-14 (Ult.)	IALM 2012-14 Ult.
Expected Return on Plan Assets	5.6% p.a.	5.4% p.a.
Expected weighted average remaining working life	3.5 years	3.5 years

Table 7: Movement in Other Comprehensive Income

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Opening Balance (Loss)	**(356.71)**	**(414.28)**
Re-measurements on DBO		
a. Actuarial (Loss)/Gain from changes in demographic assumptions	-	-
b. Actuarial (Loss)/Gain from changes in financial assumptions	133.91	17.94
c. Actuarial (Loss)/Gain from experience over the past period	15.87	15.98
Re-measurements on Plan Assets		
a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	5.13	23.65
Closing Balance (Loss)	**(201.80)**	**(356.71)**

Table 8: Sensitivity Analysis

Financial year ended March 31, 2023	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by ₹ 83.92 Lakhs	DBO decreases by ₹ 78.04 Lakhs
Discount Rate	DBO decreases by ₹ 79.36 Lakhs	DBO increases by ₹ 87.12 Lakhs
Withdrawal Rate	DBO decreases by ₹ 12.05 Lakhs	DBO increases by ₹ 13.07 Lakhs
Mortality (increase in expected lifetime by 1 year)	DBO increases by ₹ 0.30 Lakhs	
Mortality (increase in expected lifetime by 3 years)	DBO increases by ₹ 0.76 Lakhs	

Financial period ended March 31, 2022	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by ₹ 88.79 Lakhs	DBO decreases by ₹ 81.89 Lakhs
Discount Rate	DBO decreases by ₹ 84.40 Lakhs	DBO increases by ₹ 93.58 Lakhs
Withdrawal Rate	DBO decreases by ₹ 17.83 Lakhs	DBO increases by ₹ 19.58 Lakhs
Mortality (increase in expected lifetime by 1 year)	DBO increases by ₹ 0.33 Lakhs	
Mortality (increase in expected lifetime by 3 years)	DBO increases by ₹ 0.98 Lakhs	

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis.

Notes to the Standalone Financial Statements
for the year ended 31st March 2023

41 GRATUITY AND OTHER EMPOYMENT BENEFIT PLANS (Contd..)

Table 9: Movement in Surplus/ (Deficit)

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Surplus/ (Deficit) at start of year	**(1,462.55)**	**(1,270.71)**
Movement during the year		
Current Service Cost	(185.63)	(181.01)
Net Interest on net DBO	(81.05)	(70.24)
Actuarial gain/ (loss)	154.91	57.57
Contributions	150.00	1.84
Surplus/ (Deficit) at end of year	**(1,424.32)**	**(1,462.55)**

(b) Defined Contribution Plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The Company has recognised provident fund contribution of ₹ 333.19 Lakhs (March 31, 2022 ₹ 307.31 Lakhs) and contribution to ESIC and Other Labour Fund amounting to ₹ 21.71 Lakhs (March 31, 2022 ₹ 24.12 Lakhs) as expense, Refer Note 34 under the head 'Contributions to Provident and Other Funds'.

42 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

A Claims against the company not acknowledged as debts (Excluding interest and penalty)

₹ In Lakhs

	Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
	Disputed Income-Tax Liability*	**1,238.32**	**1,193.84**
	Disputed Excise Duty Liability**	1,701.25	1,701.25
	Disputed Service Tax Liability***	151.53	160.44
	Disputed Liabilities towards labour and workers compensation	72.66	52.98
	(In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various forums / authorities. The Company has assessed that it is only possible but not probable, the outflow of economic resources will be required)		
	In respect of Letter of Credit	91.46	1,097.65
	In respect of Guarantee		
	- Corporate Guarantee Given	42,500.00	-
B	**Capital Commitments**		
	Estimated amount of contracts pending execution on capital accounts and not provided for (net of advances)	7,050.33	18,838.76

The outflow of the above claims would be determinable only on completion of respective assessments.

*Income tax demand comprise of demand from the Indian Income tax authorities for payment of additional tax of ₹ 1,238.32 (31 March 2022: 1,193.84), upon completion of their tax review for the assessment year 2003-04, 2009-10 to 2010-11, 2013-14 to 2018-19 and 2020-21.The tax demands are mainly on account of Transfer pricing Adjustments, 14 A disallowances, Bad Debt disallowances, Disallowance for loan written off etc. The matter is pending before various authorities.

**Excise duty demand comprise demand from Central excise authorities for payment of additional tax of ₹ 1701.25 Lakhs (31 March 2022: ₹ 1701.25 Lakhs), upon completion of their tax review for the financial year 2003-04 to 2008-09 and 2011-12 to 2016-17. The tax demands are on account of denial of Cenvat credit on manufacturing ,Short payment of duty on DTA clearance from EOU, Education cess on DTA Sales etc. The matter is pending before various authorities.

***Service tax demand comprise demand from Service Tax Authorities on account of denial of Service tax credit ₹ 151.53 Lakhs (31 March 2022: ₹ 160.44 Lakhs), upon completion of their tax review for the financial year 2006-07 to 2017-18. The tax demands are on account of service tax on sales commission. The matter is pending before various authorities.

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

42 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (Contd..)

The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be in favour of the Company in the appellate process and no tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

43.SEGMENT REPORTING

A - Analysis By Business Segment

Financial year ended on 31st March 2023:

Particulars	Pigments	Agro Chemicals	Unallocable	Total
Revenue				
External Sales	61,394.03	1,91,775.29	-	2,53,169.32
Other Operating Revenue	310.57	2,194.02	-	2,504.59
Total Revenue	**61,704.60**	**1,93,969.31**	**-**	**2,55,673.91**
Results				
Segment Results	2,756.00	39,000.72	-	41,756.72
Un-allocable (Expenses)/Income	-	-	(2,572.87)	(2,572.87)
Profit from Operation				**39,183.85**
Finance Cost	-	-	-	(6,440.54)
Profit before Exceptional Items				**32,743.31**
Exceptional Items	-	-	-	-
Profit Before Tax				**32,743.31**
Income tax Expenses	-	-	-	(7,897.53)
Deferred Tax (Expenses)/Income	-	-	-	192.80
Profit After Tax				**25,038.58**

Other information	Pigments	Agro Chemicals	Unallocable	Total
Capital Addition	1,041.00	28,324.89	12.67	29,378.56
Depreciation	(1,725.92)	(4,750.83)	(334.33)	(6,811.08)
Non-Cash Items	180.90	(156.10)	(2.96)	21.83

Balance sheet	Pigments	Agro Chemicals	Unallocable	Total
Assets				
Segment Assets	86,028.26	1,90,074.74	-	2,76,103.00
Un-allocable Assets	-	-	23,975.62	23,975.62
Total assets				**3,00,078.62**
Liabilities				
Segment Liabilities	36,654.33	88,945.52	-	1,25,599.85
Unallocable Liabilities	-	-	2,833.14	2,833.14
Deferred Tax Liabilities	-	-	-	6,045.31
Total Liabilities				**1,34,478.30**

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

43.SEGMENT REPORTING (Contd..)

Financial year ended on 31st March 2022:

(₹ in Lakhs)

Particulars	Pigments	Agro Chemicals	Unallocable	Total
Revenue				
External Sales	75,129.49	1,71,701.60	-	2,46,831.09
Other Operating Revenue	421.27	2,144.79	-	2,566.06
Total Revenue	**75,550.76**	**1,73,846.39**	-	**2,49,397.15**
Results				
Segment Results	6,533.39	34,994.27	-	41,527.66
Un-allocable (Expenses)/Income	-	-	38.23	38.23
Profit from Operation	-	-	-	**41,565.89**
Finance Cost	-	-	-	(933.29)
Profit before exceptional items				**40,632.60**
Exceptional Items	-	611.14	-	611.14
Profit Before Tax	-	-	-	**41,243.74**
Income tax Expenses	-	-	-	(8,694.95)
Deferred Tax (Expenses)/Income	-	-	-	(1,751.57)
Profit After Tax				**30,797.22**

(₹ in Lakhs)

Other information	Pigments	Agro Chemicals	Unallocable	Total
Capital Addition	2,315.67	21,473.57	67.93	23,857.17
Depreciation	(1,884.50)	(3,765.27)	(349.14)	(5,998.91)
Non-Cash Items	(531.86)	(1,023.00)	(2,428.27)	(3,983.13)

(₹ in Lakhs)

Balance sheet	Pigments	Agro Chemicals	Unallocable	Total
Assets				
Segment Assets	83,990.26	1,63,936.51	-	2,47,926.77
Un-allocable Assets	-	-	25,370.70	25,370.70
Total assets				**2,73,297.47**
Liabilities				
Segment Liabilities	35,439.95	85,031.39	-	1,20,471.34
Unallocable Liabilities	-	-	2,620.80	2,620.80
Deferred Tax Liabilities	-	-	-	6,199.11
Total Liabilities				**1,29,291.25**

Segment Revenue:

Segment revenue is analysed based on the location of customers regardless of where the goods are produced. The following provides an analysis of the Company's sales by geographical Markets:

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Revenue:		
Within India	31,359.70	35,602.84
Outside India	2,24,314.21	2,13,794.31
Total	**2,55,673.91**	**2,49,397.15**

Notes to the Standalone Financial Statements
for the year ended 31st March 2023

43.SEGMENT REPORTING (Contd..)

The following is an analysis of the carrying amount of non-current assets, which do not include income tax assets Investment in Subsidiaries and financial assets analysed by the geographical area in which the assets are located:

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Carrying amount of segment assets		
Within India	1,15,347.80	93,867.11
Outside India	-	-

The Company has one customer (31 March 2022 - One Customer) based outside India which has accounted for more than 10% of the Company's revenue. Total amount of revenue from this customer is ₹ 25,759.85 Lakhs for the year ended March 31, 2023 and revenue of ₹ 34,810.62 Lakhs for the year ended March 31, 2022.

Notes

(1) Based on “management approach” defined under Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the company’s performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along these segments.

(2) The Company's operations are divided into two segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of :

a) Agro Chemicals - The Company’s operation includes manufacture and marketing of technical, intermediates and formulation of Crop Protection Chemicals.

b) Pigment Business - The Company’s operation includes manufacture and marketing of Phthalocynine Green 7, Copper Phthalocynine Blue (CPC), Alpha Blue and Beta Blue.

(3) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

44 RELATED PARTIES DISCLOSURES :-

Subsidiaries of the Company :	Meghmani Organics USA, Inc.(MOL-USA) PT Meghmani Organics Indonesia(MOL-INDONESIA) Meghmani Overseas FZE-Dubai Meghmani Crop Nutrition Limited (Formerly Known as Meghmani Synthesis Limited) Kilburn Chemicals Limited (w.e.f. 16.12.2021)
Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence :	Meghmani Pigments Ashish Chemicals Tapsheel Enterprise Meghmani Finechem Limited Meghmani Dyes & Intermediates LLP Meghmani Industries Limited Meghmani Chemicals Limited Arjan Owners LLP (Formerly Panchratna Corporation) Meghmani LLP (Formerly Meghmani Unichem LLP)

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

44 RELATED PARTIES DISCLOSURES :-

	Matangi Industries LLP
	Navratan Specialty Chemicals LLP
	Meghmani Exports Limitada S.A.De CV
	Meghmani Foundation
Key Managerial Personnel :	Mr. Jayanti Patel (Executive Chairman)
	Mr. Ashish Soparkar (Managing Director)
	Mr. Natwarlal Patel (Managing Director)
	Mr. Ramesh Patel (Executive Director)
	Mr. Anand Patel (Executive Director)
	Mr. Ankit Patel (CEO)
	Mr. Darshan Patel (COO)
	Mr. Karana Patel (COO)
	Mr. G.S. Chahal (Chief Financial Officer)
	Mr. Kamlesh Mehta (Company Secretary) (up to 20.05.2021)
	Mr. Jayesh R Patel (Company Secretary) (w.e.f 21.05.2021)
Independent Directors :	Mr. Bhaskar Rao (up to 05.05.2022)
	Mr. C S Liew (up to 05.05.2022)
	Ms. Urvashi Shah
	Mr. Manubhai Patel
	Dr. (Prof) Ganapati Yadav
	Dr. Varesh Sinha (w.e.f 22.07.2022)
	Mr. Shalin Mehta (w.e.f 22.07.2022)
Relatives of Key Managerial Personnel :	Ms. Deval Soparkar (up to 31.10.2022)
	Mr. Maulik Patel
	Mr. Kaushal Soparkar
	Ms. Taraben Patel

Notes to the Standalone Financial Statements
for the year ended 31st March 2023

44 RELATED PARTIES DISCLOSURES :- (Contd..)

Transactions with Related Parties in Ordinary Course of Business

₹ In Lakhs

Particulars	Subsidiary		Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Purchase of Goods	-	-	21,644.18	19,657.46	-	-	-	-	21,644.18	19,657.46
Sale of Goods	5,785.41	4,856.66	758.57	1,176.74	-	-	-	-	6,543.98	6,033.40
Sale of Services / Assets	120.91	-	-	-	-	-	-	-	120.91	-
Availing of Services	-	-	211.16	185.64			-	-	211.16	185.64
Sitting Fees					45.45	24.18			45.45	24.18
Remuneration	-	-	-	-	2,194.58	2,678.04	12.72	18.42	2,207.30	2,696.46
Loans Given	582.80	-	-	-	-	-	-	-	582.80	-
Investment in Equity Shares	-	1,215.00	1.50	-					1.50	1,215.00
Investment in Perpetual Securities	12,254.00	12,326.00							12,254.00	12,326.00
Sale of MEIS Licences	67.98	-	-	232.41	-	-	-	-	67.98	232.41
Reimbursement of Expenses	-	-	90.91	88.06	-	-	-	-	90.91	88.06
Legal & Professional Fees	-	-	-	-	-	19.99	-	-	-	19.99
Interest Accrued	1.98	-							1.98	-
Dividend Paid	-	-	-	-	1,430.30	1,322.92	150.38	146.18	1,580.68	1,469.10
Dividend on RPS	-	-	1,638.47	1,539.43	-	-	-	-	1,638.47	1,539.43

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

44 RELATED PARTIES DISCLOSURES :- (Contd..)

Outstanding Balances with Related Parties

₹ In Lakhs

Particulars	Subsidiary		Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Receivables	2,620.43	1,496.77	240.30	327.17	-	-	-	-	2,860.73	1,823.94
Payables	-	-	2,921.68	4,468.91	-	-	-	-	2,921.68	4,468.91
Remuneration Payable	-	-	-	-	1,625.86	2,126.16	-	1.35	1,625.86	2,127.51
Dividend Receivable on RPS	-	-	1,474.63	1,385.48	-	-	-	-	1,474.63	1,385.48
Loan Given	584.78	-	-	-	-	-	-	-	584.78	-

Terms and Conditions of transactions with related parties

(1) The Company's transactions with related parties are at arm's length. Management believes that the company's Domestic and International transactions with related parties post March 31, 2022 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the period end. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

(2) For the year ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(3) The future liability for Gratuity and Compensated Absence is provided on aggregated basis for all the employees of the Company taken as a whole, the amount pertaining to KMPs is not ascertainable separately and therefore not included above.

Commitments with Related Parties

During the current year, the Company has given Corporate Guarantee on behalf of its wholly owned Subsidiaries viz: Kilburn Chemicals Limited and Meghmani Crop Nutrition limited (formerly known as Meghmani Synthesis Limited). Refer Note 42 for details in respect of guarantees given.

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

44 RELATED PARTIES DISCLOSURES :- (Contd..)

DISCLOSURE IN RESPECT OF TRANSACTION WITH RELATED PARTY DURING THE YEAR:

₹ In Lakhs

Party Name		Nature of Transaction	For the year ended 31st March 2023	For the year ended 31st March 2022
Meghmani Organics USA Inc.	Subsidiary	Sale of Goods	5,785.41	4,856.66
		Total	**5,785.41**	**4,856.66**
Kilburn Chemicals Limited	Subsidiary	Sale of Assets	120.91	-
		Total	120.91	-
Kilburn Chemicals Limited	Subsidiary	Sale of MEIS Licences	67.98	-
		Total	**67.98**	**-**
Kilburn Chemicals Limited	Subsidiary	Investment in Perpetual Securities	12,254.00	12,326.00
		Total	**12,254.00**	**12,326.00**
Kilburn Chemicals Limited	Subsidiary	Investment in Equity Shares	-	1,215.00
		Total	**-**	**1,215.00**
Meghmani Crop Nutrition Limited	Subsidiary	Loan and Advance	582.80	-
		Total	**582.80**	**-**
Meghmani Crop Nutrition Limited	Subsidiary	Interest Accrued	1.98	-
		Total	**1.98**	**-**
Meghmani Foundation	Enterprises in which Directors & KMP have significant influence	Investment	1.50	-
		Total	**1.50**	**-**
Meghmani Finechem Limited	Enterprises in which Directors & KMP have significant influence	Dividend on RPS	1,638.47	1,539.43
		Total	**1,638.47**	**1,539.43**
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Sale of Goods	35.93	-
Meghmani Industries Limited -SEZ	Enterprises in which Directors & KMP have significant influence	Sale of Goods	20.10	11.74
Meghmani Dyes & Intermediate LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	246.99	266.01
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Sale of Goods	-	1.10
Meghmani LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	-	3.35

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

44 RELATED PARTIES DISCLOSURES :- (Contd..)

₹ In Lakhs

Party Name		Nature of Transaction	For the year ended 31st March 2023	For the year ended 31st March 2022
Meghmani LLP-SEZ	Enterprises in which Directors & KMP have significant influence	Sale of Goods	28.33	28.34
Navratan Speciality Chemical LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	5.12	4.43
Meghmani Exports Limitada S.A. DE C.	Enterprises in which Directors & KMP have significant influence	Sale of Goods	422.10	861.77
		Total	**758.57**	**1,176.74**
Meghmani Finechem Limited	Enterprises in which Directors & KMP have significant influence	Sale of MEIS Licenses	-	232.41
		Total	**-**	**232.41**
Meghmani Finechem Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	18,908.89	16,723.19
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	1,260.08	1,256.39
Ashish Chemical	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	22.50	9.21
Matangi Industries LLP	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	0.74	3.88
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	17.84	-
Meghmani Dyes & Intermediate Ltd	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	0.94	0.76
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Assets	-	10.93
Delta Electricals	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	-	1.18
Meghmani LLP	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	1,419.27	1,651.92
Meghmani Exports Limiada S.A. DE C.	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	13.92	-
		Total	**21,644.18**	**19,657.46**

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

44 RELATED PARTIES DISCLOSURES :- (Contd..)

₹ In Lakhs

Party Name		Nature of Transaction	For the year ended 31st March 2023	For the year ended 31st March 2022
Arjan Owners LLP (Formerly Panchratna Corporation)	Enterprises in which Directors & KMP have significant influence	Availing of Services	211.16	185.64
		Total	**211.16**	**185.64**
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	47.92	39.85
Meghmani Dyes & Intermediate Ltd	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	10.27	11.12
Meghmani LLP SEZ	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	20.83	22.15
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	7.70	11.57
Ashish Chemicals	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	4.19	3.37
		Total	**90.91**	**88.06**
Bhaskar Rao	Independent Directors	Legal & Professional Fees	-	7.78
Liew Ching Seng	Independent Directors	Legal & Professional Fees	-	12.21
		Total	**-**	**19.99**
Jayanti Patel	Key Managerial Personnel	Managerial Remuneration	502.59	627.51
Ashish Soparkar	Key Managerial Personnel	Managerial Remuneration	501.61	626.58
Natwarlal Patel	Key Managerial Personnel	Managerial Remuneration	502.61	627.41
Ramesh Patel	Key Managerial Personnel	Managerial Remuneration	342.42	417.42
Anand Patel	Key Managerial Personnel	Managerial Remuneration	261.82	311.82
G.S Chahal	Key Managerial Personnel	Salary	58.40	47.52
Kamlesh Mehta	Key Managerial Personnel	Salary	-	3.35
Jayesh R Patel	Key Managerial Personnel	Salary	25.13	16.43
		Total	**2,194.58**	**2,678.04**
Ms. Deval Soparkar	Relatives of Key Managerial Personnel	Salary	12.72	18.42
		Total	**12.72**	**18.42**
Ganapati Dadasaheb Yadav	Independent Directors	Sitting Fees	6.50	5.48
Ms. Urvashi Shah	Independent Directors	Sitting Fees	7.35	6.60

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

44 RELATED PARTIES DISCLOSURES :- (Contd..)

₹ In Lakhs

Party Name		Nature of Transaction	For the year ended 31st March 2023	For the year ended 31st March 2022
Manubhai K Patel	Independent Directors	Sitting Fees	8.10	6.60
Bhaskar Rao	Independent Directors	Sitting Fees	8.90	2.75
Varesh Sinha	Independent Directors	Sitting Fees	2.33	-
Liew Ching Seng	Independent Directors	Sitting Fees	12.27	2.75
		Total	**45.45**	**24.18**
Jayanti Patel	Key Managerial Personnel	Dividend	262.65	252.34
Ashish Soparkar	Key Managerial Personnel	Dividend	359.35	357.57
Natwarlal Patel	Key Managerial Personnel	Dividend	364.98	290.36
Ramesh Patel	Key Managerial Personnel	Dividend	237.40	222.40
Anand Patel	Key Managerial Personnel	Dividend	116.17	110.50
Karana Patel	Key Managerial Personnel	Dividend	27.59	27.59
Ankit Patel	Key Managerial Personnel	Dividend	46.11	46.11
Darshan Patel	Key Managerial Personnel	Dividend	16.05	16.05
		Total	**1,430.30**	**1,322.92**
Deval Soparkar	Relatives of Key Managerial Personnel	Dividend	5.75	5.75
Maulik Patel	Relatives of Key Managerial Personnel	Dividend	21.98	17.78
Kaushal Soparkar	Relatives of Key Managerial Personnel	Dividend	19.61	19.61
Taraben Patel	Relatives of Key Managerial Personnel	Dividend	103.04	103.04
Outstanding Balance		**Total**	**150.38**	**146.18**
	Total		**46,991.30**	**45,487.13**

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Payable		
Arjan Owners LLP	16.28	14.16
Ashish Chemicals	22.50	-
Meghmani Dyes & Intermediate Ltd.	0.94	-
Meghmani Finechem Ltd.	1,827.01	3,858.06
Meghmani Industries Ltd.	17.84	-
Meghmani LLP	554.68	389.23
Meghmani Pigments	482.43	207.46
Total	**2,921.68**	**4,468.91**
Receivables		
Meghmani Dyes & Intermediate LLP	76.49	27.59
Meghmani Industries Ltd.	32.64	-
Meghmani LLP-SEZ	-	7.43
Meghmani Organics USA Inc	2,620.43	1,496.77
Navratan Speciality Chemical LLP	2.29	3.04
Meghmani Exports Limitada S.A.De CV	128.88	289.11
Total	**2,860.73**	**1,823.94**
Dividend Receivable on RPS		
Meghmani Finechem Ltd.	1,474.63	1,385.48
Total	**1,474.63**	**1,385.48**
Loan Given		
Meghmani Crop Nutrition Limited	584.78	-

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

44 RELATED PARTIES DISCLOSURES :- (Contd..)

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Total	**584.78**	**-**
Remuneration Payable		
Jayanti Patel	404.25	529.25
Ashish Soparkar	404.25	529.25
Natwarlal Patel	404.25	529.25
Ramesh Patel	244.25	319.25
Anand Patel	164.25	214.25
G.S Chahal	2.62	3.34
Jayesh R Patel	1.99	1.57
Deval Soparkar	-	1.35
Total	**1,625.86**	**2,127.51**

45 - Financial instruments – Fair Value Hierarchy

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the Financial Statements.

A. Category-wise classification of financial instrument

The carrying value of financial instruments by categories as of March 31, 2023 is as follows:

31st March 2023	Carrying amount			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
Financial Assets				
Non-Current Investments (Refer Note 5)	15,000.00	322.68	0.03	15,322.71
Non-Current Other Financial Assets (Refer Note 6)	-	-	699.35	699.35
Current investments (Refer Note 10)	3,000.44	-	-	3,000.44
Trade Receivables (Refer Note 11)	-	-	54,063.24	54,063.24
Cash and Cash Equivalents (Refer Note 12)	-	-	2,758.61	2,758.61
Bank Balances (Other than above) (Refer Note 13)	-	-	158.15	158.15
Loans (Refer Note 14)	-	-	623.49	623.49
Other Current Financial Asset (Refer Note 15)			8,930.68	8,930.68
Total Financial Assets	**18,000.44**	**322.68**	**67,233.55**	**85,556.67**
Financial Liabilities				
Non-Current Borrowings (Refer Note 19)	-	-	27,377.11	27,377.11
Non Current Lease liabilities (Refer Note 20)	-	-	186.61	186.61
Non Current Financial Liabilities (Refer Note 21)	1,630.87	-	42.73	1,673.60
Current Borrowings (Refer Note 24)	-	-	41,890.63	41,890.63
Current Lease liabilities (Refer Note 20)	-	-	157.70	157.70
Trade Payables (Refer Note 25)	-	-	43,968.92	43,968.92
Other Current Financial Liabilities (Refer Note 26)	442.04	-	8,023.31	8,465.35
Total Financial Liabilities	**2,072.91**	**-**	**1,21,647.01**	**1,23,719.92**

Note: Investment in Subsidiaries are accounted at cost.

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

45 - Financial instruments – Fair Value Hierarchy (Contd..)

The carrying value of financial instruments by categories as of March 31, 2022 is as follows:

(₹ in Lakhs)

31st March 2022	Carrying amount			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
Financial Assets				
Non-Current Investments (Refer Note 5)	21,091.99	57.18	0.03	21,149.20
Non-Current Other Financial Assets (Refer Note 6)	-	-	1,218.01	1,218.01
Trade Receivables (Refer Note 11)	-	-	54,314.90	54,314.90
Cash and Cash Equivalents (Refer Note 12)	-	-	906.33	906.33
Bank Balances (Other than above) (Refer Note 13)	-	-	77.12	77.12
Loans (Refer Note 14)	-	-	47.90	47.90
Other Current Financial Asset (Refer Note 15)			13,971.42	13,971.42
Total Financial Assets	**21,091.99**	**57.18**	**70,535.71**	**91,684.88**
Financial Liabilities				
Non-Current Borrowings (Refer Note 19)	-	-	20,878.62	20,878.62
Non Current Lease liabilities (Refer Note 20)	-	-	344.31	344.31
Non Current Financial Liabilities (Refer Note 21)	88.53	-	26.91	115.44
Current Borrowings (Refer Note 24)	-	-	28,547.53	28,547.53
Current Lease liabilities (Refer Note 20)	-	-	142.94	142.94
Trade Payables (Refer Note 25)	-	-	57,245.25	57,245.25
Other Current Financial Liabilities (Refer Note 26)	15.62	-	7,732.47	7,748.09
Total Financial Liabilities	**104.15**	**-**	**1,14,918.03**	**1,15,022.18**

Note: Investment in Subsidiaries are accounted at cost.

B. Measurement of Fair values and Sensitivity analysis

Fair value hierarchy:

The fair value of the Financial Assets and Liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Company uses the following hierarchy for determining and/or disclosing the fair value of Financial Instruments by valuation techniques:

(i) Level 1: quoted prices (unadjusted) in active markets for identical Assets or Liabilities.

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the Assets or Liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

(iii) Level 3: inputs for the Assets or Liabilities that are not based on observable market data (unobservable inputs).

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

45 - Financial instruments – Fair Value Hierarchy (Contd..)

Financial instrument measured at fair value

₹ In Lakhs

Financial assets / financial liabilities	Fair value as at 31st March 2023	Fair value as at 31st March 2022	Fair value hierarchy
Investment at FVTOCI (unquoted) (Refer Note 5)	322.68	57.18	Level 3
Investment at FVTPL (unquoted) (Refer Note 5)	15,000.00	21,091.99	Level 3
Investment at FVTPL (Quoted) (Refer Note 10)	3,000.44	-	Level 1
Mark to Market Derivative Liabilities on Interest rate swap and Cross Currency Swap Valued at FVTPL (Refer Note 21 and 26)	2,072.91	104.15	Level 2

Financial instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Reconciliation of level 1 fair values

The following table shows a reconciliation from the opening balance to the closing balances for level 1 fair values representing investment in short term liquid mutual funds.

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Opening balance	(0.00)	10,243.86
Net change in fair value (unrealised)	0.59	(72.64)
Purchases	41,697.92	12,899.36
Sales	(38,698.07)	(23,070.58)
Closing balance	3,000.44	(0.00)

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorised within Level 2 of the fair value hierarchy is based on the Fair value as ascertained and provided by the bank.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2023 and 31 March 2022 are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
FVTPL assets in unquoted RPS of Meghmani Finechem Limited	DCF Method	Weighted average cost of debt	31 March 2023: 8.00% 31 March 2022: 8.00%	1% (31 March 2022: 1%) increase (decrease) in the weighted average cost of debt would result in decrease (increase) in fair value by ₹ 1,847 Lakhs (31 March 2022: ₹ 1,847 Lakhs).
FVTOCI assets in unquoted CCD of AMP Energy C&I Two Private Limited	Cost (asset based) approach	Cost of individual assets	NA	1% (31 March 2022: NA) increase (decrease) in the cost of individual assets would result in increase / (decrease) in fair value by ₹ 11.84 Lakhs (31 March 2022: NA)

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

45 - Financial instruments – Fair Value Hierarchy (Contd..)

Reconciliation of fair value measurement of unquoted RPS classified as FVTPL assets:

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Opening balance	21,091.99	20,145.95
Re-measurement recognised in profit and loss	-	946.04
Purchases	-	-
Redemption	6,091.99	-
Closing balance	**15,000.00**	**21,091.99**

Reconciliation of fair value measurement of unquoted Compulsorily Convertible Debentures (CCD) classified as FVOCI assets:

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Opening balance	-	-
Re-measurement recognised in profit and loss	-	-
Purchases	237.60	-
Redemption	-	-
Purchases	**237.60**	**-**

Reconciliation of fair value measurement of unquoted equity shares classified as FVOCI assets:

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Opening balance	57.18	57.18
Re-measurement recognised in profit and loss	-	-
Purchases	27.90	-
Redemption	-	-
Closing balance	**85.08**	**57.18**

Financial Risk Management Framework

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends risk management objectives and policies. The activities of this operations include management of cash resources, hedging of foreign currency exposure, credit control and ensuring compliance with market risk limits and policies.

The Company's principal Financial Liabilities, other than Derivatives, comprises of Long Term and Short Term Borrowings, Trade and Other Payables, and Financial Liabilities. The main purpose of these Financial Liabilities is to finance the Company's operations. The Company's principal Financial Assets include Loans, Trade and Other Receivables, Cash and Cash Equivalents, Other Bank Balances and other Financial Assets that derive directly from its operations.

The Company has an effective risk management framework to monitor the risks controls in key business processes. In order to minimise any adverse effects on the bottom line, the Company takes various mitigation measures such as credit control, foreign exchange forward contracts to hedge foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Company has exposure to the following risks arising from financial instruments

- Credit risk ;
- Liquidity risk ; and
- Market risk

Notes to the Standalone Financial Statements
for the year ended 31st March 2023

45 - Financial instruments – Fair Value Hierarchy (Contd..)

i. **Credit Risk**

Credit risk is the risk that counter party will not meet its obligation leading to a financial loss. The Company is exposed to credit risk arising from its operating activities primarily from trade receivables and from financing activities primarily relating to parking of surplus funds as Deposits with Banks. The Company considers probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period.

The carrying amount of following Financial Assets represents the maximum credit exposure:

Financial instruments and cash deposit

Credit risk from balances with Banks and Financial Institutions is managed by the Company's treasury department. Investments of surplus funds are made only with approved counter parties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Trade Receivables

The Sales Department has established a Credit Policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the Board of Directors.

Trade Receivables of the Company are typically unsecured ,except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its Customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts Receivables. The Company evaluates the concentration of risk with respect to trade receivables as low, as its Customers are located in several jurisdictions and industries and operate in largely independent markets.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

The maximum exposure to Credit Risk for Trade Receivables by geographic region are as follows:

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Domestic	11,015.20	13,035.44
Other Regions	43,048.04	41,279.46
Total	**54,063.24**	**54,314.90**

Age of Receivables

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Neither due nor impaired	34,280.38	43,895.65
Past due 1–90 days	10,027.01	8,725.25
Past due 91–180 days	2,998.99	960.63
More than 180 days	6,756.86	733.37
Total	**54,063.24**	**54,314.90**

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

45 - Financial instruments – Fair Value Hierarchy (Contd..)

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer Credit Risk, including underlying customers' credit ratings if they are available.

Management estimates that the amount of provision of ₹ 972.70 Lakhs (31st March, 2022: ₹ 942.33 Lakhs) is appropriate

ii. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI, FVTPL and amortised cost investments and derivative financial instruments.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of actual sales and purchases and 12-month period for foreign currency loans. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Exposure to Currency Risk

The currency profile of financial assets and financial liabilities as at March 31, 2023 and March 31, 2022 are as below:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ , are as follows

₹ In Lakhs

Particulars	31st March 2023 Total	USD Denominated exposure	Euro Denominated exposure	INR
Financial Assets				
Trade Receivables	54,063.24	39,750.95	3,297.09	11,015.20
Total	**54,063.24**	**39,750.95**	**3,297.09**	**11,015.20**
Financial Liabilities				
Non Current Borrowings	27,377.11	16,723.34	10,653.78	(0.01)
Non Current Lease liabilities	186.61	-	-	186.61
Other Non-Current Financial Liabilities	1,673.60	-	-	1,673.60
Current Borrowings	41,890.63	4,694.89	28,663.14	8,532.60
Current Lease liabilities	157.70			157.70
Trade Payables	43,968.92	10,609.22	178.88	33,180.82
Other Current Financial Liabilities	8,465.35	83.06	66.69	8,315.60
Total	**123,719.92**	**32,110.51**	**39,562.49**	**52,046.92**

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

45 - Financial instruments – Fair Value Hierarchy (Contd..)

₹ In Lakhs

Particulars	31st March 2022 INR	USD Denominated exposure	Euro Denominated exposure	INR
Financial Assets				
Trade Receivables	54,314.90	36,486.61	4,780.21	13,048.08
Total	**54,314.90**	**36,486.61**	**4,780.21**	**13,048.08**
Financial Liabilities				
Non Current Borrowings	20,878.62	12,696.95	8,181.67	-
Non Current Lease liabilities	344.31	-	-	344.31
Other Non-Current Financial Liabilities	115.44	-	-	115.44
Current Borrowings	28,547.53	13,887.80	8,341.93	6,317.80
Current Lease liabilities	142.94			142.94
Trade Payables	57,245.25	13,936.35	98.02	43,210.88
Other Current Financial Liabilities	7,748.09	8.16	17.13	7,722.80
Total	**1,15,022.18**	**40,529.26**	**16,638.75**	**57,854.17**

Forward Contracts outstanding as at reporting period

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Contract for buying foreign currency (USD)	1,684.41	-

Unhedged Foreign Currency exposure as at reporting period

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Trade Receivables	24,363.77	8,654.30
Current Borrowings	23,927.22	3,676.87
Non current Borrowings	27,377.11	20,878.62

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars and Euro at March 31 would have affected the measurement of financial instruments denominated in US dollars and Euro and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

₹ In Lakhs

Effect in INR	Profit or (Loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March 2023				
5% movement				
USD	297.80	(297.80)	222.85	(222.85)
EUR	(1,813.27)	1,813.27	(1,356.91)	1,356.91

₹ In Lakhs

Effect in INR	Profit or (Loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March 2022				
5% movement				
USD	(202.13)	202.13	(151.26)	151.26
EUR	(592.93)	592.93	(443.70)	443.70

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

45 - Financial instruments – Fair Value Hierarchy (Contd..)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a Financial Instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's Long-term and Short term Debt Obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to Interest Rate Risk

Company's Interest Rate Risk arises from Borrowings Obligations. Borrowings issued exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing Financial Instruments as reported to the management of the Company is as follows.

₹ In Lakhs

Variable-rate instruments	31st March 2023	31st March 2022
Non Current - Borrowings	27,377.11	20,878.62
Current - Borrowings	41,890.63	28,547.53
Total	**69,267.74**	**49,426.15**

Cash Flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

₹ In Lakhs

Particulars	Profit or (Loss)		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31st March 2023				
Non Current - Borrowings	(273.77)	273.77	(204.87)	204.87
Current - Borrowings	(418.91)	418.91	(313.48)	313.48
Total	**(692.68)**	**692.68**	**(518.34)**	**518.34**
31st March 2022				
Non Current - Borrowings	(208.79)	208.79	(156.24)	156.24
Current - Borrowings	(285.48)	285.48	(213.63)	213.63
Total	**(494.26)**	**494.26**	**(369.87)**	**369.87**

iii. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

45 - Financial instruments – Fair Value Hierarchy (Contd..)

Exposure to Liquidity Risk

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The table below summarises the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

₹ In Lakhs

31st March 2023	Carrying amount	Contractual cash flows				
		Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
Derivative Contracts (Refer Note 21 and 26)						
AXIS Bank Limited	913.46	913.46	214.89	212.95	485.62	-
Indusind Bank Limited	1,159.46	1,159.46	227.05	286.29	646.12	-

₹ In Lakhs

31st March 2023	Carrying amount	Contractual cash flows				
		Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities (Refer Note 19)						
Rupee Term Loans from Banks						
AXIS Bank Limited	12,696.95	12,696.95	2,987.01	2,959.94	6,750.00	-
Indusind Bank Limited	14,535.46	14,535.46	2,846.46	3,589.00	8,100.00	-
Total	**27,232.41**	**27,232.41**	**5,833.47**	**6,548.94**	**14,850.00**	**-**
Foreign Currency Term Loans from banks						
SBI Bank Limited	6,097.22	6,097.22	2,437.61	2,434.28	1,225.33	-
AXIS Bank Limited	2,596.39	2,596.39	1,727.73	868.66	-	-
Kotak Mahindra Bank Ltd	4,349.72	4,349.72	2,899.81	1,449.91		
Total	**13,043.33**	**13,043.33**	**7,065.15**	**4,752.85**	**1,225.33**	**-**
Working Capital loans from banks (Refer Note 24)	28,992.00	28,992.00	28,992.00	-	-	-
Trade Payables (Refer Note 25)	43,968.92	43,968.92	43,968.92	-	-	-

₹ In Lakhs

31st March 2022	Carrying amount	Contractual cash flows				
		Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
Derivative Contracts (Refer Note 21 and 26)						
AXIS Bank Limited	104.15	104.15	15.62	20.83	62.49	5.21
Non-Derivative Financial Liabilities (Refer Note 19)						
Rupee Term Loans from Banks						
AXIS Bank Limited	14,933.97	14,933.97	2,237.01	2,987.52	8,962.55	746.89

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

45 - Financial instruments – Fair Value Hierarchy (Contd..)

₹ In Lakhs

31st March 2022	Carrying amount	Contractual cash flows				
		Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
Total	**14,933.97**	**14,933.97**	**2,237.01**	**2,987.52**	**8,962.55**	**746.89**
Foreign Currency Term Loans from banks						
SBI Bank Limited	8,032.53	8,032.53	2,294.59	2,298.73	3,439.21	-
AXIS Bank Limited	4,069.52	4,069.52	1,625.80	1,629.15	814.57	
Total	**12,102.05**	**12,102.05**	**3,920.39**	**3,927.88**	**4,253.78**	**-**
Working Capital loans from banks (Refer Note 24)	22,390.13	22,390.13	22,390.13	-	-	-
Trade Payables (Refer Note 25)	57,245.25	57,245.25	57,245.25	-	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry

In order to avoid excessive concentrations of risk, the policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the company to manage risk concentrations at both the relationship and industry levels

46 : Leases

The Company has lease contracts for HO premise. Leases of HO premise is having lease terms of 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain premises in good state. The lease contract include extension and termination options which are further discussed below.

The Company also has Depots with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for this lease.

Terms of Cancellation and Escalation

The Leases are cancellable by giving one month notice by either parties and these does not carries any escalation.

(A) Leases as lessee

(i) The movement in Lease liabilities during the year

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Opening Balance	487.25	597.99
Additions during the year	-	-
Finance costs incurred during the year	36.01	46.58
Payments of Lease Liabilities	178.95	157.32
Closing Balance	**344.31**	**487.25**

Notes to the Standalone Financial Statements
for the year ended 31st March 2023

46 : Leases (Contd..)

(ii) The carrying value of the Rights-of-use and depreciation charged during the year :

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Opening Balance	4,585.99	4,154.20
Additions during the year	-	610.34
Depreciation charged during the year	(182.95)	(178.55)
Closing Balance	**4,403.04**	**4,585.99**

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Depreciation expense of right-of-use assets	182.95	178.55
Interest expense on lease liabilities	36.01	46.58
Expense relating to short-term leases (included in other expenses)	114.71	117.05
Total Expenses	**333.67**	**342.18**

(iv) Amounts recognised in statement of cash flows

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Total Cash outflow for Leases	178.95	157.32

(v) Maturity analysis of lease liabilities

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	180.92	178.95
One to five years	195.99	376.91
More than five years	-	-
Total undiscounted Lease Liability	**376.91**	**555.86**

Balances of Lease Liabilities

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Non Current Lease Liability	186.61	344.31
Current Lease Liability	157.70	142.94
Total Lease Liability	**344.31**	**487.25**

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

47 Ratios

₹ In Lakhs

Ratio	Numerator	Denominator	31st March 2023	31st March 2022	% change	Reason for variance above 25% year on year
Current Ratio	Current Assets	Current Liabilities	1.44	1.41	1.95%	No major variance
Debt-Equity Ratio	Current Borrowings + Non Current Borrowings + Lease Liabilities	Shareholder's Equity	0.42	0.35	21.28%	No major variance
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest & Lease payment + Other adjustment like loss on sale of Assets	Debt service = Interest & Lease Payments + Principal Repayments	0.77	1.28	-39.73%	There is a decrease in Debt service coverage ratio on account of increase in Working capital demand loans and increase in long term debt taken for funding new capacity expansion projects.
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	0.16	0.24	-31.53%	There is a decrease in return on equity ratio on account of decrease in Net profit for the year and increase in average shareholder's equity .
Inventory Turnover Ratio	Revenue from Operation	Average Inventory	4.10	4.98	-17.61%	No major variance
Trade Receivables Turnover Ratio	Revenue from Operation	Average Trade Receivable	4.72	5.26	-10.23%	No major variance
Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	3.15	3.92	-19.79%	No major variance
Net Capital Turnover Ratio	Revenue from Operation	Working capital = Current assets – Current liabilities	5.97	6.06	-1.44%	No major variance
Net Profit Ratio	Net Profit	Revenue from Operation	0.10	0.12	-20.69%	No major variance
Return on Capital Employed	Earnings before interest and taxes	"Capital Employed = Tangible Net Worth + Total Debt + Lease Liability + Deferred Tax Liability"	0.13	0.20	-35.02%	There is a decrease in return on capital employed on account of decrease in Net profit for the year and increase in capital employed.
Return on Investment	Interest (Finance Income)	Average of Investment in Subsidiary & Bank Deposit	3.9%	5.8%	-32.77%	There is decrease in the return on investment on account of decrease in interest income and Net gain on Investment in Mutual Funds and increase in average investments.

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

48 - Capital Management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2023 and March 31, 2022.

The Company monitors capital using a ratio of 'Adjusted Net Debt' to 'Adjusted Equity'. For this purpose, adjusted net debt is defined as total Liabilities, comprising Interest-bearing Loans and Borrowings less Cash and Cash Equivalents. Adjusted Equity Comprises all components of Equity.

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Total Interest bearing liabilities	69,267.74	49,426.15
Less : Cash and cash equivalent	2,758.61	906.33
Adjusted net debt	**66,509.13**	**48,519.82**
Total equity	**165,600.32**	**144,006.22**
Adjusted net debt to total equity ratio	0.40	0.34

49 - Loan to Subsidiary

The company has given unsecured loan amounting to ₹ 582.80 Lakhs to Meghmani Crop Nutrition Limited (formerly known as Meghmani Synthesis Limited) as per the agreement dated January 21, 2023 As per the terms of agreement, the loan carries an interest rate of 9.75% p.a. and has a tenure of 11 months.

50 - Acquisition of Kilburn Chemicals Limited

Kilburn Chemicals Limited (KCL) was admitted under Corporate Insolvency Resolution Process in terms of Insolvency and Bankruptcy Code, 2016 of India, whereby the Company was one of the bidders for its acquisition. The National Company Law Tribunal (NCLT), Kolkata Bench, vide its order dated December 16, 2021 approved the resolution plan of the Company for acquiring 100% stake in KCL for total consideration of ₹ 13,176.00 Lakhs. Pursuant to the approved resolution plan, the existing issued, subscribed and paid up share capital of KCL stands cancelled fully and KCL has become a wholly owned subsidiary of the Company.

51 -Composite Scheme of arrangement

(a) Pursuant to the Composite Scheme of Arrangement ("the Scheme") approved by NCLT Ahmedabad Bench vide its order dated 03 May 2021 (the "Order") the Agrochemicals and Pigments Division of Meghmani Organics Limited (MOL) along with its investment in Optionally Convertible Redeemable Preference Shares ("OCRPS") of Meghmani Finechem Limited (MFL) got demerged into the Company. Pursuant to the Scheme, the Company filed Information Memorandum with National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) and further filed the same with SEBI for the approval. The company received final approval from SEBI on July 30, 2021 pursuant to which it was listed with NSE and BSE on August 18,2021. Further, pursuant to the final order, excess provision of stamp duty amounting to ₹ 1,486.55 Lakhs has been reversed and accounted as other income for the year ended March 31, 2022.

Notes to the Standalone Financial Statements

for the year ended 31st March 2023

(b) Pursuant to the Scheme and on receipt of certificate of incorporation for change of name from the registrar of companies, Ahmedabad, Gujarat, the name of the Company has been changed from "Meghmani Organochem Limited" to "Meghmani Organics Limited" with effect from August 3, 2021.

As per the Scheme, Optionally Convertible Redeemable Preference Shares (OCRPS) issued by Meghmani Finechem Limited (MFL) was transferred to the Company. The investment in OCRPS of MFL was transferred from MOL at cost of ₹ 10,986.54. Subsequent to transfer of OCRPS, the Company had fair valued investment in OCRPS as per the requirements of Ind AS 109 and had opted for recognising the fair value difference through Statement of Profit and Loss. Fair value gain of ₹ 1,124.00 Lakhs was accounted in other income for the year ending March 31, 2021. Further, as per the Scheme, OCRPS issued by MFL were converted into Redeemable Preference Share (RPS) with same terms and conditions and tenure. The Company has fair valued the conversion of OCRPS to RPS as per the requirements of Ind AS 109 and the fair value gain of ₹ 946.04 Lakhs has been accounted as other income for the year ended March 31, 2022.

52 -Other Disclosures

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Company do not have any transactions with companies struck off. under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

Notes to the Standalone Financial Statements
for the year ended 31st March 2023

53 - Events occurred after the Balance Sheet date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior toapproval of financial statement to determine the necessity for recognition and/or reporting of any of these eventsand transactions in the financial statements. As of 28th April 2023 there were no material subsequent events to be recognized or reported that are not already disclosed, other than as disclosed below.

On April 16, 2023, there was a fire at warehouse of one of the manufacturing units of the Company at Panoli location majorly leading to loss of inventories. The potential cause of fire is under investigation and the damage and financial impact assessment is in progress. The assets of the Company are adequately covered under insurance through IAR (Industrial All Risk Policy). The insurance company was immediately informed and surveyor has been appointed in this regards

54 - Previous period figures have been regrouped / restated wherever necessary to make them comparable with those of the current year.

AS PER OUR REPORT OF EVEN DATE

FOR S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**
Partner
Membership No : 101974

Place : Ahmedabad
Date : 29th April 2023

For And on Behalf of The Board of Directors of Meghmani Organics Limited (Formerly known as Meghmani Organochem Limited) (CIN-L24299GJ2019PLC110321)

Ankit N Patel
Chief Executive Officer

G S Chahal
Chief Financial Officer

Jayesh R Patel
Company Secretary

J.M.Patel - Executive Chairman
(DIN - 00027224)

A.N.Soparkar - Managing Director
(DIN - 00027480)

N.M.Patel - Managing Director
(DIN - 00027540)

Place : Ahmedabad
Date : 29th April 2023

Consolidated Financial Statements

Independent Auditor's Report

To the Members of **Meghmani Organics Limited** (formerly known as Meghmani Organochem Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Meghmani Organics Limited (hereinafter referred to as "the Holding Company") (hereinafter referred to as "the Holding Company") its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition *(as described in Note 2 of the consolidated financial statements)*	
The Group majorly operates in two segments viz: Agro Chemicals and Pigment. The Group recognises revenue from sales of goods in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers, measured at fair value of the consideration received or receivable in the ordinary course of its activities. Revenue from sale of goods is recognised net of discounts, rebates and taxes.	Our audit procedures included the following: • We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls related to revenue recognition, including the timing of revenue recognition. • We tested sample of transactions on cut-off dates (either side of year-end) and assessed that revenue had been recognised in the appropriate accounting period.

Key audit matters	How our audit addressed the key audit matter
Certain terms in sales arrangements relating to timing for transfer of control to the customer and delivery specifications including incoterms, involves significant judgment in determining whether the revenue is recognised in the correct period.	• We performed procedures on contractual arrangements in respect of new and one-off fee income and evaluated the accounting by inspecting legal agreements and compared the amounts recognised to invoices and cash receipts. • We tested a sample of new distribution agreements entered into during the year and revenue sharing contracts with doctors in newly acquired businesses and assessed the Company's determination that they are acting as a principal rather than an agent. • We checked the Company's adherence to their revenue recognition policies and assessed that these policies are in accordance with Ind AS 115 'Revenue from Contracts with Customers'.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been reviewed by other auditor, such other auditor remain responsible for the direction, supervision and performance of the review carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements include total assets of ₹ 3,879.87 Lakhs as at March 31, 2023, and total revenues of ₹ 5,373.94 Lakhs and net cash outflows of ₹ 13.42 Lakhs for the year ended on that date. These financial statement and other financial information have been reviewed by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the 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-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of such other auditor.

The 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 reviewed 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 their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of two subsidiaries whose financial statements and other financial information reflect total assets of ₹ 0.92 Lakhs as at March 31, 2023, and total revenues of ₹ Nil and net cash inflows of ₹ Nil Lakhs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and , we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of subsidiaries and the other financial information of subsidiaries as noted in the 'other matter' paragraph we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

    (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

    (g) In our opinion the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

        i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 41 to the consolidated financial statements;

        ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 44 to the consolidated financial statements in respect of such items as it relates to the Group.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2023.

iv. (a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, , no funds have been received by the Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) As stated in note 16 to the consolidated financial statements, the respective Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company and its subsidiaries incorporated in India, hence reporting under this clause is not applicable.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN: 23101974BGUFLH5682

Place of Signature: Ahmedabad
Date: April 29, 2023

Annexure 1 to the Independent Auditor's report of even date on the Consolidated Financial Statements of Meghmani Organics Limited (formerly known as Meghmani Organochem Limited)

Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S.No	Name	CIN	Holding company/ subsidiary/ associate/ joint venture	Clause number of the CARO report which is qualified or is adverse
1	Kilburn Chemicals Limited	U24117GJ1990PLC135801	Subsidiary	xvii
2	Meghmani Crop Nutrition Limited (formerly known as Meghmani Synthesis Limited)	U24110GJ2021PLC119809	Subsidiary	xvii

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN: 23101974BGUFLH5682

Place of Signature: Ahmedabad
Date: April 29, 2023

Annexure 2 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Meghmani Organics Limited (Formerly known as Meghmani Organochem Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Meghmani Organics Limited (formerly known as Meghmani Organochem Limited) (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") , , which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974
UDIN: 23101974BGUFLH5682

Place of Signature: Ahmedabad
Date: April 29, 2023

Consolidated Balance Sheet

as at 31st March 2023

₹ in Lakhs except as stated otherwise

PARTICULARS	Note	31st March 2023	31st March 2022
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3.1	1,16,410.78	90,737.97
(b) Capital Work-in-Progress	3.2	34,557.22	18,056.01
(c) Intangible Assets	3.3	197.34	330.23
(d) Intangible Assets under development	3.2	992.42	774.68
(e) Financial Assets			
(i) Investments	4	15,323.66	21,149.20
(ii) Other Financial Assets	5	1,164.27	1,304.89
(f) Income Tax Assets (Net)	6	2,307.69	2,046.12
(g) Other Non-Current Assets	7	2,324.10	1,760.86
Total Non-Current Assets		**1,73,277.48**	**1,36,159.96**
Current Assets			
(a) Inventories	8	65,172.67	63,938.80
(b) Financial Assets			
(i) Investments	9	3,000.44	-
(ii) Trade Receivables	10	52,341.48	54,284.68
(iii) Cash and Cash Equivalents	11	3,105.68	1,048.99
(iv) Bank Balances other than (iii) above	12	158.15	77.12
(v) Loans	13	38.71	47.90
(vi) Other Financial Assets	14	8,931.68	13,971.42
(c) Other Current Assets	15	13,817.99	10,232.22
Total Current Assets		**1,46,566.80**	**1,43,601.13**
TOTAL ASSETS		**3,19,844.28**	**2,79,761.09**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	2,543.14	2,543.14
(b) Other Equity	17	1,64,379.61	1,44,079.30
Total Equity		**1,66,922.75**	**1,46,622.44**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	40,155.28	20,878.62
(ii) Lease liabilities	19	186.61	344.31
(iii) Other Financial Liabilities	20	1,673.60	115.44
(b) Provisions	21	1,576.06	1,607.32
(c) Deferred Tax Liabilities (Net)	22	5,735.00	6,113.46
(d) Other Non-Current Liabilities	23	591.53	591.53
Total Non-Current Liabilities		**49,918.08**	**29,650.68**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	41,890.63	28,571.98
(ii) Lease liabilities	19	157.70	142.94
(iii) Trade Payables	25	44,777.14	57,370.11
(iv) Other Financial Liabilities	26	12,874.08	10,846.79
(b) Other Current Liabilities	27	1,414.02	4,591.88
(c) Provisions	28	17.59	16.04
(d) Current Tax Liabilities (Net)	29	1,872.29	1,948.23
Total Current Liabilities		**1,03,003.45**	**1,03,487.97**
Total Liabilities		**1,52,921.53**	**1,33,138.65**
TOTAL EQUITY AND LIABILITIES		**3,19,844.28**	**2,79,761.09**
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of these Consolidated Financial Statements.

AS PER OUR REPORT OF EVEN DATE

FOR S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**
Partner
Membership No : 101974

Place : Ahmedabad
Date : 29th April 2023

For And on Behalf of The Board of Directors of Meghmani Organics Limited (Formerly known as Meghmani Organochem Limited) (CIN-L24299GJ2019PLC110321)

Ankit N Patel
Chief Executive Officer

G S Chahal
Chief Financial Officer

Jayesh R Patel
Company Secretary

J.M.Patel - Executive Chairman
(DIN - 00027224)

A.N.Soparkar - Managing Director
(DIN - 00027480)

N.M.Patel - Managing Director
(DIN - 00027540)

Place : Ahmedabad
Date : 29th April 2023

Consolidated Statement of Profit and Loss

for the year ended on 31st March 2023

₹ in Lakhs except as stated otherwise

PARTICULARS	Note	For the year ended 31st March 2023	For the year ended 31st March 2022
I - Revenue From Operations	30	2,55,262.43	2,49,845.81
II - Other Income	31	9,603.33	9,624.05
III - Total Income (I+II)		**2,64,865.76**	**2,59,469.86**
IV - Expenses			
Cost of Materials Consumed	32	1,51,861.22	1,59,756.66
Purchase of Stock-in-Trade		1,814.48	1,541.88
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	33	(2,770.55)	(15,978.33)
Employee Benefits Expense	34	12,953.21	11,956.97
Finance Costs	35	6,573.06	940.98
Depreciation and Amortization Expenses	3	7,706.35	6,265.26
Other Expenses	36	57,301.46	54,717.55
Total Expenses (IV)		**2,35,439.23**	**2,19,200.97**
V - Profit Before Exceptional Items and Tax (III-IV)		**29,426.53**	**40,268.89**
VI - Exceptional Items	37	(1,881.99)	(611.14)
VII - Profit Before Tax (V-VI)		**31,308.52**	**40,880.03**
VIII - Tax Expenses	22		
1 - Current Tax		7,945.87	8,825.22
2 - Adjustment of Tax Relating to Earlier Years		-	(80.05)
3 - Deferred Tax Charge / (Credit) (Net)		(408.17)	1,692.78
Total Tax Expenses (VIII)		**7,537.70**	**10,437.95**
IX. Net Profit For The Year (VII-VIII)		**23,770.82**	**30,442.08**
X. Other Comprehensive Income	38		
A (i) Items that will not be reclassified to Profit or Loss in Subsequent periods - Remeasurement gain on defined benefit plans		156.49	57.57
(ii) Income tax effect on above		(38.99)	(14.49)
B (i) Items that will be reclassified to Profit or Loss in Subsequent periods - Foreign Currency Translation of Foreign Operations		(36.91)	6.68
(ii) Income tax effect on above		9.29	(1.68)
Total Other Comprehensive Income For The Year, Net of Tax (X)		**89.88**	**48.08**
XI. Total Comprehensive Income For The Year (IX + X)		**23,860.70**	**30,490.16**
Profit For the Year Attributable to:			
Owners of the Company		23,770.82	30,442.08
Other Comprehensive Income For the Year Attributable to:			
Owners of the Company		89.88	48.08
Total Comprehensive Income For the Year Attributable to:			
Owners of the Company		23,860.70	30,490.16
XII. Earnings Per Equity Share (Face Value Per Share - Re 1 Each) (In ₹)	39		
Basic and Diluted		9.35	11.97
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of these Consolidated Financial Statements.

AS PER OUR REPORT OF EVEN DATE

FOR S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**
Partner
Membership No : 101974

Place : Ahmedabad
Date : 29th April 2023

For And on Behalf of The Board of Directors of Meghmani Organics Limited (Formerly known as Meghmani Organochem Limited) (CIN-L24299GJ2019PLC110321)

Ankit N Patel
Chief Executive Officer

G S Chahal
Chief Financial Officer

Jayesh R Patel
Company Secretary

J.M.Patel - Executive Chairman
(DIN - 00027224)

A.N.Soparkar - Managing Director
(DIN - 00027480)

N.M.Patel - Managing Director
(DIN - 00027540)

Place : Ahmedabad
Date : 29th April 2023

Consolidated Cash Flow Statement

for the year ended on 31st March 2023

₹ in Lakhs except as stated otherwise

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
A. Cash Flow from Operating Activities		
Profit Before Tax	31,308.52	40,880.03
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation and Amortisation Expenses	7,706.35	6,265.26
Unrealised Foreign Exchange (Gain) / Loss (Net)	(172.84)	(1,032.86)
Liability no longer Required written back	(1,926.70)	(1,798.68)
Dividend and Interest Income	(1,757.34)	(1,778.11)
Finance cost	6,573.06	940.98
(Reversal) / Provision of Bad Debt	30.37	(226.58)
Sundry Balance (Written Back)	(37.42)	(46.51)
Profit on Sale of Investments	(94.46)	(298.09)
Fair Value Gain on investment in RPS measured at FVTPL	-	(946.04)
Loss on Sale/Discard of Property, Plant & Equipment (Net)	228.56	73.73
Inventory Written off	-	24.24
Operating Profit Before Working Capital Changes	**41,858.10**	**42,057.37**
Adjustment for:		
(Increase)/Decease in Inventories	2,553.21	(25,945.17)
(Increase)/Decrease in Trade Receivables	2,015.84	(11,944.81)
(Increase)/Decrease in Short Term Loans	9.19	(8.04)
(Increase)/Decrease in Other Current Financial Assets	1,901.38	(8,840.64)
(Increase) in Other Current Assets	(3,548.35)	(4,608.20)
(Increase) in Other Non-Current Financial Assets	(391.48)	(175.77)
(Increase)/Decrease in Other Non-Current Assets	(65.18)	95.95
Increase/(Decrease) in Trade Payables	(12,560.05)	23,317.74
Increase/(Decrease) in Other Current Financial Liabilities	83.30	(432.36)
Increase/(Decrease) in Other Current Liabilities	(3,177.86)	2,319.14
Increase/(Decrease) in Other Non Current Financial Liabilities	15.82	(152.99)
(Decrease) in Other Non Current Liabilities	-	(0.36)
Increase in Provisions	126.78	314.26
Working Capital Changes	**(13,037.40)**	**(26,061.25)**
Cash Generated from Operation	**28,820.70**	**15,996.12**
Direct Taxes Paid (Net of Refund)	(8,373.53)	(9,512.90)
Net Cash Generated from Operating Activities	**20,447.17**	**6,483.22**
B. Cash Flow from Investment Activities		
Purchase of Property, Plant & Equipment (including CWIP and intangible assets)	(46,514.61)	(24,354.00)
Proceeds from sale of Property, Plant & Equipment	126.01	136.51
(Investment) in Fixed Deposits	(43,183.77)	(107.54)
Redemption of Fixed Deposits	43,172.09	-
(Investment) in earmarked balances with Banks	(85.57)	(11.43)
Dividend and Interest Received	1,802.49	500.19
Redemption of Redeemable Preference shares	6,091.99	-
Proceeds/(Investments)- Non - Current	(265.50)	-
Proceeds from Redemption of Mutual Fund	38,790.98	23,441.30
(Investment) in Mutual Fund	(41,697.92)	(12,899.36)
Net Cash (Used in) Investing Activities	**(41,763.81)**	**(13,294.33)**
C. Cash Flow from Financing Activities		
Dividend Paid	(3,563.83)	(3,548.97)
Finance cost Paid	(4,220.60)	(1,078.75)
Repayment of Finance Lease Liability	(178.95)	(157.32)
(Repayment)/proceeds from Short Term Borrowings	5,961.00	(417.61)
Proceeds from Bank Borrowing (Term Loan)	32,778.17	15,000.00
Repayment of Bank Borrowing (Term Loan)	(7,402.46)	(4,025.45)
Net Cash Generated From Financing Activities	**23,373.33**	**5,771.90**
Net (Decrease) / Increase in Cash and Cash Equivalent (A+B+C)	**2,056.69**	**(1,039.21)**
Cash and Cash Equivalent at the beginning of the Year	1,048.99	2,071.60

Consolidated Cash Flow Statement

for the year ended on 31st March 2023

₹ in Lakhs except as stated otherwise

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
Add - Cash and Cash Equivalent Acquired on account of business combination (Refer Note 51)	-	16.60
Cash and Cash Equivalent at the end of the Year	**3,105.68**	**1,048.99**
Reconciliation of Cash and Cash Equivalent		
Total Cash & Bank Balance as per Balance Sheet	3,105.68	1,048.99
Balance with Banks in Current Accounts	1,199.22	1,039.49
Fixed Deposit with Bank	1,900.00	-
Cash on Hand	6.46	9.50
Cash and Cash Equivalents (Refer Note 11)	**3,105.68**	**1,048.99**

Notes to the Cash Flow statement for the year ended on 31st March 2023.

1) The Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows issued by the Institute of Chartered Accountants of India.

2) Changes in liabilities arising from financing activities

₹ in Lakhs except as stated otherwise

Particulars	April 1, 2022	Cash flows	Other	March 31, 2023
Current borrowings (Note 24)	22,414.58	5,961.00	616.42	28,992.00
Lease liabilities (Note 19)	487.25	(178.95)	36.01	344.31
Non - current borrowings (including current portion of Long term Debt) (Note 18 and 24)	27,036.02	25,375.71	642.18	53,053.91
Accrued interest (Note 26)	107.63	(107.63)	183.08	183.08
Total liabilities from financing activities	**50,045.48**	**31,050.13**	**1,477.69**	**82,573.30**

₹ in Lakhs except as stated otherwise

Particulars	April 1, 2021	Cash flows	Other	March 31, 2022
Current borrowings (Note 24)	9,878.19	(417.61)	12,954.00	22,414.58
Lease liabilities (Note 19)	597.99	(157.32)	46.58	487.25
Non - current borrowings (including current portion of Long term Debt) (Note 18 and 24)	16,315.10	10,974.55	(253.63)	27,036.02
Accrued interest (Note 26)	26.33	(26.33)	107.63	107.63
Total liabilities from financing activities	**26,817.61**	**10,373.29**	**12,854.58**	**50,045.48**

The 'Other' column includes the effect of reclassification of non-current portion of borrowings, including lease liabilities to current due to the passage of time,repayment of short term debt aquired on acquisition of KCL (Refer note 51) and effect of Unrealised foreign currency amount on external commercial borrowings.

AS PER OUR REPORT OF EVEN DATE

FOR S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**
Partner
Membership No : 101974

Place : Ahmedabad
Date : 29th April 2023

Ankit N Patel
Chief Executive Officer

G S Chahal
Chief Financial Officer

Jayesh R Patel
Company Secretary

For And on Behalf of The Board of Directors of Meghmani Organics Limited (Formerly known as Meghmani Organochem Limited) (CIN-L24299GJ2019PLC110321)

J.M.Patel - Executive Chairman
(DIN - 00027224)

A.N.Soparkar - Managing Director
(DIN - 00027480)

N.M.Patel - Managing Director
(DIN - 00027540)

Place : Ahmedabad
Date : 29th April 2023

Consolidated Statement of Changes in Equity

for the year ended 31st March 2023

(a) Equity Share Capital (Refer Note 16)

Particulars	Note	No of Shares	₹ in Lakhs except as stated otherwise
Issued, Subscribed and fully paid equity shares of Re 1 each		-	-
As at 1st April 2021		**25,43,14,211**	**2,543.14**
Changes in Equity Share Capital due to prior period errors		-	-
Balance as at 1st April 2021		**25,43,14,211**	**2,543.14**
Changes in equity share capital during the year	16	-	-
As at 31st March 2022		**25,43,14,211**	**2,543.14**
Changes in Equity Share Capital due to prior period errors		-	-
Balance as at 1st April 2022		**25,43,14,211**	**2,543.14**
Changes in equity share capital during the year	16	-	-
As at 31st March 2023		**25,43,14,211**	**2,543.14**

(b) Other Equity

₹ in Lakhs except as stated otherwise

Particulars	Other Equity (Refer Note 17)						
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earning	Foreign Currency Translation Reserve	Total Other Equity
Opening Balance at April 1, 2021	**(6,991.82)**	**15,650.48**	**184.33**	**12,467.18**	**93,459.85**	**(10.04)**	**1,14,759.98**
Changes in accounting policy or prior period errors	-				-		-
Balance as at 1st April 2021	**(6,991.82)**	**15,650.48**	**184.33**	**12,467.18**	**93,459.85**	**(10.04)**	**1,14,759.98**
Profit for the year	-	-	-	-	30,442.08	-	30,442.08
Other Comprehensive Income for the year (net of taxes)	-	-	-	-	48.08	-	48.08
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**30,490.16**	**-**	**30,490.16**
Dividend Paid	-	-	-	-	(3,560.39)	-	(3,560.39)
Add : On account of Acquisition during the year (Refer Note 51)	2,382.87	-	-	-	-	-	2,382.87
Foreign Currency Translation Reserve	-	-	-	-	-	6.68	6.68
As at 31st March 2021	**(4,608.95)**	**15,650.48**	**184.33**	**12,467.18**	**1,20,389.62**	**(3.36)**	**1,44,079.30**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Balance as at 1st April 2022	**(4,608.95)**	**15,650.48**	**184.33**	**12,467.18**	**1,20,389.62**	**(3.36)**	**1,44,079.30**
Profit for the year	-	-	-	-	23,770.82	-	23,770.82
Foreign Currency Translation Reserve	-	-	-	-	-	(27.61)	(27.61)
Other Comprehensive Income for the year (net of taxes)	-	-	-	-	117.50	-	117.50
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**23,888.32**	**(27.61)**	**23,860.71**
Less : Dividend Paid	-	-	-	-	(3,560.40)	-	(3,560.40)
As at 31st March 2023	**(4,608.95)**	**15,650.48**	**184.33**	**12,467.18**	**1,40,717.54**	**(30.97)**	**1,64,379.61**

AS PER OUR REPORT OF EVEN DATE

FOR S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**
Partner
Membership No : 101974

Place : Ahmedabad
Date : 29th April 2023

For And on Behalf of The Board of Directors of Meghmani Organics Limited (Formerly known as Meghmani Organochem Limited) (CIN-L24299GJ2019PLC110321)

Ankit N Patel
Chief Executive Officer

G S Chahal
Chief Financial Officer

Jayesh R Patel
Company Secretary

J.M.Patel - Executive Chairman
(DIN - 00027224)

A.N.Soparkar - Managing Director
(DIN - 00027480)

N.M.Patel - Managing Director
(DIN - 00027540)

Place : Ahmedabad
Date : 29th April 2023

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

1. Corporate information

The consolidated financial statements comprise financial statements of Meghmani Organics Limited (Formerly Known as Meghmani Organochem Limited) (the Holding Company, Parent Company) and its subsidiaries (holding and subsidiary companies collectively, the Group) for the year ended 31st March 2023. Meghmani Organics Limited (the Company) is a public company limited by shares domiciled in India, incorporated under the provisions of Companies Act, 2013. Its shares are listed on Bombay Stock Exchange, and National Stock Exchange in India. The registered office of the company is located at Meghmani House, Nr. Safal Profitaire, Prahlad Nagar, Satellite, Ahmedabad 380015, Gujarat, India. The Group is engaged in manufacturing and selling of Pigments and Agrochemicals Information on the Group's structure is provided in Note 47.

The consolidated financial statements were authorized by board of directors on April 29, 2023.

2. Significant Accounting Policies

2.1 Basis for Preparation of Accounts

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended from time to time) and presentation requirements of Division II of schedule III to the Companies Act, 2013 (Ind As compliant Schedule III), as applicable to the standalone financial statements.

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

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

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

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. The proportion of ownership interest in each subsidiary of the parent is as follows:

Name of the Subsidiaries	Country of domicile	Proportion of ownership interest
Meghmani Organics USA Inc.	USA	100%
PT Meghmani Organics Indonesia	Indonesia	100%
Meghmani Overseas FZE	Dubai	100%
Meghmani Crop Nutrition Limited (formerly known as Meghmani Synthesis Limited)	India	100%
Killburn Chemicals Limited	India	100%

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

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

2.3 Significant accounting estimates, assumptions and judgements

The preparation of the Group's consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Taxes:

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expect future salary levels, experience of employee departures and periods of service. Refer note 40 for details of the key assumptions used in determining the accounting for these plans.

Useful economic lives of Property, plant and equipment

Property, plant and equipment as disclosed in note 3 are depreciated over their useful economic lives. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets

Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated, and future economic benefits are probable. The costs which can be capitalised include those that are directly attributable to development of the asset. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer accompanying notes for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in note 3.3.

Impairment of non- financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

The company assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount, These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

2.4 Summary of Significant accounting policies

a. Business Combination

Business combinations are accounted for under the purchase method. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under Ind AS 103 'Business Combinations' are recognised at their fair value at the acquisition date, except certain assets and liabilities required to be measured as per the applicable standards.

Excess of fair value of purchase consideration and the acquisition date non-controlling interest over the acquisition date fair value of identifiable assets acquired and liabilities assumed is recognised as goodwill. Goodwill arising on acquisitions is reviewed for impairment annually. Where the fair values of the identifiable assets and liabilities exceed the purchase consideration, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in equity as capital reserve.

Where it is not possible to complete the determination of fair values by the date on which the first post-acquisition financial statements are approved, a provisional assessment of fair value is made and any adjustments required to those provisional fair values are finalised within 12 months of the acquisition date.

Those provisional amounts are adjusted through goodwill/Capital reserve during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed twelve months from the acquisition date

b. Business Combination involving entities under common control

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

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

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

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

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonious accounting policies and tax adjustments if any.

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

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

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

c. Current Vs. Non-Current classification:

The Group presents assets and liabilities in the statement of Assets and Liabilities based on current/ non-current classification.

An asset is treated as current when it is:

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

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

d. Revenue recognition

Revenue from contract with customer is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

1) Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on dispatch/ delivery of the goods or terms as agreed with the customer. The normal credit term is 30 to 180 days from the date of dispatch. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) Variable consideration

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

Volume rebates:

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

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

(ii) Contract assets

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Group performs its obligation by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(a) Trade receivables

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

(iii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2) Interest Income

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

3) Export Incentives

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and is included in revenue in the statement of profit and loss due to its operating nature.

4) Dividend

Dividend income is recognised when the right to receive the same is established, which is generally when shareholders approve the dividend.

5) Insurance Claims

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

6) Rent income

Rental income arising from operating leases is accounted on the basis of lease terms and is included in other income in the statement of profit and loss.

e. Foreign Currencies

The Group's consolidated financial statements are presented in INR, which is also the Group's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and Balances

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

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

Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of on-monetary items measured at fair value is treated

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit or loss are also recognised in OCI or profit or loss, respectively).

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified in statement of profit and loss.

f. Fair Value Measurement

The Group measures certain financial instruments at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

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

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

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. Refer note 43 for:

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

g. Property, Plant and Equipment

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. In respect of additions to /deletions from the Fixed Assets, depreciation is provided on pro-rata basis with reference to the month of addition/ deletion of the Assets.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

Items of stores and spares that meet the definition of Property, Plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

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

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

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

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

Asset	Estimated Useful life
Right to Use - Leasehold Land	99 Years
Right to Use – Building	9 Years
Building	30 Years
Plant & Machinery	12-15 Years
Reactors / Storage Tanks	20 Years
Wind Power Generation Plants	22 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers	3 Years
Other equipments	5 Years

h. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Cost includes acquisition and other incidental cost related to acquiring the intangible asset. Research costs are expensed as incurred. Intangible development costs are

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for the year ended 31st March 2023

capitalised as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

A summary of the policies applied to the Group's intangible assets is as follows:

Asset	Amortisation Method	Amortisation period
Software licenses	On Straight-line basis	5 Years
Product licenses	On Straight-line basis	5 - 25 Years
Usage rights	On Straight-line basis	5 Years

Intangible assets under development

Expenditure incurred on acquisition /development of intangible assets which are not ready for their intended use at balance sheet date are disclosed under intangible assets under development.

i. Impairment of non- financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

j. Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(A) Financial Asset

Initial Recognition and Measurement

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Debt instruments at amortised cost

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL.

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

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for the year ended 31st March 2023

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

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

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

Equity instruments designated at fair value through OCI include investments in equity shares and compulsory convertible debentures of non-listed companies. The Group holds non-controlling interests (between 0.20 % to 2.28 %) in these companies. These investments were irrevocably designated at fair value through OCI as the group considers these investments to be strategic in nature.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of financial assets

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

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

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these consolidated financial statements)

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

- Trade receivables
- Other receivables

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

Notes to the Consolidated Financial Statements
for the year ended 31st March 2023

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

(B) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement of financial liabilities

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

Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loan and borrowings

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

Trade and other payables

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

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

Derivatives and hedging activities

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

De-recognition

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

Off-setting financial instrument

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

k. Inventories

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

Semi-finished products, finished products and by-products are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

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

l. Borrowing costs

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

m. Retirement and other employee benefits

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

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

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

Re-measurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

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

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

n. Accounting for taxes on income

Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Deferred taxes

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Notes to the Consolidated Financial Statements
for the year ended 31st March 2023

o. Provisions

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

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

p. Contingent liabilities

Provisions are not recognised for future operating losses.

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

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the consolidated financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

q. Leases

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

Where the Group is the lessee

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

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

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

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value

Notes to the Consolidated Financial Statements
for the year ended 31st March 2023

guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

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

r. Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share

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

s. Cash and cash equivalents

Cash and cash equivalent in the consolidated financial statements comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of consolidated cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

t. Dividend

The Group recognises a liability for dividends to equity holders of the Group when the dividend is authorised and the dividend is no longer at the discretion of the Group. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u. Segment reporting

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

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

v. New Standards, Interpretations and amendments adopted by the company

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022:

i. Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

ii. Reference to the Conceptual Framework – Amendments to Ind AS 103

iii. Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

iv. Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

v. Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

vi. Ind AS 41 Agriculture – Taxation in fair value measurements

The Group assessed the above amendments for the accounting period beginning on or after 1st April 2022 and these do not have material impact on the financial statements of the Group.

The accounting policies adopted in the preparation of the financial statements are consistent with applicable Accounting Standards (Ind AS) for the year ended March 31, 2023.

w. Standards notified but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, as and when they become effective. The Ministry of Corporate affairs (MCA) has notified certain amendments to Ind AS, through Companies (Indian Accounting Standards) Amendment Rules, 2023 on 31st March, 2023. The amendments have been made in the following standards:

i. Ind AS 1: Presentation of Financial Statements is amended to replace the term "significant accounting policies" with "material accounting policy information" and providing guidance relating to immaterial transactions, disclosure of entity specific transactions and more

ii. Ind AS 8: Accounting Policies, Changes in Accounting Estimates and Errors to include the definition of accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty."

iii. Ind AS 12: Income Taxes relating to initial recognition exemption of deferred tax related to assets and liabilities arising from a single transaction.

iv. Other Amendments in Ind AS 102 – Share based Payments, Ind AS 103 – Business Combinations, Ind AS 109 – Financial Instruments, Ind AS 115 – Revenue from Contracts with Customers which are mainly editorial in nature in order to provide better clarification of the respective Ind AS's.

These amendments shall come into force with effect from April 01, 2023. The Group is assessing the potential effect of the amendments on its financial statements. The Group will adopt these amendments, if applicable, from applicability date.

Notes to the Consolidated Financial Statements
for the year ended on 31st March 2023

Note - 3

Property, Plant and Equipment, Capital Work In Progress, Intangible Assets, Intangibles under development as on 31st March 2023

₹ In Lakhs

Sr. No.	Particulars	Gross Block					Accumulated Depreciation / Amortisation					Net	
		Opening as at 1st April 2022	Addition	Deduction	Exchange Rate Fluctuation	Closing as at 31st March 2023	Opening as at 1st April 2022	Charge for the Year	On Deduction	Exchange Rate Fluctuation	Closing as at 31st March 2023	As at 31st March 2023	As at 31st March 2022
3.1	**Tangible Assets**												
	1 Freehold Land	558.40	-	-	-	558.40	-	-	-	-	-	558.40	558.40
	2 ROU - Leasehold Land	11,409.43	-	-	-	11,409.43	155.22	130.20	-	-	285.42	11,124.01	11,254.21
	3 ROU - Building	797.13	-	-	-	797.13	393.09	131.03	-	-	524.12	273.01	404.04
	4 Building	26,333.60	7,061.04	165.72	-	33,228.92	4,608.95	1,065.63	1.82	-	5,672.76	27,556.16	21,724.65
	5 Plant & Machinery	75,705.43	25,201.06	819.34	-	1,00,087.15	21,448.66	5,636.30	668.75	-	26,416.21	73,670.94	54,256.77
	6 Furniture & Fixtures	1,449.30	330.00	38.33	1.08	1,742.05	452.79	138.42	32.67	0.85	559.39	1,182.66	996.51
	7 Vehicles	1,483.20	42.14	49.57	(22.61)	1,453.16	867.36	149.94	37.13	(26.00)	954.17	498.99	615.84
	8 Computers	221.52	43.83	0.12	0.55	265.78	150.86	36.89	-	0.13	187.88	77.90	70.66
	9 Other Equipments	1,264.60	865.29	28.43	0.04	2,101.50	407.71	235.12	10.08	0.04	632.79	1,468.71	856.89
	Sub Total	1,19,222.61	33,543.36	1,101.51	(20.94)	1,51,643.52	28,484.64	7,523.53	750.45	(24.98)	35,232.74	1,16,410.78	90,737.97
3.3	**Intangible Assets**												
	1 Software Licenses	155.67	-	-	-	155.67	118.66	15.73	-	-	134.39	21.28	37.01
	2 Product Licenses	2,284.82	37.05	-	-	2,321.87	2,053.70	138.39	-	-	2,192.09	129.78	231.12
	3 Usage Rights	356.81	12.88	-	-	369.69	294.71	28.70	-	-	323.41	46.28	62.10
	Sub Total	**2,797.30**	**49.93**	**-**	**-**	**2,847.23**	**2,467.07**	**182.82**	**-**	**-**	**2,649.89**	**197.34**	**330.23**
	Total	**1,22,019.91**	**33,593.29**	**1,101.51**	**(20.94)**	**1,54,490.75**	**30,951.71**	**7,706.35**	**750.45**	**(24.98)**	**37,882.63**	**1,16,608.12**	**91,068.20**

Notes to the Consolidated Financial Statements
for the year ended on 31st March 2023

3.2 Capital Work in Progress/Intangibles under Development

₹ In Lakhs

Particulars	Capital Work In Progress		
	Tangible	Intangible	Total
Cost			
As at March 31, 2022	**18,056.01**	**774.68**	**18,830.69**
Addition	29,074.37	249.96	29,324.33
Capitalisation	12,573.16	32.22	12,605.38
As at March 31, 2023	**34,557.22**	**992.42**	**35,549.64**

(i) Capital Work-in-Progress for Tangible Assets as at 31st March 2023 comprises expenditure for the Plant & Machineries and Buildings in the course of construction.

(ii) Intangible Assets under Development as at 31st March 2023 comprises expenditure for the development and registration of product licenses, considering which there are no stipulated timelines for completion of activities

(iii) The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31st March 2023 is ₹986.37 Lakhs (31st March 2022: ₹225.66 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 2.05% to 8.80%, which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

(iv) Refer Note 45 for Right of use Asset details

(v) For Property Plant & Equipment and Intangible Assets existing as on 1 April 2015 i.e. the date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation so netted off as on 1 April 2015."

Notes to the Consolidated Financial Statements
for the year ended on 31st March 2023

Note - 3

Property, Plant and Equipment, Capital Work In Progress, Intangible Assets, Intangibles under development as on 31st March 2022

₹ In Lakhs

Sr. No.	Particulars	Gross Block						Accumulated Depreciation / Amortisation					Net	
		Opening as at 1st April 2021	Assets Acquired on account of business combination (Refer Note 51)	Addition	Deduction	Exchange Rate Fluctuation	Closing as at 31st March 2022	Opening as at 1st April 2021	Charge for the Year	On Deduction	Exchange Rate Fluctuation	Closing as at 31st March 2022	As at 31st March 2022	As at 31st March 2021
3.1	**Tangible Assets**													
	1 Freehold Land	558.40	-	-	-	-	558.40	-	-	-	-	-	558.40	558.40
	2 ROU - Leasehold Land	3,704.09	7,095.00	610.34	-	-	11,409.43	84.96	70.26	-	-	155.22	11,254.21	3,619.13
	3 ROU - Building	797.13	-	-	-	-	797.13	262.06	131.03	-	-	393.09	404.04	535.07
	4 Building	20,009.96	3,530.00	2,793.64	-	-	26,333.60	3,773.83	835.12	-	-	4,608.95	21,724.65	16,236.13
	5 Plant & Machinery	57,295.91	7,130.01	11,720.94	441.43	-	75,705.43	17,170.71	4,522.09	244.14	-	21,448.66	54,256.77	40,125.20
	6 Furniture & Fixtures	1,052.59	-	396.25	-	0.46	1,449.30	342.48	109.97	-	0.34	452.79	996.51	710.11
	7 Vehicles	1,504.56	1.36	33.06	58.29	2.51	1,483.20	764.33	153.10	51.07	1.00	867.36	615.84	740.23
	8 Computers	208.65	0.04	41.40	28.60	0.03	221.52	136.46	30.68	16.31	0.03	150.86	70.66	72.19
	9 Other Equipments	600.53	9.47	682.49	27.91	0.02	1,264.60	294.63	140.54	27.48	0.02	407.71	856.89	305.90
	Sub Total	**85,731.82**	**17,765.88**	**16,278.12**	**556.23**	**3.02**	**1,19,222.61**	**22,829.46**	**5,992.79**	**339.00**	**1.39**	**28,484.64**	**90,737.97**	**62,902.36**
3.3	**Intangible Assets**													
	1 Software Licenses	140.67	-	15.00	-	-	155.67	102.45	16.19	-	-	118.64	37.03	38.22
	2 Product Licenses	2,175.92	-	108.90	-	-	2,284.82	1,825.90	227.80	-	-	2,053.70	231.12	350.02
	3 Usage Rights	356.81	-	-	-	-	356.81	266.25	28.48	-	-	294.73	62.08	90.56
	Sub Total	**2,673.40**	**-**	**123.90**	**-**	**-**	**2,797.30**	**2,194.60**	**272.47**	**-**	**-**	**2,467.07**	**330.23**	**478.80**
	Total	**88,405.22**	**17,765.88**	**16,402.02**	**556.23**	**3.02**	**1,22,019.91**	**25,024.06**	**6,265.26**	**339.00**	**1.39**	**30,951.71**	**91,068.20**	**63,381.16**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

3.2 Capital Work In Progress/Intangibles under development

₹ In Lakhs

Particulars	Capital Work In Progress		
	Tangible	Intangible	Total
Cost			
As at March 31, 2021	10,586.68	632.36	11,219.04
Addition	15,586.56	251.22	15,837.78
Capitalisation	8,117.23	108.90	8,226.13
As at March 31, 2022	**18,056.01**	**774.68**	**18,830.69**

(i) Capital Work-in-Progress for Tangible Assets as at 31st March 2022 comprises expenditure for the Plant & Machineries and Buildings in the course of construction.

(ii) Intangible Assets under Development as at 31st March 2022 comprises expenditure for the development and registration of product licenses, considering which there are no stipulated timelines for completion of activities

(iii) The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31st March 2022 is ₹225.66 Lakhs (31st March 2021: ₹59.37 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 2.05% to 8.80%, which is the effective interest rate of the specific borrowings taken for above mentioned Projects.

(iv) Refer Note 45 for Right of use Asset details

(v) For Property Plant & Equipment and Intangible Assets existing as on 1 April 2015 i.e. the date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1 April 2015 has been considered as Gross block under Ind AS. The accumulated depreciation so netted off as on 1 April 2015."

Capital work in progress (CWIP) Ageing Schedule As at 31 March 2023

₹ In Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	28,158.15	6,020.70	378.37	-	34,557.22
Total	**28,158.15**	**6,020.70**	**378.37**	**-**	**34,557.22**

CWIP completion schedule for capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

₹ In Lakhs

Particulars	To be completed within				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Agro V	11,766.99	-	-	-	11,766.99

Capital work in progress (CWIP) Ageing Schedule As at 31 March 2022

₹ In Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	14,863.97	2,043.97	929.41	218.66	18,056.01
Total	**14,863.97**	**2,043.97**	**929.41**	**218.66**	**18,056.01**

Notes to the Consolidated Financial Statements
for the year ended 31st March 2023

CWIP completion schedule for capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

₹ In Lakhs

Particulars	To be completed within				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Agro V	15,517.58	-	-	-	15,517.58

Intangible Asset under Development (IAUD) Ageing Schedule As at 31 March 2023

₹ In Lakhs

Particulars	Amount in IADU for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	371.20	284.35	151.31	185.56	992.42
Total	**371.20**	**284.35**	**151.31**	**185.56**	**992.42**

Intangible Asset under Development (IAUD) Ageing Schedule As at 31 March 2022

₹ In Lakhs

Particulars	Amount in IADU for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	408.86	155.06	65.56	145.20	774.68
Total	**408.86**	**155.06**	**65.56**	**145.20**	**774.68**

Also Refer Note 3.2 (ii) above

4 FINANCIAL ASSETS : INVESTMENTS

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
(I) Investment at fair value through Other Comprehensive Income		
Investments in Equity Shares (Unquoted)		
(i) 4 (31st March 2022 - 4) Equity Shares of Alaukik Owners Association of ₹100/- each #	0	0
(ii) 5,17,085 (31st March 2022 - 5,17,085) Equity Shares of Narmada Clean Tech of ₹10/- each	51.71	51.71
(iii) 14,000 (31st March 2022 - 14,000) Equity Share of Bharuch Eco Enviro Infrastructure Limited of ₹10/- each	1.40	1.40
(iv) 500 (31st March 2022 - 500) Equity Shares of Green Environment Services Co-operative Society Limited of ₹10/- each	0.05	0.05
(v) 30,000 (31st March 2022 - 30,000) Equity Shares of Panoli Enviro Technology of ₹10/- each	3.00	3.00
(vi) 100 (31st March 2022 - 100) Equity Shares of Sanand Eco Project Limited of ₹10/- each	0.01	0.01
(vii) 2,000 (31st March 2022 - 2,000) Equity Shares of Suvikas Peoples Co-operative Bank Limited of ₹50/- each	1.00	1.00
(viii) 10 (31st March 2022 - 10) Equity Shares of Vellard View Premises Co-operative Society Limited of ₹50/- each	0.01	0.01
(ix) 34,647 (31st March 2022 - Nil) Equity Shares of AMP Energy C&I Two Private Limited of ₹ 10/- each *	26.40	-
(x) 24,500 (31st March 2022 - Nil) Equity Shares of Meghmani Foundation of ₹ 10/- each **	2.45	-

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

4 FINANCIAL ASSETS : INVESTMENTS (CONTD..)

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Investments in Compulsorily Convertible Debentures (CCD) (Unquoted)		
23,760 (31st March 2022 - Nil) 0.01% CCD of AMP Energy C&I Two Private Limited of ₹ 1000/- each (Subscribed during the year w.e.f. 1st March 2023).	237.60	-
Total (I)	**323.63**	**57.18**
(II) Investment at fair value through Profit and Loss		
Investments in Redeemable Preference Shares (RPS) (Unquoted)		
15,00,00,000 (31st March 2022 - 21,09,19,871) 8% RPS of Meghmani Finechem Limited of ₹ 10/- each (Refer Note 50)	15,000.00	21,091.99
Total (II)	**15,000.00**	**21,091.99**
(III) Investment at Amortised Cost		
Investments in Government Securities (Unquoted)		
National Savings Certificates	0.03	0.03
Total (III)	**0.03**	**0.03**
Total (I+II+III)	**15,323.66**	**21,149.20**

Note - # Amount is less than ₹ 0.01 Lakh

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Aggregate Value Of Investments in unquoted Investments	15,323.66	21,149.20

Note - i) Aggregate and Fair value of Quoted investment is ₹ Nil

ii) Aggregate value of impairment of Investment is ₹ Nil

* Subscribed during the year w.e.f. 1st March 2023.

** Subscribed during the year w.e.f. 15th December 2022.

5 OTHER FINANCIAL ASSETS (NON CURRENT)

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Unsecured, Considered Good		
Security Deposits	1,150.56	747.80
Bank Deposits with original maturity of more than 12 months (including interest accrued) (Refer Note below)	13.71	557.09
TOTAL	**1,164.27**	**1,304.89**

Note : -

Margin money deposits amounting ₹ 13.71 Lakhs are given as security against guarantees with Banks (31st March 2022 - ₹ 557.09 Lakhs). These deposits are made for varying periods of 1 year to 5 years and earns interest ranging between 5.10% to7.00% (31st March 2022 - 5.00% to 6.25%).

6 INCOME TAX ASSETS (NET)

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Advance payment of Income Tax and TDS (Net of Provision)	2,307.69	2,046.12
TOTAL	**2,307.69**	**2,046.12**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

7 OTHER NON-CURRENT ASSETS

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Unsecured, Considered Good		
Capital Advances	1,747.36	1,532.36
Balances with Government Authorities (Amount Paid Under Protest)	293.68	228.50
Others	283.06	
TOTAL	**2,324.10**	**1,760.86**

8 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Raw Materials	16,871.16	16,896.72
Raw Materials in Transit	381.80	1,688.37
Work In Process	2,379.08	3,256.17
Finished Goods (See Note below)	22,272.29	11,001.33
Finished Goods in Transit	18,488.14	27,453.54
Stock in Trade	2,131.26	789.18
Stores and Spares	1,682.62	1,169.68
Others (Packing Material and Fuel Stock)	966.32	1,683.81
TOTAL	**65,172.67**	**63,938.80**

Note : -

During the year ended 31st March 2023, ₹ 2,257.00 Lakhs (31st March 2022: ₹ Nil) was recognised as an expense for inventories carried at net realisable value.

9 INVESTMENTS - CURRENT

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Investment at fair value through Profit and Loss		
Investments in Mutual Funds (Quoted) (Fully Paid)		
Axis Overnight Fund Direct Growth	1,000.15	-
LIC MF Overnight Fund Direct Plan Growth	1,000.14	-
SBI Overnight Fund Direct Growth	1,000.15	-
TOTAL	**3,000.44**	**-**

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Aggregate Carrying value Of Quoted Investments	3,000.44	-
Aggregate Market value Of Quoted Investments	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

10 TRADE RECEIVABLES

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Trade receivables		
Trade receivables - Others	52,101.18	53,957.51
Receivables from related parties (Refer Note 44)	240.30	327.17
Total Trade receivables	**52,341.48**	**54,284.68**
Break-up for security details:		
Trade receivables		
Secured, Considered Good	169.09	155.22
Unsecured, Considered Good	52,172.39	54,129.46
Trade receivables which have significant increase in credit risk	170.06	292.73
Trade receivables - credit impaired	802.64	649.60
	53,314.18	**55,227.01**
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, Considered Good	-	-
Trade receivables which have significant increase in credit risk	(170.06)	(292.73)
Trade receivables - credit impaired	(802.64)	(649.60)
TOTAL	**52,341.48**	**54,284.68**

Trade receivable are secured to the extent of deposit received from the customers.

Trade Receivables are non-interest bearing and are generally on terms of 30 to 180 days.

For amounts due and terms and conditions relating to related party receivables, Refer Note 43.

For information about Credit Risk and Market Risk related to Trade Receivables, Refer Note 44.

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

10 TRADE RECEIVABLES (CONTD..)

Trade receivables Ageing Schedule

As at 31 March 2023

₹ In Lakhs

PARTICULARS	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	33,995.11	11,653.82	6,679.14	13.41	-	-	52,341.48
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	170.06	-	-	-	170.06
Undisputed Trade receivable – credit impaired	-	-	-	214.84	102.86	163.85	481.55
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	124.67	-	196.42	321.09
Total	**33,995.11**	**11,653.82**	**6,849.20**	**352.92**	**102.86**	**360.27**	**53,314.18**

As at 31 March 2022

₹ In Lakhs

PARTICULARS	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	44,139.15	9,412.16	635.63	-	-	-	54,186.94
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	289.45	-	-	-	289.45
Undisputed Trade receivable – credit impaired	-	-	-	144.25	69.81	48.56	262.62
Disputed Trade receivables - considered good	-	-	97.74	-	-	-	97.74
Disputed Trade receivables – which have significant increase in credit risk	-	-	3.28	-	-	-	3.28
Disputed Trade receivables – credit impaired	-	-	24.43	44.94	114.25	203.36	386.98
Total	**44,139.15**	**9,412.16**	**1,050.53**	**189.19**	**184.06**	**251.92**	**55,227.01**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

11 CASH AND CASH EQUIVALENTS

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Balance with Banks		
Balance with Banks in current accounts	1,199.22	1,039.49
Cash on hand	6.46	9.50
Bank deposits with original maturity of less than three months	1,900.00	-
TOTAL	**3,105.68**	**1,048.99**

Note :-

Fixed bank deposits amounting ₹ 1,900.00 Lakhs (31st March 2022 - ₹ Nil) is for period of 7 days earns interest @ 4.50% (31st March 2022 - Nil)

12 OTHER BANK BALANCES

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Deposits with original maturity of more than three months but less than twelve months (Refer Note below)	-	4.54
Earmarked balances for Unclaimed Dividend	69.15	72.58
Earmarked balances for CSR Unspent Account	89.00	-
TOTAL	**158.15**	**77.12**

Note :-

Deposits amounting ₹ Nil are given as security against guarantees with Banks (31st March 2022 - ₹ 4.54 Lakhs). These deposits are made for varying periods of 3 months to 12 months and earns interest ranging between 3.00% to 6.00%. (31st March 2022 4.90% to 6.00%).

13 LOANS

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Unsecured, Considered Good (Current)		
Loan to Employees (Refer Note below)	38.71	47.90
TOTAL	**38.71**	**47.90**

Notes

The loans to employees are interest free and are generally for a tenure of 6 to 12 months.

Since all the above loans given by the Group are unsecured and considered good, the bifurcation of loan in other categories as required by Schedule III of Companies Act 2013 viz: a) secured, b) loans which have significant increase in credit risk and c) credit impaired is not applicable.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

14 OTHER FINANCIAL ASSETS (CURRENT)

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Unsecured, Considered Good		
Insurance Claim Receivable	3,787.08	-
Export Benefit Receivable	688.92	675.66
Dividend Receivable on RPS (Refer Note 50)	1,474.63	1,385.48
Bank Deposit (Refer Note below)	671.06	118.62
Other Deposit	7.33	0.20
Balance with Government Authorities (GST Refund)	2,245.53	11,791.46
Other Receivable	57.13	-
TOTAL	**8,931.68**	**13,971.42**

Deposits amounting ₹ 671.06 are given as security against guarantees with Banks (31st March 2022 - ₹ 118.62 Lakhs). These deposits are made for varying periods of 3 months to 12 months and earns interest ranging between 4.40% to 7.00% (31st March 2022 4.90% to 6.00%).

15 OTHER CURRENT ASSETS

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Unsecured, Considered Good		
Balance with Government Authorities (Refer Note below)	11,566.84	7,282.27
Advances to Suppliers	299.17	493.77
Employee Imprest	41.03	30.68
Prepaid Expenses	1,165.72	616.83
Export Benefit Receivable	650.20	1,677.99
Others	95.03	130.68
TOTAL	**13,817.99**	**10,232.22**

Note: Balance with Government Authorities includes VAT / Cenvat / Service Tax credit receivable and GST, net of liability.

16 SHARE CAPITAL

AUTHORISED SHARE CAPITAL	No. of shares	₹ in Lakhs
Equity shares of Re. 1 each.		
As at 31st March 2021	37,00,00,000	3,700.00
Changes during the year	-	-
As at 31st March 2022	**37,00,00,000**	**3,700.00**
Changes during the year	-	-
As at 31st March 2023	**37,00,00,000**	**3,700.00**

ISSUED, SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL	No. of shares	₹ in Lakhs
Equity shares of Re. 1 each.	**25,43,14,211**	**2,543.14**

Notes to the Consolidated Financial Statements
for the year ended 31st March 2023

16 SHARE CAPITAL (CONTD..)

Reconciliation of shares outstanding at the beginning and at the end of the Year

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Equity shares of Re. 1 each.		
As at 1st April 2021	25,43,14,211	2,543.14
Changes during the year	-	-
As at 31st March 2022	25,43,14,211	2,543.14
Changes during the year	-	-
As at 31st March 2023	**25,43,14,211**	**2,543.14**

Terms / Rights attached to Equity shares

The Holding Company has one class of Equity Shares having par value of Re 1 per share. Each holder of equity share is entitled to one vote per share. The Holdng Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors of Holding Company is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive the remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of Equity shares of Re 1 each, as held by promoters

As at 31 March 2023

Promoter Name	No. of shares at the beginning of the year	Changes during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Mr. Jayanti Patel	1,80,24,390	-	1,80,24,390	7.09%	0.00%
Mr. Ashish Soparkar	2,55,40,396	-	2,55,40,396	10.04%	0.00%
Mr. Natwarlal Patel	2,08,97,850	2,50,000	2,11,47,850	8.32%	0.10%
Mr. Ramesh Patel	1,59,12,067	1,13,000	1,60,25,067	6.30%	0.04%
Mr. Anand Patel	79,43,200	(50,000)	78,93,200	3.10%	-0.02%
Mr. Ankit Patel	32,93,260	1,00,000	33,93,260	1.33%	0.04%
Mr. Karana Patel	19,71,000	-	19,71,000	0.78%	0.00%
Mr. Darshan Patel	11,46,205	-	11,46,205	0.45%	0.00%
Total	**9,47,28,368**	**4,13,000**	**9,51,41,368**		

As at 31 March 2022

Promoter Name	No. of shares at the beginning of the year*	Changes during the year	No. of shares at the end of the year*	% of Total Shares	% change during the year
Mr. Jayanti Patel	1,80,24,390	-	1,80,24,390	7.09%	0.00%
Mr. Ashish Soparkar	2,54,40,396	1,00,000.00	2,55,40,396	10.04%	0.04%
Mr. Natwarlal Patel	2,07,39,850	1,58,000.00	2,08,97,850	8.22%	0.06%
Mr. Ramesh Patel	1,58,85,567	26,500.00	1,59,12,067	6.26%	0.01%
Mr. Anand Patel	78,93,200	50,000.00	79,43,200	3.12%	0.02%
Mr. Ankit Patel	32,53,260	40,000.00	32,93,260	1.29%	0.02%
Mr. Karana Patel	19,71,000	-	19,71,000	0.78%	0.00%
Mr. Darshan Patel	11,46,205	-	11,46,205	0.45%	0.00%
Total	**9,43,53,868**	**3,74,500**	**9,47,28,368**		

*Allotment of shares by Meghmani Organics Limited (Formerly known as Meghmani Organochem limited) was made on 20 May, 2021 in accordance with the Scheme of Arrangement and the Holding Company had given effect to the scheme including allotment of shares for the year ended on 31 March, 2021 considering it to be an adjusting event. Accordingly, number of shares held by the promoters on 20 May, 2021 has been considered as held from the beginning of the year and changes during the year for the purpose of above disclosure.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

16 SHARE CAPITAL (CONTD..)

Details of Shareholder holding more than 5% Equity Shares

₹ In Lakhs

PARTICULARS	As at 31st March 2023		As at 31st March 2022	
	No of Shares	% of Holding	No of Shares	% of Holding
Mr. Jayanti Patel	1,80,24,390	7.09%	1,80,24,390	7.09%
Mr. Ashish Soparkar	2,55,40,396	10.04%	2,55,40,396	10.04%
Mr. Natwarlal Patel	2,11,47,850	8.32%	2,08,97,850	8.22%
Mr. Ramesh Patel	1,60,25,067	6.30%	1,59,12,067	6.26%
Total	**8,07,37,703**	**31.75%**	**8,03,74,703**	**31.60%**

As per records of the Company, including its register of shareholder / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Dividend Distribution made and proposed

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Dividends on Equity shares declared and paid:		
Final dividend for 31 March 2022: ₹ 1.40 per share (31 March 2021: ₹ 1.40 per share)	3,560.39	3,560.39
Proposed dividends on Equity shares:		
Proposed dividend for 31 March 2023: ₹ 1.40 per share (31 March 2022: ₹ 1.40 per share)	3,560.40	3,560.39

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March.

17 Other Equity

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
(1) Securities Premium		
Balance as at the Beginning of the year	15,650.48	15,650.48
Balance as at the end of the year	**15,650.48**	**15,650.48**
(2) Capital Reserve		
Balance as at the Beginning of the year	(4,608.95)	(6,991.82)
Add :On account of Acquisition during the year (Refer Note 51)	-	2,382.87
Balance as at the end of the year	**(4,608.95)**	**(4,608.95)**
(3) General Reserve		
Balance as at the Beginning of the year	12,467.18	12,467.18
Balance as at the end of the year	**12,467.18**	**12,467.18**
(4) Capital Redemption Reserve		
Balance as at the Beginning of the year	184.33	184.33
Balance as at the end of the year	**184.33**	**184.33**
(5) Foreign Currency Translation Reserve		
Balance as at the Beginning of the year	(3.36)	(10.04)
Add : Addition during the year	(27.61)	6.68
Balance as at the end of the year	**(30.97)**	**(3.36)**
(6) Retained Earning		
Balance as at the Beginning of the year	1,20,389.62	93,459.85
Add : Profit for the year	23,770.82	30,442.08
Add : Other Comprehensive Income for the Year (Net)	117.50	48.08
Less : Appropriation		
Dividend Paid	3,560.40	3,560.39
	3,560.40	**3,560.39**
Balance as at the end of the year	**1,40,717.54**	**1,20,389.62**
TOTAL	**1,64,379.61**	**1,44,079.30**

Notes to the Consolidated Financial Statements
for the year ended 31st March 2023

17 Other Equity (Contd..)

Nature and purpose of Reserves :

Securities premium

In cases where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares has been transferred to “Securities Premium”. The Company may issue fully paid-up bonus shares to its members out of the securities premium and to buy-back of shares.

Capital Reserve

The Capital Reserve represents difference between consideration paid and net assets acquired on business combination. Opening balance pertains to business combination under common control transaction. Addition in previous year pertains to excess of fair value of net assets acquired over consideration paid in a business combination on consolidation.

General Reserve

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up bonus shares.

Capital Redemption Reserve

Capital Redemption Reserve was created for buy-back of shares in earlier years.

Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in Other Comprehensive Income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

18 BORROWINGS (NON CURRENT)

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
SECURED		
Term Loan Facilities from Banks :		
In Indian Currency (Refer Note - iii, iv and v below)	40,010.58	14,933.97
In Foreign currency (Refer Note - i & ii)	8,693.55	12,102.05
Unsecured Loan Facilities from Banks :		
In Foreign currency	4,349.78	-
TOTAL	**53,053.91**	**27,036.02**
Current maturity of long term borrowing disclosed under 'short term borrowings' (Refer Note 24)	12,898.63	6,157.40
Total non-current borrowing	**40,155.28**	**20,878.62**
The above amounts includes:		
Secured borrowing	38,705.31	20,878.62
Unsecured borrowing	1,449.97	-

Refer Note No - 44 For Interest Rate Risk and Liquidity Risk.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

18 BORROWINGS (NON CURRENT) (CONTD..)

Details of Security and Repayment Terms :

i The Holding Company has Rupee Term Loan facility of ₹ 9,200.00 Lakhs (31 March 2022: ₹ 9,200.00 Lakhs). The Facility is secured by (a) First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Company (b) Assignment of Lease Hold Land used for Windmill (c) First Pari Passu charge by way of mortgage on immovable fixed assets of the Company (excluding the assets charged specifically to other lenders).

During the year 2019-2020, outstanding Indian Rupee loan of ₹ 6,899.23 Lakhs had been converted into foreign currency loan of Euro 87.41 Lakhs. The borrowing carries interest at 6 month Euribor + 1.75% p.a. payable at monthly rest. The effective interest rate is 1.75% p.a. Outstanding balance for this borrowing is Euro 29.14 Lakhs equivalent to ₹ 2,596.33 Lakhs (as at 31 March 2022: ₹ 4,089.79 Lakhs). As per the terms, the foreign currency loan is repayable in 9 half yearly instalments starting from financial year 2020-21

Repayment of loan is as follows :

1 - Nine half yearly instalment of Euro 9.71 Lakhs

ii The Holding Company has availed External Commercial Borrowing of Euro 123.30 Lakhs (₹ 10,997.25 Lakhs) (31 March 2022: Euro 123.30 Lakhs). The Facility is secured by First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Company. The borrowing carries interest at 6 month Euribor + 1.20% p.a. payable at 6 monthly rest. The effective interest rate varies from 1.20% to 4.37% for the year. Outstanding balance for this borrowing is Euro 68.50 Lakhs equivalent to ₹ 6,097.22 Lakhs (31 March 2022: ₹ 8,076.70 Lakhs). As per the original terms, the loan is repayable in 9 half yearly instalments starting from financial year 2021-22.

Repayment of loan is as follows :

1 - Nine half yearly instalments of Euro 13.70 Lakhs

iii The Holding Company has availed Rupee Term Loan facility of ₹ 15,000.00 Lakhs (31 March 2022: ₹15,000.00 Lakhs). The Facility is secured by (a) First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Holding Company situated at Chharodi, Ankleshwar, Panoli and Vatva (b) First Pari Passu charge by way of mortgage on immovable fixed assets of the Holding Company situated at as Chharodi, Ankleshwar, Panoli and Vatva (c) Second Pari Passu charge by way of mortgage on immovable fixed assets of the Holding Company situated at as Dahej and Dahej SEZ. The borrowing carries interest at 6.40% p.a. payable at monthly rest. Outstanding balance for this borrowing is ₹ 12,696.95 Lakhs. As per the terms, the loan is repayable in 20 quarterly instalments starting from financial year 2022-23.

During current financial year, the Holding Company has entered into a cross currency swap (“CCS”) transaction on the said Rupee Term loan facility whereby outstanding Rupee Term loan has been swapped with notional principal of USD 201.48 Lakhs. As per the terms of CCS agreement, the company receives interest at 6.40% p.a. on notional principal of ₹ 15,000 Lakhs and pays interest at 2.05% p.a. on notional principal of USD 201.48 Lakhs at monthly rest. As per the notional principal settlement terms of CCS agreement, the Holding Company will receive ₹ 750 Lakhs and pay USD 10.07 Lakhs in 20 equal quarterly instalments starting from financial year 2022-23

Repayment of loan is as follows :

1 - Twenty quarterly instalments of ₹ 750 Lakhs

iv The Holding Company has availed Rupee Term Loan facility of ₹ 15,000.00 Lakhs (31 March 2022: NIL). The Facility is secured by (a) First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Holding Company situated at Chharodi, Vatva, Ankleshwar and Panoli (b) First Pari Passu charge by way of mortgage to be created on immovable fixed assets of the Holding Company situated at as Chharodi, Ankleshwar, Panoli and Vatva (c) Second Pari Passu charge by way of mortgage on immovable fixed assets of the Holding Company situated at as Dahej and Dahej SEZ. The borrowing carries interest at 6.75% p.a. payable at monthly rest. Outstanding balance for this borrowing is ₹ 14,535.46 Lakhs. As per the terms, the loan is repayable in 20 quarterly instalments (First four instalments of ₹ 150 Lakhs each and Sixteen instalments of ₹ 900 Lakhs each) starting from financial year 2022-23.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

18 BORROWINGS (NON CURRENT) (CONTD..)

During current financial year, the Holding Company has entered into a cross currency swap ("CCS") transaction on the said Rupee Term loan facility whereby outstanding Rupee Term loan has been swapped with notional principal of USD 116.41 Lakhs and EUR 73.43 Lakhs. As per the terms of CCS agreement, the Holding Company receives interest at 6.75% p.a. on notional principal of ₹ 15,000 Lakhs and pays interest at 3.25% p.a. on notional principal of USD 51.74 Lakhs at monthly rest, at ON SOFR + 0.87% p.a. on notional principal of USD 64.67 Lakhs and at ON ESTR +0.60% p.a. on notional principal of EUR 73.43 Lakhs payable at monthly rest. As per the notional principal settlement terms of CCS agreement, the Holding Company will receive ₹ 150 Lakhs and pay USD 1.17 Lakhs and EUR 0.73 Lakhs (in four quarterly instalments) and receive ₹ 900 Lakhs and pay USD 6.98 Lakhs and EUR 4.41 Lakhs (in sixteen quarterly instalments) starting from financial year 2022-23.

v The Holding Company has availed unsecured Foreign Currency Term Loan of Euro 56.73 Lakhs (₹ 5000.00 Lakhs). The borrowing carries interest at 3 month Euribor + 1.60% p.a. payable at monthly rest. The effective interest rate is 3.74% for the year. Outstanding balance for this borrowing is Euro 48.63 Lakhs equivalent to ₹ 4,349.78 Lakhs (31 March 2022: NIL). As per the original terms, the loan is repayable in seven equal quarterly instalments starting from financial year 2022-23.

vi One Subsidiary Company Kilburn Chemicals Limited has availed Rupee Term Loan facility of ₹ 25,000.00 Lakhs of which company has drawn ₹ 12,778.17 Lakhs (31 March 2022: NIL). The Facility is secured by (a) First charge by way of Hypothecation on the movable fixed assets of the Company (b) First charge by way of mortgage to be created on immovable fixed assets of the Company and (c) Corporate guarantee by Meghmani Organics Limited Holding Company. The borrowing carries interest at 1 Month T-Bill +1.81% p.a. payable at monthly rest. Outstanding balance for this borrowing is ₹ 12,778.17 Lakhs.

Repayment of loan is as follows :

1 - Twenty quarterly instalments of ₹ 1,250 Lakhs

vii Bank loans availed by the Group are subject to certain covenants relating to interest service coverage ratio, current ratio, debt service coverage ratio, total outside liabilities to total net worth, fixed assets coverage ratio, ratio of total term liabilities to net worth. The Group has complied with the covenants as per the terms of loan agreements.

19 LEASE LIABILITIES (NON - CURRENT / CURRENT)

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Non Current		
Lease Liability (Refer Note - 45)	186.61	344.31
TOTAL	**186.61**	**344.31**
Current		
Lease Liability (Refer Note - 45)	157.70	142.94
TOTAL	**157.70**	**142.94**

20 OTHER FINANCIAL LIABILITIES (NON CURRENT)

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Financial Liabilities carried at Fair Value Through Profit or Loss:		
Mark to Market Derivative Liabilities	1,630.87	88.53
Financial liabilities carried at Cost		
Employee Benefit Payable	42.73	26.91
TOTAL	**1,673.60**	**115.44**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

21 PROVISIONS (NON CURRENT)

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Provision for Employee Benefits		
Gratuity (Refer Note 40)	1,432.86	1,465.28
Leave Encashment	143.20	142.04
TOTAL	**1,576.06**	**1,607.32**

22 Income Taxes

(a) Amounts recognised in Profit and Loss

₹ In Lakhs

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
Current Income Tax	7,945.87	8,825.22
Adjustment to tax related to earlier periods	-	(80.05)
Deferred tax relating to origination & reversal of temporary differences	(408.17)	1,692.78
Tax expense for the year	**7,537.70**	**10,437.95**

(b) Amounts recognised in Other Comprehensive Income

₹ In Lakhs

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
Items that will not be reclassified to statement of profit and loss		
Tax on Remeasurements of the Defined Benefit Plans	38.99	14.49
Items that will be reclassified to Profit or Loss		
Tax (Expense) / Benefit on Foreign Currency Translation of Foreign Operations before tax	9.29	(1.68)

(c) Reconciliation of Effective Tax Rate

₹ In Lakhs

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
Profit Before Tax	**31,308.52**	**40,880.03**
Enacted Tax Rate in India (31 March 2023: 25.17% and 31 March 2022: 25.17%)	7,879.73	10,288.69
Tax effect on non-deductible Expenses / Income not subjected to tax / other adjustments		
CSR and Donations	210.67	93.91
Dividend Income on RPS (Net of Taxes)	(800.17)	
Indexation benefit on Fair Value Gain on Redemption of RPS	(157.52)	
Others	392.84	77.00
Allowable Tax Expenditure		
Differential tax rate on Fair Value Gain on RPS	-	(21.65)
Tax expense as per consolidated statement of profit and loss	**7,537.70**	**10,437.95**
Effective Tax Rate	**24.08%**	**25.53%**

Notes to the Consolidated Financial Statements
for the year ended 31st March 2023

23 Income Taxes (Contd..)

(d) Movement in Deferred Tax balances for the year ended March 31, 2023

₹ In Lakhs

PARTICULARS	Net balance April 1, 2022	Recognised in profit and loss	Recognised in OCI	Net	Deferred tax asset as at March 31, 2023	(Deferred tax liability) as at March 31, 2023
Property, Plant and Equipment	(4,295.34)	(875.06)	-	(5,170.40)	-	(5,170.40)
Trade Receivables	237.17	7.64	-	244.81	244.81	-
DTA on stock reserve	85.64	224.66	-	310.30	310.30	-
Loans and Borrowings	(32.85)	24.76	-	(8.09)	-	(8.09)
Employee Benefits	445.56	31.28	(38.99)	437.84	437.84	-
Fair Value gain on OCRPS	(2,325.44)	667.66	-	(1,657.78)	-	(1,657.78)
Stamp duty pursuant to Scheme of Arrangement (refer note 51)	159.33	(51.01)	-	108.32	108.32	-
Dividend on RPS	(387.53)	387.53	-	-	-	-
Currency Translation Reserve	-	(9.29)	9.29	-	-	-
Tax Assets/ (Liabilities)	**(6,113.46)**	**408.17**	**(29.70)**	**(5,735.00)**	**1,101.27**	**(6,836.27)**
Set off					(1,101.27)	1,101.27
Net Tax Assets / (Liabilities)					**-**	**(5,735.00)**

Movement in Deferred Tax balances for the year ended March 31, 2022

₹ In Lakhs

PARTICULARS	Net balance April 1, 2021	Recognised in profit and loss	Recognised in OCI	Net	Deferred tax asset as at March 31, 2022	(Deferred tax liability) as at March 31, 2022
Property, Plant and Equipment	(3,625.81)	(669.53)	-	(4,295.34)	-	(4,295.34)
Trade Receivables	397.75	(160.58)	-	237.17	237.17	-
DTA on stock reserve	28.53	57.11	-	85.64	85.64	-
Loans and Borrowings	(26.20)	(6.65)	-	(32.85)	-	(32.85)
Employee Benefits	321.08	138.96	(14.49)	445.56	445.56	-
Investment	(39.69)	39.69	-	-	-	-
Fair Value gain on OCRPS	(2,095.67)	(229.77)	-	(2,325.44)	-	(2,325.44)
Stamp duty pursuant to Scheme of Arrangement (refer note 51)	635.49	(476.16)	-	159.33	159.33	-
Dividend on RPS	-	(387.53)	-	(387.53)	-	(387.53)
Currency Translation Reserve	-	1.68	(1.68)	-	-	-
Tax Assets/ (Liabilities)	**(4,404.52)**	**(1,692.78)**	**(16.17)**	**(6,113.46)**	**927.70**	**(7,041.16)**
Set off					(927.70)	927.70
Net Tax Assets / (Liabilities)					**-**	**(6,113.46)**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

23 OTHER NON-CURRENT LIABILITIES

₹ In Lakhs

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
Other Payable (Refer Note 51)	591.53	591.53
TOTAL	**591.53**	**591.53**

24 BORROWINGS (CURRENT)

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Loans Repayable on Demand - Cash credit, packing credit, working capital demand loan and Overdraft facility accounts (Refer Note below)		
Secured Loans		
From Banks - In Indian Currency	6,532.02	317.79
From Banks - In Foreign Currency	15,048.70	10,310.98
Current maturities of Non Current Borrowings (Refer Note 18)	12,898.63	6,157.40
Unsecured Loans		
From Banks - In Indian Currency	2,000.00	6,000.00
From Banks - In Foreign Currency	5,411.28	5,785.81
TOTAL	**41,890.63**	**28,571.98**

Details of Security and Repayment Terms :

The Holding Company has availed Cash credit, packing credit and working capital demand loans of ₹ 40,000 Lakhs (31 March 2021: ₹ 40,000 Lakhs) as sanctioned limit from State Bank of India, HDFC Bank Limited, ICICI Bank Limited, DBS Bank India Limited and Axis Bank Limited (Collectively known as Consortium Bankers). The present consortium is lead by State Bank of India. These loans are secured by first pari passu charge by way of hypothecation of the entire Stock of Raw Materials, Work in Process, Finished Goods, Stores and Spares and Receivables and first pari passu charge on immovable Fixed Assets of the Company as a collateral security. Interest rate on these loans are as follows:

(a) Interest rates on cash credit loans vary within the range of 4.90% to 8.55% (31 March 2022: 7.10% to 7.40%).

(b) Interest rates on packing credit loans vary within the range of USD libor/ SOFR + 0.75% to 1.00% and Euribor + 0.20% to 4.70% Fixed(31 March 2022: USD libor/ SOFR + 0.84% to 1.09% and Euribor + 0.20% to 0.95%).

(c) Interest rates on working capital demand loans and overdraft facility vary within the range of 4.68% to 7.90% (31 March 2022: 4.83% to 8.00%).

(d) One Subsidiary Company Kilburn Chemicals Limited has availed Cash credit and working capital demand loans of ₹ 7,500 Lakhs (31 March 2022: NIL) as sanctioned limit from HDFC Bank Limited. These loans are secured by first charge by way of hypothecation of the entire Current Assets of the Company. During the period company has not utilised the limits

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

24 BORROWINGS (CURRENT) (CONTD..)

Reconciliation of quarterly returns submitted to banks where borrowings have been availed based on security of current assets

Financial Year 2022-2023

From quarter ended March 31, 2022, the Group has filed provisional return with banks as per the due date and subsequently filed final return with respective banks where amounts as per return matches with underlying books of accounts as at respective quarter ended.

Quarter	Bank	Particulars of Security	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for differences
Jun-21	Working Capital Lenders*	Inventory	44,111.65	25,914.22	18,197.43	Refer Note Below
Jun-21	Working Capital Lenders*	Trade Receivables	41,026.17	59,633.18	-18,607.01	
Jun-21	Working Capital Lenders*	Trade Payables	34,240.01	37,290.05	-3,050.04	
Sep-21	Working Capital Lenders*	Inventory	52,776.69	28,442.71	24,333.98	
Sep-21	Working Capital Lenders*	Trade Receivables	41,360.28	68,650.65	-27,290.37	
Sep-21	Working Capital Lenders*	Trade Payables	38,956.94	41,936.58	-2,979.64	
Dec-21	Working Capital Lenders*	Inventory	63,759.35	36,337.89	27,421.46	
Dec-21	Working Capital Lenders*	Trade Receivables	42,554.28	79,603.75	-37,049.47	
Dec-21	Working Capital Lenders*	Trade Payables	49,211.66	53,058.34	-3,846.68	

* HDFC Bank, DBS, Axis Bank, SBI, ICICI bank are represented as working capital lenders

Note -'Reason for differences:

- The differences in inventories and trade receivables are majorly on account of goods in transit where the goods have been physically dispatched from the Holding Company's location however, the same has not been considered as revenue from The purpose of revenue recognition principles and hence reversed from books of accounts for respective quarter ends. Similarly, goods in transit for goods which have not reached respective Company locations are not considered however, considered as purchases as per accounting principles. This has lead to offsetting differences between Inventory, trade receivables and trade payable balances.
- The management of the Holding Company, basis their understanding with banks, submits stock statement of physical stock as available at respective locations at the period end. Accordingly adjustment for goods in transit (inward and outward) is not considered for the purpose of filing returns with banks.
- There are other differences on account of regrouping and reclassification of trade receivable and trade payable balances including adjustment of advances received / given from / to customers / vendors.

25 TRADE PAYABLE

₹ In Lakhs

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
Trade Payables	44,777.14	57,370.11
TOTAL	**44,777.14**	**57,370.11**

Terms and Conditions of the above Outstanding Dues :

‘Trade payables are non-interest bearing and are normally settled on 30-360 days terms. For amounts due to related parties and terms and conditions with related parties, Refer Note 43, Also Refer Note 44 for Group’s credit risk management processes.Trade Payable includes Acceptances amounting to ₹ 4540.48 Lakhs (31 March 2022 ₹ Nil).

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

25 TRADE PAYABLES (Contd..)

Trade payables Ageing Schedule

As at 31 March 2023

₹ In Lakhs

PARTICULARS	Outstanding for following periods from due date of payment						
	Unbilled Dues	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	3,875.43	1,759.09	0.84	1.21	-	5,636.57
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,392.49	30,686.48	6,725.61	220.15	79.17	36.67	39,140.57
Total	**1,392.49**	**34,561.91**	**8,484.70**	**220.99**	**80.38**	**36.67**	**44,777.14**

As at 31 March 2022

₹ In Lakhs

PARTICULARS	Outstanding for following periods from due date of payment						
	Unbilled Dues	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	4,333.69	2,936.25	-	-	-	7,269.94
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,430.96	34,747.38	13,567.14	280.09	71.10	3.50	50,100.17
Total	**1,430.96**	**39,081.07**	**16,503.39**	**280.09**	**71.10**	**3.50**	**57,370.11**

26 OTHER FINANCIAL LIABILITIES (CURRENT)

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Financial liabilities carried at amortised cost		
Interest accrued but not due on borrowings	183.08	107.63
Employee Benefit Payable	3,027.19	3,359.06
Unclaimed Dividend	69.15	72.58
Payable for retention money	1,153.59	394.43
Payable for Capital Goods	6,070.41	3,367.17
Security Deposits Payable	435.50	391.00
Expenses Payable	118.02	90.15
Financial liabilities carried at fair value through profit and loss		
Mark to Market Derivative Liabilities	442.04	15.62
TOTAL	**12,874.08**	**10,846.79**

Notes to the Consolidated Financial Statements
for the year ended 31st March 2023

27 OTHER CURRENT LIABILITIES

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Advance from Customers	1,067.94	4,283.97
Statutory Dues Payable	346.08	307.91
TOTAL	**1,414.02**	**4,591.88**

28 PROVISIONS (CURRENT)

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Provisions for Employee Benefits		
Leave Encashment	17.57	16.04
TOTAL	**17.59**	**16.04**

29 CURRENT TAX LIABILITIES (NET)

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Current Tax Payable (Net)	1,872.29	1,948.23
TOTAL	**1,872.29**	**1,948.23**

30 REVENUE FROM OPERATIONS

₹ In Lakhs

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
Revenue From Operations		
i - Manufactured Goods	2,46,017.17	2,40,566.38
ii - Traded Goods	6,740.67	6,713.37
Total Revenue From Operations	**2,52,757.84**	**2,47,279.75**
Other Operating Revenue		
i - Export benefits and other incentives	2,055.02	2,055.79
ii - Scrap Sales	449.57	510.27
Total Other Operating Revenue	**2,504.59**	**2,566.06**
TOTAL	**2,55,262.43**	**2,49,845.81**

30.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

₹ In Lakhs

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
Type of goods		
Pigments	55,608.61	70,272.83
Agro Chemicals	1,91,775.29	1,71,701.60
Others (Merchant Trading)	5,373.94	5,305.32
Total revenue from contracts with customers	**2,52,757.84**	**2,47,279.75**
Geographical location of customer		
India	30,910.13	35,092.57
Outside India	2,21,847.71	2,12,187.18
Total revenue from contracts with customers	**2,52,757.84**	**2,47,279.75**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

30 REVENUE FROM OPERATIONS (CONTD..)

₹ In Lakhs

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
Timing of revenue recognition		
Goods transferred at a point in time	2,52,757.84	2,47,279.75
Total revenue from contracts with customers	**2,52,757.84**	**2,47,279.75**

30.2 Contract assets and contract liabilities

The Group has recognised the following revenue-related contract asset and liabilities

₹ In Lakhs

PARTICULARS	31st March 2023	31st March 2022
Trade Receivables (Refer Note 10)	52,341.48	54,284.68
Advance from customers (Refer Note 27)	1,067.94	4,283.97

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days. Trade receivable are secured to the extent of deposit received from the customers. As at March 2023, ₹ 972.70 Lakhs (March 2022: ₹ 942.33 Lakhs) was recognised as provision for expected credit losses on trade receivables

Advance from customers includes short term advance received for sale of products.

30.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

₹ In Lakhs

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
Revenue as per contracted price*	2,55,243.44	2,49,108.58
Adjustments		
Sales return	(1,456.59)	(731.62)
Trade and Cash Discount	(1,029.01)	(1,097.21)
Revenue from contract with customer	**2,52,757.84**	**2,47,279.75**

* Net of proceeds from sale of products, manufactured from trial runs conducted.

30.4 Performance obligation

Information about the Group's performance obligations are summarised below:

The performance obligation is satisfied upon dispatch of goods from the Group's premises / delivery of goods to the customer in accordance with the terms of contract with customer.

30.5 Information about major customers

For Information about major customers Refer Note 42.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

31 OTHER INCOME

₹ In Lakhs

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest Income on :		
- Bank Deposits	28.10	33.96
- Others	90.43	204.37
Dividend Income on investment in Redeemable preference shares	1,638.82	1,539.78
Net Gain on Foreign Currency transactions and translation	7,610.79	4,497.80
Liabilities No Longer Required Written Back	91.00	2,071.77
Net gain on Investment in Mutual Funds	94.45	298.08
Fair Value Gain on investment in RPS measured at FVTPL (refer note 50)	-	946.04
Miscellaneous Income	49.74	32.25
TOTAL	**9,603.33**	**9,624.05**

32 COST OF MATERIALS CONSUMED

₹ In Lakhs

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
Pigments	33,967.72	48,717.33
Agro Chemicals	1,17,893.50	1,11,039.33
TOTAL	**1,51,861.22**	**1,59,756.66**

Note:-

The above amount comprises of Raw Material consumption generated from the accounting system and related adjustment thereto.Purchases therein amounts to ₹ 149,784.89 Lakhs (₹ 168,631.94 Lakhs March 31, 2022) and inventory of raw material is as per note 8.

33 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

₹ In Lakhs

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
(A) Inventories at the beginning of the year		
(i) Finished Goods	11,001.33	9,150.02
(ii) Finished Goods in Transit	27,453.54	14,815.16
(iii) Stock in Trade	789.18	349.90
(iv) Work-in-Process (WIP)	3,256.17	2,206.81
TOTAL (A)	**42,500.22**	**26,521.89**
(B) Inventories at the end of the year		
(i) Finished Goods	22,272.29	11,001.33
(ii) Finished Goods in Transit	18,488.14	27,453.54
(iii) Stock in Trade	2,131.26	789.18
(iv) Work-in-Process (WIP)	2,379.08	3,256.17
TOTAL (B)	**45,270.77**	**42,500.22**
TOTAL (A - B) Changes in Inventories	**(2,770.55)**	**(15,978.33)**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

34 EMPLOYEE BENEFIT EXPENSE

₹ In Lakhs

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
Salary, Wages and Bonus	9,319.11	8,031.11
Directors Remuneration (Including Contribution to Provident Fund) (Refer Note 43)	2,111.05	2,610.73
Contribution to Provident Fund, Other Funds and Gratuity (Refer Note 40)	605.71	537.43
Staff Welfare Expenses	917.34	777.70
TOTAL	**12,953.21**	**11,956.97**

35 FINANCE COSTS

₹ In Lakhs

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest expense on :		
Term Loans	344.48	207.18
Cash Credit and Working Capital Demand Loan	790.47	202.23
Lease Liability (Refer Note 45)	36.01	46.58
Others	349.94	236.73
Exchange difference on borrowing costs	2,650.70	(159.05)
Loss on Derivative Instruments	1,968.76	104.15
Other borrowing Costs (includes bank charges, etc.)	432.70	303.16
TOTAL	**6,573.06**	**940.98**

36 OTHER EXPENSES

₹ In Lakhs

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
Consumption of Stores and Spares	2,526.09	1,821.71
Power and Fuel	20,716.30	19,388.58
Repairs and maintenance:		
- Buildings	316.17	266.27
- Plant and Machinery	2,359.70	1,952.28
Pollution Control Expenses	3,759.34	3,038.49
Labour Contract Charges	2,883.11	2,843.44
Rent (Refer Note 45)	125.09	126.31
Rates and Taxes	395.01	186.00
Insurance	819.29	671.69
Packing Material Consumption	6,358.94	6,061.45
Loss on Discarded Fixed Assets	52.51	74.22
Freight Expenses	8,259.35	10,848.77
Provision For Doubtful Debts and Advances	30.37	-
Water charges	709.70	691.70
Expenditure towards Corporate Social Responsibility (Refer Note - i below)	511.31	363.47
Payments to the Auditors (Refer Note - ii below)	55.16	42.21
Miscellaneous Expenses*	7,424.02	6,340.96
TOTAL	**57,301.46**	**54,717.55**

* Miscellaneous Expenses Includes Donation to Political Parties amounting to ₹ 300.00 Lakhs (31st March 2022 - ₹ Nil).

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

36 OTHER EXPENSES (CONTD..)

i **Details of Corporate Social Responsibility (CSR Expenditure)**

₹ In Lakhs

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
Amount Required to be spent during the year	511.31	363.47
Amount approved by the Board to be spent during the year	511.31	363.47
Amount Spend during the year	219.31	248.47
i - Construction / Acquisition of an Assets	-	-
ii - On Purposes other than (i) above	219.31	248.47
Amount yet to be spent	292.00	115.00
Details related to spent / unspent obligations:		
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	219.31	248.47
iii) Unspent amount	292.00	115.00

Nature of CSR activities for the year ended 31 March, 2023 and 31 March, 2022:

Promoting education and women empowerment, preventive healthcare, supporting sports activities in rural areas of country, promoting hygiene sanitation practices, supporting clean and pollution free environment, for renovation of school, and for other activities as prescribed under Schedule VII of The Companies Act, 2013.

Details of Ongoing Projects :

In case of S. 135(6) (Ongoing Project)

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening Balance	-	-
With Company	-	-
In Separate CSR Unspent Account	115.00	-
Amount Required to be spent during the year	511.31	363.47
Amount spent during the year		
From Company's Bank account	219.31	248.47
From Separate CSR unspent account	26.00	-
Closing Balance		
With Company	-	-
In Separate CSR Unspent Account (Refer note below)	381.00	115.00

Includes amount transferred to separate earmarked CSR bank account as per Section 135 of the Companies Act.

ii

₹ In Lakhs

Payments to Auditors (Excluding taxes)	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) as Auditors	53.75	38.25
(b) for Other Services	0.20	2.95
(c) for Reimbursement of Expenses	1.21	1.01
TOTAL	**55.16**	**42.21**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

37 EXCEPTIONAL ITEMS

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Insurance Claim Received (Refer Note below)	-	(611.14)
Provision No Longer Required	(1,881.99)	
TOTAL	**(1,881.99)**	**(611.14)**

On October 22, 2022, there was a fire at warehouse of one of the manufacturing units of the Holding Company at Dahej location majorly leading to loss of inventories. The Holding company is adequately insured for the above-mentioned loss of assets and hence does not expect any material net-losses. The Holding company has filed a claim for the loss suffered which is currently under assessment. Further, the claim is not disputed by the insurance company. The Holding company has currently estimated and recognised an initial net loss of ₹ 39.85 crores on account of loss of assets for year ended March 31, 2023 and corresponding insurance claim receivable considering its assessment, opinion on admissibility of claim as per the policy, adequacy of coverage and nature of loss. The aforementioned losses and corresponding credit has been presented on a net basis under exceptional items in the financial statements.

Pursuant to final order received by subsidiary Kilburn chemical limited towards dues to industrial authority, excess amount reversed amounting to ₹ 1,881.99 Lakhs has been disclosed under exceptional item, considering its disclosure while booking the expenses by erstwhile management.

During the year ended March 31, 2019, there was fire at one of the manufacturing units of Company at Dahej location for which the final claim of ₹ 611.14 Lakhs was received during the year ended March 31, 2022. The same has been disclosed as exceptional items.

38 OTHER COMPREHENSIVE INCOME

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Statement of Other Comprehensive Income		
A - Items that will not be reclassified to Profit or Loss		
(i) Remeasurements gains on the Defined Benefit Plans (Refer Note 40)	156.49	57.57
(ii) Income tax relating to items that will not be reclassified to Profit or Loss	(38.99)	(14.49)
Total (A)	**117.50**	**43.08**
B - Items that will be reclassified to Profit or Loss		
(i) Exchange differences in translating the Financial Statements of a foreign operation	(36.91)	6.68
(ii) Income Tax relating to items that will be reclassified to Profit or Loss	9.29	(1.68)
Total (B)	**(27.62)**	**5.00**
Total (A+B)	**89.88**	**48.08**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

39 EARNINGS PER SHARE

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders of Parent by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share used in the basic and diluted EPS computation:

₹ In Lakhs

PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
Profit attributable to Equity holders of the Parent	23,770.82	30,442.08
Weighted Average number of Equity Shares outstanding (No's)	25,43,14,211	25,43,14,211
Basic and Diluted Earnings Per Share (₹)	9.35	11.97
Face value per equity share (₹)	1	1

40 GRATUITY AND OTHER EMPOYMENT BENEFIT PLANS

(a) Retirement Benefits

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Table 1: Reconciliation of Defined Benefit Obligation (DBO)

₹ In Lakhs

	31st March 2023	31st March 2022
Opening Balance of Defined Benefit Obligation	1,951.67	1,764.43
Service Cost		
a. Current Service Cost	192.98	183.61
Interest Cost	109.32	95.27
Benefits Paid	(84.77)	(57.72)
Re-measurements		
a. Actuarial Loss/(Gain) from changes in financial assumptions	(133.91)	(17.94)
b. Actuarial Loss/(Gain) from experience over the past period	(17.45)	(15.98)
Closing Balance of Defined Benefit Obligation	**2,017.84**	**1,951.67**

Table 2: Reconciliation of Fair Value of Plan Assets

₹ In Lakhs

	31st March 2023	31st March 2022
Opening Balance of Fair Value of Plan Assets at start of the period	486.52	493.72
Contributions by Employer	150.00	1.84
Benefits Paid	(84.77)	(57.72)
Interest Income on Plan Assets	28.10	25.03
Re-measurements		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	-
b. Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	5.13	23.65
Closing Balance of Fair Value of Plan Assets at end of the period	**584.98**	**486.52**
Actual Return on Plan Assets	33.23	48.68
Expected Employer Contributions for the next year	150.00	100.00

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

40 GRATUITY AND OTHER EMPOYMENT BENEFIT PLANS (CONTD..)

Table 3: Expenses recognised in the Profit and Loss Account

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Service Cost		
Current Service Cost	192.98	183.61
Net Interest on net defined benefit liability/ (asset)	81.22	70.24
Employer Expenses	**274.20**	**253.85**

Table 4: Net Liability/ (Asset) recognised in the Balance Sheet

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Present Value of DBO	2,017.84	1,951.67
Fair Value of Plan Assets	584.98	486.52
Liability/ (Asset) recognised in the Balance Sheet	1,432.86	1,465.15
Funded Status [Surplus/(Deficit)]	(1,432.86)	(1,465.15)
Experience Adjustment on Plan Liabilities: (Gain)/Loss	(17.45)	(15.98)

Table 5: Percentage Break-down of Total Plan Assets

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Investment Funds with Insurance Company	100%	100%
Of which, Unit Linked	0%	0%
Of which, Traditional/ Non-Unit Linked	100%	100%
Total	**100%**	**100%**

Note: None of the assets carry a quoted market price in an active market or represent the Group's own transferable financial instruments or are property occupied by the Group.

Table 6: Actuarial Assumptions

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Salary Growth Rate	10% p.a.	10% p.a.
Discount Rate	7.1% p.a.	5.6% p.a.
Withdrawal Rate	12% p.a.	12% pa
Mortality	IALM 2012-14(Ult.)	IALM 2012-14 Ult.
Expected Return on Plan Assets	5.6% p.a.	5.4% p.a.
Expected weighted average remaining working life	3.5 years	3.5 years

Table 7: Movement in Other Comprehensive Income

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Balance at start of period (Loss)/Gain	**(356.71)**	**(414.28)**
Re-measurements on DBO		
a. Actuarial (Loss)/Gain from changes in demographic assumptions	-	-
b. Actuarial (Loss)/Gain from changes in financial assumptions	133.91	17.94
c. Actuarial (Loss)/Gain from experience over the past period	17.45	15.98

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

40 GRATUITY AND OTHER EMPOYMENT BENEFIT PLANS (CONTD..)

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Re-measurements on Plan Assets		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	-
b. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	5.13	23.65
Balance at end of period (Loss)/Gain	**(200.22)**	**(356.71)**

Table 8: Sensitivity Analysis

Financial year ended March 31, 2023	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by ₹ 84.84 Lakhs	DBO decreases by ₹ 78.85 Lakhs
Discount Rate	DBO decreases by ₹ 80.19 Lakhs	DBO increases by ₹ 88.08 Lakhs
Withdrawal Rate	DBO decreases by ₹ 12.50 Lakhs	DBO increases by ₹ 13.55 Lakhs
Mortality (increase in expected lifetime by 1 year)	DBO increases by ₹ 0.30 Lakhs	
Mortality (increase in expected lifetime by 3 years)	DBO increases by ₹ 0.77 Lakhs	

Financial period ended March 31, 2022	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by ₹ 88.79 Lakhs	DBO decreases by ₹ 81.89 Lakhs
Discount Rate	DBO decreases by ₹ 84.40 Lakhs	DBO increases by ₹ 93.58 Lakhs
Withdrawal Rate	DBO decreases by ₹ 17.83 Lakhs	DBO increases by ₹ 19.58 Lakhs
Mortality (increase in expected lifetime by 1 year)	DBO increases by ₹ 0.33 Lakhs	
Mortality (increase in expected lifetime by 3 years)	DBO increases by ₹ 0.98 Lakhs	

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis.

Table 9: Movement in Surplus/ (Deficit)

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Surplus/ (Deficit) at start of year	**(1,465.15)**	**(1,270.71)**
Movement during the year		
Current Service Cost	(192.98)	(183.61)
Net Interest on net DBO	(81.22)	(70.24)
Actuarial gain/ (loss)	156.49	57.57
Contributions	150.00	1.84
Surplus/ (Deficit) at end of year	**(1,432.86)**	**(1,465.15)**

Notes to the Consolidated Financial Statements
for the year ended 31st March 2023

40 GRATUITY AND OTHER EMPOYMENT BENEFIT PLANS (CONTD..)

(b) Defined Contribution Plans

The Group makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The Group has recognised provident fund contribution of ₹ 363.76 Lakhs (March 31, 2022 ₹ 313.46 Lakhs) and contribution to ESIC and Other Labour Fund amounting to ₹ 21.75 Lakhs (March 31, 2022 ₹ 24.12 Lakhs) as expense, Refer Note 34 under the head 'Contributions to Provident and Other Funds'.

41 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

A Claims against the Group not acknowledged as liabilities (Excluding interest and penalty)

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Disputed Income-Tax Liability*	1,238.32	1,193.84
Disputed Excise Duty Liability**	1,701.25	1,701.25
Disputed Service Tax Liability***	151.53	160.44
Disputed Liabilities towards labour and workers compensation	72.66	52.98
(In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various forums / authorities. The Company has assessed that it is only possible but not probable, the outflow of economic resources will be required)		
In respect of Letter of Credit	91.46	1,097.65
In respect of Guarantee		
- Corporate Guarantee Given	42,500.00	-

B Capital Commitments

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Estimated amount of Contracts pending execution on Capital accounts and not provided for (net of advances)	11,604.39	18,838.76

The outflow of the above claims would be determinable only on completion of respective assessments.

* Income tax demand comprise of demand from the Indian Income tax authorities for payment of additional tax of ₹ 1,238.32 (31 March 2022: 1,193.84), upon completion of their tax review for the assessment year 2003-04, 2009-10 to 2010-11, 2013-14 to 2018-19 and 2020-21.The tax demands are mainly on account of Transfer pricing Adjustments, 14 A disallowances, Bad Debt disallowances, Disallowance for loan written off etc. The matter is pending before various authorities.

** Excise duty demand comprise demand from Central excise authorities for payment of additional tax of ₹ 1701.25 Lakhs (31 March 2022: ₹ 1701.25 Lakhs), upon completion of their tax review for the financial year 2003-04 to 2008-09 and 2011-12 to 2016-17. The tax demands are on account of denial of Cenvat credit on manufacturing ,Short payment of duty on DTA clearance from EOU, Education cess on DTA Sales etc. The matter is pending before various authorities.

*** Service tax demand comprise demand from Service Tax Authorities on account of denial of Service tax credit ₹ 151.53 Lakhs (31 March 2022: ₹ 160.44 Lakhs), upon completion of their tax review for the financial year 2006-07 to 2017-18. The tax demands are on account of service tax on sales commission. The matter is pending before various authorities.

The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely be in favour of the Company in the appellate process and no tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

42. SEGMENT REPORTING

A - Analysis By Business Segment

Financial year ended on 31st March 2023:

₹ in Lakhs

Particulars	Pigments	Agro Chemicals	Others #	Unallocable	Elimination	Total
External Sales	55,608.61	1,91,775.29	5,373.94	-	-	2,52,757.84
Other Operating Revenue	310.57	2,194.02	-	-	-	2,504.59
Inter-segment Sales	5,785.41	-	-	-	(5,785.41)	-
Total Revenue	**61,704.59**	**1,93,969.31**	**5,373.94**	**-**	**(5,785.41)**	**2,55,262.43**
Results						
Segment Results	(427.75)	39,000.72	198.38	(2,562.30)	(209.46)	35,999.59
Profit from Operation						**35,999.59**
Finance Cost	-	-	-	-	-	(6,573.06)
Profit before Exceptional Items						**29,426.53**
Exceptional Items	1,881.99	-	-	-	-	1,881.99
Profit Before Tax						**31,308.52**
Income Tax Expenses	-	-	-	-	-	(7,945.87)
Deferred Tax (Expenses)/Income	-	-	-	-	-	408.17
Profit After Tax						**23,770.82**

₹ in Lakhs

Other information	Pigments	Agro Chemicals	Others #	Unallocable	Elimination	Total
Capital Addition	21,974.31	28,324.89	0.37	12.67	-	50,312.24
Depreciation	(2,967.50)	(4,750.84)	(5.87)	(334.33)	352.19	(7,706.35)
Non-Cash Items	(1,690.56)	(156.10)	(36.91)	(2.96)	-	(1,886.54)

₹ in Lakhs

Balance sheet	Pigments	Agro Chemicals	Others #	Unallocable	Elimination	Total
Assets						
Segment Assets	1,05,431.67	1,90,074.74	4,487.36	23,980.76	(4,130.25)	3,19,844.28
Total assets						**3,19,844.28**
Liabilities						
Segment Liabilities	55,160.89	88,945.52	3,408.02	2,877.30	(3,205.20)	1,47,186.53
Deferred Tax Liabilities						5,735.00
Total Liabilities						**1,52,921.53**

#Others includes Merchant Trading Activity.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

42. SEGMENT REPORTING (CONTD..)

Financial year ended on 31st March 2022:

(₹ in Lakhs)

Revenue	Pigments	Agro Chemicals	Others #	Unallocable	Elimination	Total
External Sales	70,272.83	1,71,701.60	5,305.32	-	-	2,47,279.75
Other Operating Revenue	421.27	2,144.79	-	-	-	2,566.06
Inter-segment Sales	4,856.66	-	-	-	(4,856.66)	-
Total Revenue	**75,550.76**	**1,73,846.39**	**5,305.32**	**-**	**(4,856.66)**	**2,49,845.81**
Results						
Segment Results	5,992.00	34,994.27	225.82	38.29	(40.51)	41,209.87
Profit from Operation						**41,209.87**
Finance Cost	-	-	-	-	-	(940.98)
Profit before Exceptional Items						**40,268.89**
Exceptional Items	-	611.14	-	-	-	611.14
Profit Before Tax						**40,880.03**
Income Tax Expenses	-	-	-	-	-	(8,745.17)
Deferred Tax (Expenses)/Income	-	-	-	-	-	(1,692.78)
Profit After Tax						**30,442.08**

(₹ in Lakhs)

Revenue	Pigments	Agro Chemicals	Others #	Unallocable	Elimination	Total
Capital Addition	2,466.55	21,473.57	5.62	67.93	-	24,013.67
Depreciation	(2,249.33)	(3,765.27)	(3.80)	(349.14)	102.28	(6,265.26)
Non-Cash Items	(531.86)	(1,023.00)	6.69	(2,428.27)	-	(3,976.45)

(₹ in Lakhs)

Balance sheet	Pigments	Agro Chemicals	Others #	Unallocable	Elimination	Total
Assets						
Segment Assets	89,718.05	1,63,936.51	2,595.94	25,370.76	(1,860.17)	2,79,761.09
Total assets						**2,79,761.09**
Liabilities						
Segment Liabilities	39,223.99	85,031.39	1,589.89	2,676.69	(1,496.77)	1,27,025.19
Deferred Tax Liabilities						6,113.46
Total Liabilities						**1,33,138.65**

#Others includes Merchant Trading Activity.

B - Analysis By Geographical Segment

(i) - Segment Revenue

Segment revenue is analysed based on the location of customers regardless of where the goods are produced. The following provides an analysis of the Group Sales by geographical Markets

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Revenue:		
Within India	31,359.70	35,602.84
Outside India	2,23,902.73	2,14,242.97
TOTAL	**2,55,262.43**	**2,49,845.81**

Notes to the Consolidated Financial Statements
for the year ended 31st March 2023

42. SEGMENT REPORTING (CONTD..)

(ii) - Segment Assets

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Within India	2,55,493.71	2,14,366.43
Outside India	43,718.78	42,199.34
TOTAL	**2,99,212.49**	**2,56,565.77**

Note - Segment Assets does not include Deferred Tax, Investments, Current and Non Current Tax Assets

(iii) - Segment Liability

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Within India	1,28,033.72	1,03,086.16
Outside India	17,280.52	21,990.80
TOTAL	**1,45,314.24**	**1,25,076.96**

Note - Segment Liabilities does not includes Deferred Tax and Income Tax Liabilities

(iv) - Segment Capital Expenditure

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Within India	50,311.84	23,867.34
Outside India	-	5.62
TOTAL	**50,311.84**	**23,872.96**

The Group has one customer (31 March 2022 - One Customer) based outside India which has accounted for more than 10% of the Group's revenue. Total amount of revenue from this customer is ₹ 25,759.85 Lakhs for the year ended March 31, 2023 and revenue of ₹ 34,810.62 Lakhs for the year ended March 31, 2022.

Notes

(1) Based on "management approach" defined under Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along these Segments.

(2) The Group is divided into two segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of :

a) Agro Chemicals - The Group's operation includes manufacture and marketing of technical, intermediates and formulation of Crop Protection Chemicals.

b) Pigment Business - The Group's operation includes manufacture and marketing of Phthalocynine Green 7, Copper Phthalocynine Blue (CPC), Alpha Blue, Beta Blue and Titanium Dioxide.

(3) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the Segments and amounts allocated on a reasonable basis.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

43 RELATED PARTIES DISCLOSURES :-

Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence :	Meghmani Pigments
	Ashish Chemicals
	Tapsheel Enterprise
	Meghmani Finechem Limited
	Meghmani Dyes & Intermediates LLP
	Meghmani Industries Limited
	Meghmani Chemicals Limited
	Arjan Owners LLP (Formerly Panchratna Corporation)
	Meghmani LLP (Formerly Meghmani Unichem LLP)
	Matangi Industries LLP
	Navratan Specialty Chemicals LLP
	Meghmani Exports Limitada S.A.De CV
	Meghmani Foundation
Key Managerial Personnel :	Mr. Jayanti Patel (Executive Chairman)
	Mr. Ashish Soparkar (Managing Director)
	Mr. Natwarlal Patel (Managing Director)
	Mr. Ramesh Patel (Executive Director)
	Mr. Anand Patel (Executive Director)
	Mr. Ankit Patel (CEO)
	Mr. Darshan Patel (COO)
	Mr. Karana Patel (COO)
	Mr. G.S. Chahal (Chief Financial Officer)
	Mr. Kamlesh Mehta (Company Secretary) (up to 20.05.2021)
	Mr. Jayesh R Patel (Company Secretary) (w.e.f 21.05.2021)
Relatives of Key Managerial Personnel :	Ms. Deval Soparkar (up to 31.10.2022)
	Ms. Taraben Patel
	Mr. Maulik Patel
	Mr. Kaushal Soparkar
Independent Directors :	Mr. Bhaskar Rao (up to 05.05.2022)
	Mr. C S Liew (up to 05.05.2022)
	Ms. Urvashi Shah
	Mr. Manubhai Patel
	Dr. (Prof) Ganapati Yadav
	Dr. Varesh Sinha (w.e.f 22.07.2022)
	Mr. Shalin Mehta (w.e.f 22.07.2022)

Notes to the Consolidated Financial Statements
for the year ended on 31st March 2023

43 RELATED PARTIES DISCLOSURES :- CONTD..)

Transactions with Related Parties in Ordinary Course of Business

₹ In Lakhs

Particulars	Enterprises in which Directors & Key Managerial Personnel [KMP]have significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2023	For the year ended 31st March 2022
Purchase of Goods	21,670.60	19,657.46	-	-	-	-	21,670.60	19,657.46
Sale of Goods	758.57	1,176.74	-	-	-	-	758.57	1,176.74
Availing of Services	211.16	185.64	-	-	-	-	211.16	185.64
Sitting Fees	-	-	45.45	24.18	-	-	45.45	24.18
Remuneration	-	-	2,194.58	2,678.04	12.72	18.42	2,207.30	2,696.46
Investment in Equity Shares	2.45	-	-	-	-	-	2.45	-
Reimbursement of Expenses	90.91	88.06	-	-	-	-	90.91	88.06
Legal & Professional Fees	-	-	-	19.99	-	-	-	19.99
Sale of MEIS Licenses	-	232.41	-	-	-	-	-	232.41
Dividend on RPS	1,638.47	1,539.43	-	-	-	-	1,638.47	1,539.43
Dividend Paid	-	-	1,430.30	1,322.92	150.38	146.18	1,580.68	1,469.10

Outstanding Balances with Related Parties

Particulars	Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Receivables	240.30	327.17	-	-	-	-	240.30	327.17
Payables	2,921.79	4,468.91	-	-	-	-	2,921.79	4,468.91
Remuneration Payable	-	-	1,625.86	2,126.16	-	1.35	1,625.86	2,127.51
Dividend Receivable on RPS	1,474.63	1,385.48					1,474.63	1,385.48
Loan Given	584.78	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

43 RELATED PARTIES DISCLOSURES :- CONTD..)

Terms and conditions of transactions with Related Parties

(1) The Group's transactions with related parties are at arm's length. Management believes that the Group's domestic and international transactions with related parties post March 31, 2023 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the period end.

(2) For the year ended 31 March 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(3) The future liability for Gratuity and Compensated Absence is provided on aggregated basis for all the employees of the Group taken as a whole, the amount pertaining to KMPs is not ascertainable separately and therefore not included above.

Commitments with related parties

During the current year, the Holding Company has given Corporate Guarantee on behalf of its wholly owned Subsidiaries viz: Kilburn Chemicals Limited and Meghmani Crop Nutrition limited (formerly known as Meghmani Synthesis Limited). Refer Note 41 for details in respect of guarantees given.

DISCLOSURE IN RESPECT OF TRANSACTION WITH RELATED PARTY DURING THE YEAR:

₹ In Lakhs

Party Name	Relationship	Nature of Transaction	For the year ended 31st March 2023	For the year ended 31st March 2022
Meghmani Finechem Limited	Enterprises in which Directors & KMP have significant influence	Dividend on RPS	1,638.47	1,539.43
		Total	**1,638.47**	**1,539.43**
Meghmani Foundation	Enterprises in which Directors & KMP have significant influence	Investment	2.45	-
		Total	**2.45**	**-**
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Sale of Goods	35.93	-
Meghmani Industries Limited -SEZ	Enterprises in which Directors & KMP have significant influence	Sale of Goods	20.10	11.74
Meghmani Dyes & Intermediate LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	246.99	266.01
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Sale of Goods	-	1.10
Meghmani LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	-	3.35
Meghmani LLP-SEZ	Enterprises in which Directors & KMP have significant influence	Sale of Goods	28.33	28.34
Navratan Speciality Chemical LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	5.12	4.43
Meghmani Exports Limitada S.A. DE C.	Enterprises in which Directors & KMP have significant influence	Sale of Goods	422.10	861.77
		Total	**758.57**	**1,176.74**
Meghmani Finechem Limited	Enterprises in which Directors & KMP have significant influence	Sale of MEIS Licences	-	232.41
		Total	**-**	**232.41**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

43 RELATED PARTIES DISCLOSURES :- CONTD..)

₹ In Lakhs

Party Name	Relationship	Nature of Transaction	For the year ended 31st March 2023	For the year ended 31st March 2022
Meghmani Finechem Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	18,935.31	16,723.19
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	1,260.08	1,256.39
Ashish Chemical	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	22.50	9.21
Matangi Industries LLP	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	0.74	3.88
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	17.84	-
Meghmani Dyes & Intermediate Ltd	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	0.94	0.76
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	-	10.93
Delta Electricals	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	-	1.18
Meghmani LLP	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	1,419.27	1,651.92
Meghmani Exports Limiada S.A. DE C.	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	13.92	-
		Total	**21,670.60**	**19,657.46**
Arjan Owners LLP (Formerly Panchratna Corporation)	Enterprises in which Directors & KMP have significant influence	Availing of Services	211.16	185.64
		Total	**211.16**	**185.64**
Bhaskar Rao	Independent Directors	Legal & Professional Fees	-	7.78
Liew Ching Seng	Independent Directors	Legal & Professional Fees	-	12.21
		Total	**-**	**19.99**
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	47.92	39.85
Meghmani Dyes & Intermediate Ltd	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	10.27	11.12
Meghmani LLP SEZ	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	20.83	22.15
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	7.70	11.57
Ashish Chemicals	Enterprises in which Directors & KMP have significant influence	Reimbursement Of Expenses	4.19	3.37
		Total	**90.91**	**88.06**
Jayanti Patel	Key Managerial Personnel	Managerial Remuneration	502.59	627.51
Ashish Soparkar	Key Managerial Personnel	Managerial Remuneration	501.61	626.58
Natwarlal Patel	Key Managerial Personnel	Managerial Remuneration	502.61	627.41
Ramesh Patel	Key Managerial Personnel	Managerial Remuneration	342.42	417.42

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

43 RELATED PARTIES DISCLOSURES :- CONTD..)

₹ In Lakhs

Party Name	Relationship	Nature of Transaction	For the year ended 31st March 2023	For the year ended 31st March 2022
Anand Patel	Key Managerial Personnel	Managerial Remuneration	261.82	311.82
G.S Chahal	Key Managerial Personnel	Salary	58.40	47.52
Kamlesh Mehta	Key Managerial Personnel	Salary	-	3.35
Jayesh R Patel	Key Managerial Personnel	Salary	25.13	16.43
		Total	**2,194.58**	**2,678.04**
Ms. Deval Soparkar	Relatives of Key Managerial Personnel	Salary	12.72	18.42
		Total	**12.72**	**18.42**
Ganapati Dadasaheb Yadav	Independent Directors	Sitting Fees	6.50	5.48
Ms. Urvashi Shah	Independent Directors	Sitting Fees	7.35	6.60
Manubhai K Patel	Independent Directors	Sitting Fees	8.10	6.60
Bhaskar Rao	Independent Directors	Sitting Fees	8.90	2.75
Varesh Sinha	Independent Directors	Sitting Fees	2.33	-
Liew Ching Seng	Independent Directors	Sitting Fees	12.27	2.75
		Total	**45.45**	**24.18**
Jayanti Patel	Key Managerial Personnel	Dividend	262.65	252.34
Ashish Soparkar	Key Managerial Personnel	Dividend	359.35	357.57
Natwarlal Patel	Key Managerial Personnel	Dividend	364.98	290.36
Ramesh Patel	Key Managerial Personnel	Dividend	237.40	222.40
Anand Patel	Key Managerial Personnel	Dividend	116.17	110.50
Karana Patel	Key Managerial Personnel	Dividend	27.59	27.59
Ankit Patel	Key Managerial Personnel	Dividend	46.11	46.11
Darshan Patel	Key Managerial Personnel	Dividend	16.05	16.05
		Total	**1,430.30**	**1,322.92**
Deval Soparkar	Relatives of Key Managerial Personnel	Dividend	5.75	5.75
Maulik Patel	Relatives of Key Managerial Personnel	Dividend	21.98	17.78
Kaushal Soparkar	Relatives of Key Managerial Personnel	Dividend	19.61	19.61
Taraben Patel	Relatives of Key Managerial Personnel	Dividend	103.04	103.04
		Total	**150.38**	**146.18**
Total			**28,205.59**	**27,089.47**

Outstanding Balance

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Payable		
Arjan Owners LLP	16.28	14.16
Ashish Chemicals	22.50	-
Meghmani Dyes & Intermediate Ltd.	0.94	-
Meghmani Finechem Ltd.	1,827.12	3,858.06
Meghmani Industries Ltd.	17.84	-
Meghmani LLP	554.68	389.23
Meghmani Pigments	482.43	207.46
Total	**2,921.79**	**4,468.91**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

43 RELATED PARTIES DISCLOSURES :- CONTD..)

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Receivables		
Meghmani Dyes & Intermediate LLP	76.49	27.59
Meghmani Industries Ltd.	32.64	-
Meghmani LLP-SEZ	-	7.43
Navratan Speciality Chemical LLP	2.29	3.04
Meghmani Exports Limitada S.A.De CV	128.88	289.11
Total	**240.30**	**327.17**
Dividend Receivable on RPS		
Meghmani Finechem Ltd.	1,474.63	1,385.48
Total	**1,474.63**	**1,385.48**
Remuneration Payable		
Jayanti Patel	404.25	529.25
Ashish Soparkar	404.25	529.25
Natwarlal Patel	404.25	529.25
Ramesh Patel	244.25	319.25
Anand Patel	164.25	214.25
G.S Chahal	2.62	3.34
Jayesh R Patel	1.99	1.57
Deval Soparkar	-	1.35
Total	**1,625.86**	**2,127.51**

44 - Financial instruments – Fair Value Hierarchy

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note 2 to the Financial Statements.

A. Category-wise classification of financial instrument

The carrying value of financial instruments by categories as of March 31, 2023 is as follows:

(₹ in Lakhs)

31st March 2023	Carrying amount			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
Financial assets				
Non-Current Investments (Refer Note 4)	15,000.00	323.63	0.03	15,323.66
Non-Current Other Financial Assets (Refer Note 5)	-	-	1,164.27	1,164.27
Current investments (Refer Note 9)	3,000.44	-	-	3,000.44
Trade Receivables (Refer Note10)	-	-	52,341.48	52,341.48
Cash and Cash Equivalents (Refer Note 11)	-	-	3,105.68	3,105.68
Bank Balances (Other than above) (Refer Note 12)	-	-	158.15	158.15
Loans (Refer Note 13)	-	-	38.71	38.71
Other Financial Asset (Refer Note 14)	-	-	8,931.68	8,931.68
Total Financial Assets	**18,000.44**	**323.63**	**65,740.00**	**84,064.07**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

44 - Financial instruments – Fair Value Hierarchy CONTD..)

(₹ in Lakhs)

31st March 2023	Carrying amount			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
Financial liabilities				
Non-Current Borrowings (Refer Note 18)	-	-	40,155.28	40,155.28
Non Current Lease liabilities (Refer Note 19)			186.61	186.61
Non Current Financial Liabilities (Refer Note 20)	1,630.87		42.73	1,673.60
Current Borrowings (Refer Note 24)	-	-	41,890.63	41,890.63
Current Lease liabilities (Refer Note 19)			157.70	157.70
Trade Payables (Refer Note 25)	-	-	44,777.14	44,777.14
Other Financial Liabilities (Refer Note 26)	442.04	-	12,432.04	12,874.08
Total Financial Liabilities	**2,072.91**	**-**	**1,39,642.13**	**1,41,715.04**

The carrying value of financial instruments by categories as of March 31, 2022 is as follows:

(₹ in Lakhs)

31st March 2022	Carrying amount			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
Financial assets				
Non-Current Investments (Refer Note 4)	21,091.99	57.18	0.03	21,149.20
Non-Current Other Financial Assets (Refer Note 5)	-	-	1,304.89	1,304.89
Current investments (Refer Note 9)	-	-	-	-
Trade Receivables (Refer Note10)	-	-	54,284.68	54,284.68
Cash and Cash Equivalents (Refer Note 11)	-	-	1,048.99	1,048.99
Bank Balances (Other than above) (Refer Note 12)	-	-	77.12	77.12
Loans (Refer Note 13)	-	-	47.90	47.90
Other Financial Asset (Refer Note 14)	-	-	13,971.42	13,971.42
Total Financial Assets	**21,091.99**	**57.18**	**70,735.03**	**91,884.20**
Financial liabilities				
Non-Current Borrowings (Refer Note 18)	-	-	20,878.62	20,878.62
Non Current Lease liabilities (Refer Note 19)			344.31	344.31
Non Current Financial Liabilities (Refer Note 20)	88.53		26.91	115.44
Current Borrowings (Refer Note 24)	-	-	28,571.98	28,571.98
Current Lease liabilities (Refer Note 19)			142.94	142.94
Trade Payables (Refer Note 25)	-	-	57,370.11	57,370.11
Other Financial Liabilities (Refer Note 26)	15.62	-	10,831.17	10,846.79
Total Financial Liabilities	**104.15**	**-**	**1,18,166.04**	**1,18,270.19**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

44 - Financial instruments – Fair Value Hierarchy (Contd..)

B. Measurement of Fair values and Sensitivity analysis

Fair value hierarchy:

The fair value of the Financial Assets and Liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Group uses the following hierarchy for determining and/or disclosing the fair value of Financial Instruments by valuation techniques:

(i) Level 1: quoted prices (unadjusted) in active markets for identical Assets or Liabilities.

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the Assets or Liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

(iii) Level 3: inputs for the Assets or Liabilities that are not based on observable market data (unobservable inputs).

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range

Financial instrument measured at fair value

₹ In Lakhs

Financial assets / financial liabilities	Fair value as at		Fair value hierarchy
	31st March 2023	31st March 2022	
Investment at FVTOCI (unquoted) (Refer Note 4)	323.63	57.18	Level 3
Investment at FVTPL (unquoted) (Refer Note 4)	15,000.00	21,091.99	Level 3
Investment at FVTPL (Quoted) (Refer Note 9)	3,000.44	-	Level 1
Mark to Market Derivative Liabilities on Interest rate swap and Cross Currency Swap Valued at FVTPL (Refer Note 20 and 26)	2,072.91	104.15	Level 2

Financial instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Reconciliation of level 1 fair values

The following table shows a reconciliation from the opening balance to the closing balances for level 1 fair values representing investment in short term liquid mutual funds.

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Opening balance	(0.00)	10,243.86
Net change in fair value (unrealised)	0.59	(72.64)
Purchases	41,697.92	12,899.36
Sales	(38,698.07)	(23,070.58)
Closing balance	**3,000.44**	**(0.00)**

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorised within Level 2 of the fair value hierarchy is based on the Fair value as ascertained and provided by the bank.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

44 - Financial instruments – Fair Value Hierarchy (Contd..)

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2022 and 31 March 2021 are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
FVTPL assets in unquoted RPS of Meghmani Finechem Limited	DCF Method	Weighted average cost of debt	31 March 2023: 8.00% 31 March 2022: 8.00%	1% (31 March 2022: 1%) increase (decrease) in the weighted average cost of debt would result in decrease (increase) in fair value by ₹ 1,847 Lakhs (31 March 2022: ₹ 1,847 Lakhs).
FVOCI assets in unquoted CCD of AMP Energy C&I Two Private Limited	Cost (asset based) approach	Cost of individual assets	NA	1% (31 March 2022: NA) increase (decrease) in the cost of individual assets would result in increase / (decrease) in fair value by ₹ 11.84 Lakhs (31 March 2022: NA)

Reconciliation of fair value measurement of unquoted OCRPS classified as FVTPL assets:

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Opening balance	21,091.99	20,145.95
Re-measurement recognised in profit and loss	-	946.04
Purchases	-	-
Redemption	6,091.99	-
Closing balance	**15,000.00**	**21,091.99**

Reconciliation of fair value measurement of unquoted Compulsorily Convertible Debentures (CCD) classified as FVTOCI assets:

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Opening balance	-	-
Re-measurement recognised in profit and loss	-	-
Purchases	237.60	-
Redemption	-	-
Opening balance	**237.60**	**-**

Reconciliation of fair value measurement of unquoted equity shares classified as FVOCI assets:

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Opening balance	57.18	57.18
Re-measurement recognised in profit and loss	-	-
Purchases	27.90	-
Redemption	-	-
Closing balance	**85.08**	**57.18**

Notes to the Consolidated Financial Statements
for the year ended 31st March 2023

44 - Financial instruments – Fair Value Hierarchy (Contd..)

Financial Risk Management Framework

The Group's Board of Directors have overall responsibility for the establishment and oversight of the Group's Risk Management Framework. The Group manages market risk through treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends Risk Management Objectives and Policies. The activities of this operations include management of Cash Resources, hedging of Foreign Currency Exposure, Credit Control and ensuring compliance with market risk limits and policies.

The Group's principal Financial Liabilities, other than derivatives, comprises of long term and Short Term Borrowings, Trade and Other Payables, and Financial Liabilities. The main purpose of these Financial Liabilities is to finance the Group's operations. The Group's principal Financial Assets include Loans, Trade and Other Receivables, Cash and Cash Equivalents, Other Bank balances and other Financial Assets that derive directly from its operations.

The Group has an effective risk management framework to monitor the risks controls in key business processes. In order to minimise any adverse effects on the bottom line, the Group takes various mitigation measures such as credit control, foreign exchange forward contracts to hedge foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Group has exposure to the following risks arising from Financial Instruments

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. **Credit Risk**

Credit Risk is the risk that counter party will not meet its obligation leading to a Financial Loss. The Group is exposed to Credit Risk arising from its operating activities primarily from trade receivables and from financing activities primarily relating to parking of surplus funds as Deposits with Banks. The Group considers probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period.

The carrying amount of following Financial Assets represents the maximum credit exposure:

Financial Instruments and Cash Deposit

Credit risk from balances with banks and financial institutions is managed by the Group’s treasury department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty’s potential failure to make payments.

Trade Receivables

The Sales Department has established a Credit Policy under which each new customer is analysed individually for creditworthiness before the Group’s standard payment and delivery terms and conditions are offered. The Group’s review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the Board of Directors.

Trade Receivables of the Group are typically unsecured ,except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which Group grants credit terms in the normal course of business. The Group performs ongoing credit evaluations of its customers’ financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts Receivables. The Group evaluates the concentration of risk with

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

44 - Financial instruments – Fair Value Hierarchy (Contd..)

respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

The maximum exposure to credit risk for trade receivables by geographic region was as follows:

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Domestic	11,025.59	13,050.12
Other regions	41,315.89	41,234.56
Total	**52,341.48**	**54,284.68**

Age of Receivables

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Neither due nor impaired	33,995.11	44,139.15
Past due 1–90 days	8,522.51	8,451.53
Past due 91–180 days	3,131.31	960.63
More than 180 days	6,692.55	733.37
Total	**52,341.48**	**54,284.68**

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer Credit Risk, including underlying customers' credit ratings if they are available.

Management estimates that the amount of provision of ₹972.70 Lakhs (31st March, 2022: ₹ 942.33 Lakhs) is appropriate

ii. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI, FVTPL and amortised cost investments and derivative financial instruments.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of actual sales and purchases and 12-month period for foreign currency loans. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Notes to the Consolidated Financial Statements
for the year ended 31st March 2023

44 - Financial instruments – Fair Value Hierarchy (Contd..)

Exposure to Currency Risk

The currency profile of financial assets and financial liabilities as at March 31, 2023 and March 31, 2022 are as below:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows

₹ In Lakhs

Particulars	31st March 2023 Total	USD Denominated exposure	Euro Denominated exposure	INR
Financial Assets				
Trade Receivables	52,341.48	38,018.80	3,297.09	11,025.59
Total	**52,341.48**	**38,018.80**	**3,297.09**	**11,025.59**
Financial Liabilities				
Non Current Borrowings	40,155.28	16,723.34	10,653.78	12,778.16
Non Current Lease liabilities	186.61	-	-	186.61
Other Non-Current Financial Liabilities	1,673.60	-	-	1,673.60
Current Borrowings	41,890.63	4,694.89	28,663.14	8,532.60
Current Lease liabilities	157.70			157.70
Trade Payables	44,777.14	10,731.41	178.88	33,866.85
Other Current Financial Liabilities	12,874.08	182.09	66.69	12,625.30
Total	**141,715.04**	**32,331.73**	**39,562.49**	**69,820.82**

₹ In Lakhs

Particulars	31st March 2022 INR	USD Denominated exposure	Euro Denominated exposure	INR
Financial Assets				
Trade Receivables	54,284.68	36,454.35	4,780.21	13,050.12
Total	**54,284.68**	**36,454.35**	**4,780.21**	**13,050.12**
Financial Liabilities				
Non Current Borrowings	20,878.62	12,696.95	8,181.67	-
Non Current Lease liabilities	344.31			344.31
Other Non-Current Financial Liabilities	115.44	-	-	115.44
Current Borrowings	28,571.98	13,912.25	8,341.93	6,317.80
Current Lease liabilities	142.94			142.94
Trade Payables	57,370.11	13,980.46	98.02	43,291.63
Other Current Financial Liabilities	10,846.79	8.16	17.13	10,821.50
Total	**1,18,270.19**	**40,597.82**	**16,638.75**	**61,033.62**

Forward Contracts outstanding as at reporting period

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Contract for buying foreign currency (USD)	1,684.41	-

Unhedged Foreign Currency exposure as at reporting period

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Trade Receivables	24,363.77	8,654.30
Current Borrowings	23,927.22	3,676.87
Non current Borrowings	27,377.11	20,878.62

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

44 - Financial instruments – Fair Value Hierarchy (Contd..)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars and Euro at March 31 would have affected the measurement of financial instruments denominated in US dollars and Euro and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

₹ In Lakhs

Effect in INR	Profit or (Loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March 2023				
5% movement				
USD	200.13	(200.13)	149.76	(149.76)
EUR	(1,813.27)	1,813.27	(1,356.91)	1,356.91

₹ In Lakhs

Effect in INR	Profit or (Loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March 2022				
5% movement				
USD	(207.17)	207.17	(155.03)	155.03
EUR	(592.93)	592.93	(443.70)	443.70

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's Long-term and Short term Debt Obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to Interest Rate Risk

Group's Interest Rate Risk arises from borrowings obligations. Borrowings issued exposes to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

₹ In Lakhs

Variable-rate instruments	31st March 2023	31st March 2022
Non current - Borrowings	40,155.28	20,878.62
Current - Borrowings	41,890.63	28,571.98
Total	**82,045.91**	**49,450.60**

Cash Flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

₹ In Lakhs

Particulars	Profit or (Loss)		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31st March 2023				
Non current - Borrowings	(401.55)	401.55	(300.49)	300.49
Current - Borrowings	(418.91)	418.91	(313.48)	313.48
Total	**(820.46)**	**820.46**	**(613.97)**	**613.97**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

44 - Financial instruments – Fair Value Hierarchy (Contd..)

₹ In Lakhs

Particulars	Profit or (Loss)		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31st March 2022				
Non current - Borrowings	(208.79)	208.79	(156.24)	156.24
Current - Borrowings	(285.72)	285.72	(213.81)	213.81
Total	**(494.51)**	**494.51**	**(370.05)**	**370.05**

iii. Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to Liquidity Risk

The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The table below summarises the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

₹ In Lakhs

31st March 2023	Carrying amount	Contractual cash flows				
		Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
Derivative Contracts (Refer Note 20 and 26)						
AXIS Bank Limited	913.46	913.46	214.89	212.95	485.62	-
Indusind Bank Limited	1,159.46	1,159.46	227.05	286.29	646.12	-
Non-Derivative Financial Liabilities (Refer Note 18)						
Rupee Term Loans from Banks						
AXIS Bank Limited	12,696.95	12,696.95	2,987.01	2,959.94	6,750.00	-
Indusind Bank Limited	14,535.46	14,535.46	2,846.46	3,589.00	8,100.00	-
HDFC Bank Limited (KCL)	12,778.17	12,778.16	-	1,916.72	7,666.90	3,194.54
Total	**40,010.58**	**40,010.57**	**5,833.47**	**8,465.66**	**22,516.90**	**3,194.54**
Foreign currency term loans from banks						
SBI Bank Limited	6,097.22	6,097.22	2,437.61	2,434.28	1,225.33	-
AXIS Bank Limited	2,596.39	2,596.39	1,727.73	868.66	-	-
Kotak Mahindra Bank Ltd	4,349.72	4,349.72	2,899.81	1,449.91	-	-
Total	**13,043.33**	**13,043.33**	**7,065.15**	**4,752.85**	**1,225.33**	**-**
Working Capital Loans from Banks (Refer Note 24)	28,992.00	28,992.00	28,992.00	-	-	-
Trade Payables (Refer Note 25)	44,777.14	44,777.14	44,777.14	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

44 - Financial instruments – Fair Value Hierarchy (Contd..)

₹ In Lakhs

31st March 2022	Carrying amount	Contractual cash flows				
		Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
Derivative Contracts (Refer Note 20 and 26)						
AXIS Bank Limited	104.15	104.15	15.62	20.83	62.49	5.21
Non-Derivative Financial Liabilities (Refer Note 18)						
Rupee term loans from banks						
AXIS Bank Limited	14,933.97	14,933.97	2,237.01	2,987.52	8,962.55	746.89
Total	**14,933.97**	**14,933.97**	**2,237.01**	**2,987.52**	**8,962.55**	**746.89**
Foreign Currency Term Loans from Banks						
SBI Bank Limited	8,032.53	8,032.53	2,294.59	2,298.73	3,439.21	-
AXIS Bank Limited	4,069.52	4,069.52	1,625.80	1,629.15	814.57	-
Total	**12,102.05**	**12,102.05**	**3,920.39**	**3,927.88**	**4,253.78**	**-**
Working Capital Loans from Banks (Refer Note 24)	22,414.58	22,414.58	22,414.58	-	-	-
Trade Payables (Refer Note 25)	57,370.11	57,370.11	57,370.11	-	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels.

45 : Leases

The Group has lease contracts for Holding Company's HO premise. Leases of HO premise is having lease terms of 9 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain premises in good state. The lease contract include extension and termination options which are further discussed below.

The Group also has Depots with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for this lease.

Terms of Cancellation and Escalation

The Leases are cancellable by giving one month notice by either parties and these does not carries any escalation.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

45 : Leases (Contd..)

(A) Leases as lessee

(i) The movement in Lease liabilities during the year

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Opening Balance	487.25	597.99
Additions during the year	-	-
Finance costs incurred during the year	36.01	46.58
Payments of Lease Liabilities	178.95	157.32
Closing Balance	**344.31**	**487.25**

(ii) The carrying value of the Rights-of-use and depreciation charged during the year :

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Opening Balance	11,658.25	4,154.20
Addition on KCL Acquisition	-	7,095.00
Additions during the year	-	610.34
Depreciation charged during the year	(261.23)	(201.29)
Closing Balance	**11,397.02**	**11,658.25**

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Depreciation expense of right-of-use assets	261.23	201.29
Interest expense on lease liabilities	36.01	46.58
Expense relating to short-term leases (included in other expenses)	125.09	126.31
Total Expenses	**422.33**	**374.18**

(iv) Amounts recognised in statement of cash flows

₹ In Lakhs

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Total Cash outflow for Leases	178.95	157.32

(v) Maturity analysis of lease liabilities

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	180.92	178.95
One to five years	195.99	376.91
More than five years	-	-
Total undiscounted Lease Liability	**376.91**	**555.86**

Balances of Lease Liabilities

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Non Current Lease Liability	186.61	344.31
Current Lease Liability	157.70	142.94
Total Lease Liability	**344.31**	**487.25**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

46 Ratios

₹ In Lakhs

Ratio	Numerator	Denominator	31st March 2023	31st March 2022	% change	Reason for variance above 25% year on year
Current Ratio	Current Assets	Current Liabilities	1.42	1.39	2.55%	No major variance
Debt-Equity Ratio	Current Borrowings + Non Current Borrowings + Lease Liabilities	Shareholder's Equity	0.49	0.34	44.92%	There is an increase in debt equity ratio on account of new loans sanctioned and disbursed during the current year for funding new capacity expansion projects.
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest & Lease payment + Other adjustment like loss on sale of Assets	Debt service = Interest & Lease Payments + Principal Repayments	0.77	1.28	-40.17%	There is a decrease in Debt service coverage ratio on account of increase in Working capital demand loans and increase in long term debt taken for funding new capacity expansion projects.
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	0.15	0.23	-34.27%	There is a decrease in return on equity ratio on account of decrease in Net profit for the year and increase in average shareholder's equity.
Inventory Turnover Ratio	Revenue from Operation	Average Inventory	3.95	4.92	-19.65%	No major variance
Trade Receivables Turnover Ratio	Revenue from Operation	Average Trade Receivable	4.79	5.24	-8.63%	No major variance
Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	3.15	3.93	-19.76%	No major variance
Net Capital Turnover Ratio	Revenue from Operation	Working capital = Current assets – Current liabilities	5.86	6.23	-5.92%	No major variance
Net Profit Ratio	Net Profit	Revenue from Operation	0.09	0.12	-23.57%	No major variance
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Lease Liability + Deferred Tax Liability	0.11	0.20	-44.01%	There is a decrease in return on capital employed on account of decrease in Net profit for the year and increase in capital employed.
Return on Investment	Interest (Finance Income)	Average of Investment in Securities & Bank Deposit	8.85%	9.51%	-6.91%	No major variance

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

47 (A) - Information about Subsidiaries

The Group's Subsidiaries at 31 March 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

₹ In Lakhs

Name of Entity	Place of business / Country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interest		Principal Activities
		31st March 2023	31st March 2022	31st March 2023	31st March 2022	
Meghmani Organics USA INC	USA	100.00%	100.00%	0.00%	0.00%	Trading
PT Meghmani Organics	Indonesia	100.00%	100.00%	0.00%	0.00%	Trading of Pigment & Chemicals
Meghmani Overseas FZE	Dubai	100.00%	100.00%	0.00%	0.00%	Trading of Agro Chemicals
Meghmani Crop Nutrition Limited (Formerly Known as Meghmani Synthesis Limited)	India	100.00%	100.00%	0.00%	0.00%	Manufacturing of Nano Urea (Liquid) Fertilizer
Kilburn Chemicals Limited	India	100.00%	100.00%	0.00%	0.00%	Manufacturing of Pigment

47 (B) - Additional Information required by Schedule iii

₹ In Lakhs

	Name of the Entity in the Group	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
A	**Parent**								
	Meghmani Organics Limited (Formerly known as Meghmani Organochem Limited)								
	31st March 2023	81.93%	1,36,761.16	105.33%	25,038.59	128.98%	115.93	105.42%	25,154.52
	31st March 2022	87.92%	1,28,909.83	101.17%	30,797.22	89.60%	43.08	101.15%	30,840.30
B	**Subsidiaries**								
(i)	Indian								
	Kilburn Chemicals Limited								
	31st March 2023	15.99%	26,696.98	-4.39%	(1,043.41)	1.76%	1.58	-4.37%	(1,041.83)
	31st March 2022	10.56%	15,484.80	-1.44%	(439.07)	0.00%	-	-1.44%	(439.07)
	Meghmani Crop Nutrition Limited (Formerly Known as Meghmani Synthesis Limited)								
	31st March 2023	0.33%	555.00	-0.15%	(34.78)	0.00%	-	-0.15%	(34.78)
	31st March 2022	0.00%	-	0.00%	-	0.00%	-	0.00%	-
(ii)	Foreign								
	Meghmani Organics USA INC								
	31st March 2023	1.74%	2,908.68	-0.80%	(189.60)	-30.80%	(27.68)	-0.91%	(217.28)
	31st March 2022	1.52%	2,226.96	0.28%	85.03	10.32%	4.96	0.30%	89.99
	PT Meghmani Organics Indonesia								
	31st March 2023	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	31st March 2022	0.00%	-	0.00%	-	0.00%	-	0.00%	-

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

47 (B) - Additional Information required by Schedule iii

₹ In Lakhs

Name of the Entity in the Group	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
Meghmani Overseas FZE Dubai								
31st March 2023	0.00%	0.92	0.00%	0.02	0.06%	0.05	0.00%	0.07
31st March 2022	0.00%	0.85	0.00%	(1.10)	0.08%	0.04	0.00%	(1.06)
Total								
31st March 2023	**100.00%**	**1,66,922.74**	**100.00%**	**23,770.82**	**100.00%**	**89.88**	**100.00%**	**23,860.70**
31st March 2022	**100.00%**	**1,46,622.44**	**100.00%**	**30,442.08**	**100.00%**	**48.08**	**100.00%**	**30,490.16**

48 - Capital Management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2023 and March 31, 2022.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

₹ In Lakhs

Particulars	31st March 2023	31st March 2022
Total Interest bearing Liabilities	82,045.91	49,450.60
Less : Cash and Cash Equivalent	3,105.68	1,048.99
Adjusted Net Debt	**78,940.23**	**48,401.61**
Total Equity	1,66,922.75	1,46,622.44
Adjusted Equity	**1,66,922.75**	**1,46,622.44**
Adjusted net debt to total equity ratio	0.47	0.33

49 - Composite Scheme of Arrangement:

(a) Pursuant to the Composite Scheme of Arrangement ("the Scheme") approved by NCLT Ahmedabad Bench vide its order dated 03 May 2021 (the "Order") the Agrochemicals and Pigments Division of Meghmani Organics Limited (MOL) along with its investment in Optionally Convertible Redeemable Preference Shares ("OCRPS") of Meghmani Finechem Limited (MFL) got demerged into the Holding Company. Pursuant to the Scheme, the Holding Company filed Information Memorandum with National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) and further filed the same with SEBI for the approval. The Holding Company received final approval from SEBI on July 30, 2021 pursuant to which it was listed with NSE and BSE on August 18,2021. Further, pursuant to the final order, excess provision of stamp duty amounting to ₹ 1,486.55 Lakhs has reversed and accounted as other income for the year ended March 31, 2022.

(b) Pursuant to the Scheme and on receipt of certificate of incorporation for change of name from the registrar of companies, Ahmedabad, Gujarat, the name of the Holding Company has been changed from "Meghmani Organochem Limited" to "Meghmani Organics Limited" with effect from August 3, 2021.

As per the Scheme, Optionally Convertible Redeemable Preference Shares (OCRPS) issued by Meghmani Finechem Limited (MFL) was transferred to the Company. The investment in OCRPS of MFL was transferred from MOL at cost of ₹ 10,986.54. Subsequent to transfer of OCRPS, the Company had fair valued investment in OCRPS as per the requirements of Ind AS 109 and had opted for recognising the fair value difference through Statement of Profit and Loss. Fair value gain of ₹ 1,124.00

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

49 - Composite Scheme of Arrangement: (Contd..)

Lakhs was accounted in other income for the year ending March 31, 2021. Further, as per the Scheme, OCRPS issued by MFL were converted into Redeemable Preference Share (RPS) with same terms and conditions and tenure. The Company has fair valued the conversion of OCRPS to RPS as per the requirements of Ind AS 109 and the fair value gain of ₹ 946.04 Lakhs has been accounted as other income for the year ended March 31, 2022.

Change in name of the company:

Pursuant to the Scheme and on receipt of certificate of incorporation for change of name from the registrar of companies, Ahmedabad, Gujarat, the name of the Holding Company has been changed from "Meghmani Organochem Limited" to "Meghmani Organics Limited" with effect from August 3, 2021.

Conversion of Optionally Convertible Redeemable Preference Shares (OCRPS) to Redeemable Preference Shares (RPS):

As per the Scheme, Optionally Convertible Redeemable Preference Shares (OCRPS) issued by Meghmani Finechem Limited (MFL) was transferred to the Holding Company. The investment in OCRPS of MFL was transferred from MOL at cost of ₹ 10,986.54. Subsequent to transfer of OCRPS, the Holding Company had fair valued investment in OCRPS as per the requirements of Ind AS 109 and had opted for recognising the fair value difference through Statement of Profit and Loss. Fair value gain of ₹ 1,124.00 Lakhs was accounted in other income for the year ending March 31, 2021. Further, as per the Scheme, OCRPS issued by MFL were converted into Redeemable Preference Share (RPS) with same terms and conditions and tenure. The Holding Company has fair valued the conversion of OCRPS to RPS as per the requirements of Ind AS 109 and the fair value gain of ₹ 946.04 Lakhs has been accounted in other income for the year ended March 31, 2022.

Stamp duty on immovable property

As per the Article 20(d) of Schedule I to the Gujarat Stamp Act, 1958, the Holding Company had provided for ₹ 2,500 Lakhs as stamp duty on the immovable property that will be transferred from erstwhile MOL to the Holding Company and shares to be issued to the shareholders of the Holding Company pursuant to the Scheme. Further, pursuant to the final order of stamp duty payable, excess provision of stamp duty amounting to ₹ 1,486.55 Lakhs has been reversed and accounted as other income during the year ended March 31 2022.

50 -Other Disclosures

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Group do not have any transactions or balance with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

51 - Acquisition of Killburn Chemicals Limited

On 16th December 2021, the Holding Company acquired control over Killburn Chemicals Limited ("KCL"). KCL was admitted under Corporate insolvency resolution process in terms of the Insolvency and Bankruptcy Code, 2016 of India. The National Company Law Tribunal (NCLT), Kolkata Bench, vide its order dated December 16, 2021 approved the resolution plan of the Holding Company for acquiring 100% stake in KCL for total consideration of ₹ 13,176.00 Lakhs. Pursuant to the approved resolution plan, KCL has become a wholly-owned subsidiary of the Holding Company.

The acquisition has been accounted under the acquisition method as prescribed by Ind AS 103 "Business Combinations".

Accordingly, the accounting treatment has been given as under: -

(i) The assets and liabilities of KCL as at December 16, 2021 have been incorporated at their fair values in the financial statements of the Group.

(ii) The excess of the purchase consideration over fair value of assets and liabilities acquired is recorded as capital reserve.

The fair value of the identifiable assets and liabilities of KCL as at the date of the acquisition were as follows:

₹ In Lakhs

Particulars	Fair value as on acquisition date
Non - current Assets	
Property, Plant and Equipment	17,765.88
Other Non current Assets	66.99
Total Non - current Assets	**17,832.87**
Current Assets	
Inventories	412.03
Cash and Cash Equivalents	16.60
Other Financial Assets	13,210.93
Other Current Assets	947.90
Total Current Assets	**14,587.46**
Total Assets [A]	**32,420.33**
Non - current Liabilities	
Other Non - current Liabilities	591.89
Total Non - current Liabilities	**591.89**
Current Liabilities	
Borrowings	12,936.49
Trade Payables	
Total outstanding dues of micro and small enterprise	-
Total outstanding dues of creditors other than micro and small enterprise	0.01
Other Financial Liabilities	271.28
Other Current Liabilities	3,055.79
Provisions	6.00
Total Current Liabilities	**16,269.57**
Total Liabilities [B]	**16,861.46**
Fair Value of identifiable net Assets [A-B]	**15,558.87**
Consideration Paid	13,176.00
Capital Reserve on Acquisition #	2,382.87

The capital reserve generated on acquisition of KCL is majorly on account of KCL plant being non-operational since September 2018. As per the resolution plan submitted by the Holding Company and approved by NCLT, the Holding Company will be further investing appx. ₹ 7,500 Lakhs to make the KCL plant operational and further investment will be made to scale up the operations and enhance the product portfolio and production capacity. Accordingly, the excess of the purchase consideration over fair value of assets and liabilities acquired is recorded as capital reserve.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

51 - Acquisition of Killburn Chemicals Limited (Contd..)

Since the date of acquisition, KCL has contributed ₹ Nil and ₹ 439.07 Lakhs to the Group revenue and loss before taxation respectively for the year ended 31 March 2022. Had these business combination been effected at April 1, 2021, the revenue of the Group from continuing operations would have been higher by Nil and profit from continuing operations would have been lower by ₹ 2315.46 (excluding exceptional item and tax) Lakhs on a pre-consolidation adjustments basis.

52 - Events occurred after the Balance Sheet date

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of financial statement to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 28th April 2023 there were no material subsequent events to be recognized or reported that are not already disclosed, other than as disclosed below.

On April 16, 2023, there was a fire at warehouse of one of the manufacturing units of the Holding Company at Panoli location majorly leading to loss of inventories. The potential cause of fire is under investigation and the damage and financial impact assessment is in progress. The assets of the Holding Company are adequately covered under insurance through IAR (Industrial All Risk Policy). The insurance company was immediately informed and surveyor has been appointed in this regards

53 Previous period figures have been regrouped / restated wherever necessary to make them comparable with those of the current year.

AS PER OUR REPORT OF EVEN DATE

FOR S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003

per **Sukrut Mehta**
Partner
Membership No : 101974

Place : Ahmedabad
Date : 29th April 2023

Ankit N Patel
Chief Executive Officer

G S Chahal
Chief Financial Officer

Jayesh R Patel
Company Secretary

For And on Behalf of The Board of Directors of Meghmani Organics Limited (Formerly known as Meghmani Organochem Limited) (CIN-L24299GJ2019PLC110321)

J.M.Patel-Executive Chairman
(DIN - 00027224)

A.N.Soparkar - Managing Director
(DIN - 00027480)

N.M.Patel - Managing Director
(DIN - 00027540)

Place : Ahmedabad
Date : 29th April 2023

Notes to the Consolidated Financial Statements

for the year ended on 31st March 2023

Statement of Salient features of Financial Statement of Subsidiaries / Associates / Joint ventures as per Section 129(3) of the Companies Act 2013

Details of Subsidiary Companies as on 31.03.2023

Part - A Subsidiaries

Name of Subsidiary	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	PBT	Provision for Tax	PAT	Proposed Dividend
Kilburn Chemicals Limited	25,795.00	2,066.46	46,368.02	18,506.56	0.95	9.00	(1,395.59)	-	(1,395.59)	-
Meghmani USA INC	139.70	924.33	3,879.87	2,815.84	-	5,373.94	205.04	57.65	147.39	-
P T Meghmani Indonesia	123.30	(123.30)	-	-	-	-	-	-	-	-
Meghmani Overseas FZE	4.56	(3.64)	0.92	-	-	-	-	(0.02)	0.02	-
Meghmani Crop Nutrition Limited (Formerly Known as Meghmani Synthesis Limited)	5.00	(34.78)	606.57	601.57	-	-	(34.78)	-	(34.78)	-

Notice

NOTICE is hereby given that Fourth Annual General Meeting of the Company will be held on **Tuesday, 27th June, 2023 at 12 noon** through Video Conferencing(VC)/ Other Audio-Visual Means(OAVM) to transact the following business:-

ORDINARY BUSINESS:

Adoption of Financial Statements

1. To receive, consider, and adopt:

   (i) the Audited Standalone Financial Statement of the Company for the financial year ended 31st March, 2023 together with report of the Board of Directors & Auditors thereon and

   (ii) the Audited Consolidated Financial Statement of the Company for the financial year ended on 31st March, 2023 together with report of Auditors thereon.

Declaration of Dividend

2. To declare a final Dividend of ₹ 1.40 (140%) per equity share of ₹ 1/- each for the financial year 2022-23.

Appointment of a Director retire by rotation

3. To appoint a director in place of Mr. Jayanti Patel (DIN:00027224), who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint a director in place of Mr. Anand Patel (DIN:00027836), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

5. **Ratification of remuneration payable to Cost Auditors of the Company for the financial year 2023-24**

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

   "**RESOLVED THAT** in accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand only) per annum plus tax as applicable and reimbursement of out of pocket expenses to be paid to M/s. Kiran J. Mehta & Co. Cost Accountants Ahmedabad (Firm's Registration No. 000025), being Cost Auditors appointed by the Board of Directors to conduct audit of the cost records of the Company for the Financial Year 2023-24 be and hereby ratified."

   "**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof), be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. **Omnibus Approval of Material Related Party Transaction for the financial year 2023-24**

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

   "**RESOLVED THAT** pursuant to Section 188 and other applicable provisions if any of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and any other applicable provisions, including any amendment, modification, variation or re-enactment thereof, Consent of the Members of the Company be and is hereby given for transactions upto ₹ 300 Crores with Meghmani Finechem Limited during the financial year from April 1, 2023 till March 31, 2024 as also accord further approval to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee(s) constituted/to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution), for entering into and/ or carrying out and/or continuing with contracts, arrangements and transactions (whether individual transaction or transactions taken together or series of transactions or otherwise) with Meghmani Finechem Limited being a related party, whether by way of renewal(s) or extension(s) or modification(s) of earlier contract/arrangements/ transactions or otherwise, with respect to Sale and Purchase of Goods and/or other transactions including transactions as may be disclosed in the notes forming part of the financial statements for the relevant period notwithstanding the fact that all these transactions during the financial year 2023-24, in aggregate have exceeded 10% of the annual consolidated turnover of the Company for the relevant year."

   "**RESOLVED FURTHER THAT** the Members of the Company do hereby ratify as also accord further approval to the Board to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Directors and/or director(s) and/or officer(s) of the Company, to give effect to this resolution".

By order of the board
For Meghmani Organics Limited
(Formerly known as Meghmani Organochem Limited)

Registered Office
Meghmani House,
B/h. Safal Profitaire,
Prahladnagar,
Ahmedabad - 380015
Date: April 29, 2023

Jayesh Patel
Company Secretary
ICSI Mem.No:A14898

NOTES:

Convening of AGM through video conferencing ("VC") or any other audio-visual means ("OAVM")

1. In terms of latest General Circular No. 10/2022 dated December 28, 2022 and earlier circulars issued in this regard by the Ministry of Corporate Affairs ("MCA circular") read with the Securities and Exchange Board of India Circular No. SEBI/ HO/CFD/PoD-2/P/ CIR/2023/4 dated January 5, 2023 and earlier circulars issued in this regard ("SEBI circular") and in compliance with the provisions of the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 ("Listing Regulations"), the 4th Annual General Meeting (AGM) of the Members of the Company is being conducted through VC/OVAM and the AGM shall be deemed to be convened and held at the registered office of the Company for the purpose of meeting statutory requirement under the Companies Act, 2013 or any other statute. Hence, members can attend and participate in the AGM through VC/OAVM only. **The Members are requested not to visit Corporate Office /Registered Office to attend the AGM**. Shareholders are requested to refer Note No 31 & 32 for detailed procedure for e-Voting and participation in the AGM through VC/ OAVM. The Proceedings of the AGM will be made available on the website of the Company www.meghmani.com in the Investors Section, in due course of time.

Attendance Slip and Proxy Form

2. Pursuant to the provisions of the Act, 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 this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available in this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint their authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

Quorum

3. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. Physical attendance of Members is not required at the AGM.

Explanatory Statement and details of Directors seeking appointment/re-appointment

4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

5. Details in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

6. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

Dispatch of Notice and Annual Report through electronic means

7. In compliance with the aforesaid MCA circulars and SEBI circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Printed copy of the Annual report (Including Notice) is not being sent to the Members in view of MCA Circular. Members may note that the Notice convening the AGM and Annual Report 2022-23 have been uploaded on the website of the Company at www.meghmani.com and website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and also available on website of CSDL at https://www.evoting.cdsl.com.

8. Members holding shares in physical mode and who have not registered / updated their e-mail address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at cs@meghmani.com or to ahmedabad@linkintime.co.in. Members holding shares in dematerialised mode are requested to register / update their e-mail address with the relevant Depository Participant.

Cut-off date as to dividend and voting

9. The Company has designated Tuesday, June 20, 2023 as "cut-off date" to determine the entitlement of the shareholders to receive dividend for the year 2022-23 and voting rights for the purpose of Annual General Meeting.

10. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. June 20, 2023.

Scrutinizer for voting

11. The Company has appointed **M/s. CNK Khandwala & Associates, Chartered Accountants, Ahmedabad** to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

Voting Results

12. The voting results shall be declared within two working days from the conclusion time of the Meeting. The results declared along with the Scrutinizer's Report will be placed on the website of the Company at http://www.meghmani.com/ immediately after the result is declared by the Chairman or any other person authorised by the him in this regard and will simultaneously be sent to BSE Limited and National Stock Exchange of India Limited, where equity shares of the Company are listed.

Dividend

13. The Board of Directors at its meeting held on April 29, 2023, has recommended a final dividend of ₹ 1.40 per equity share of the face value of ₹ 1/- each. The final dividend, if declared at the Annual General Meeting, will be paid to those members of the Company, whose names appear in the Register of Members or Register of Beneficial Ownership as on June 20, 2023 ("cut-off date"). The dividend will be payable on or after July 4, 2023.

14. SEBI has made it mandatory for all companies to use the bank account details furnished by Depositories and maintained by the Registrar and Share Transfer Agent for payment of Dividend to the Members electronically. In the absence of details for electronic payment or in cases where electronic payments have failed/ rejected by the Bank, the Company would issue demand drafts/dividend warrants/cheques and print the bank account details, as available, on instrument of payment of dividend.

15. Members are requested to update the bank details including 11-digit IFSC code and 9 digit MICR code with the Depository Participants (DP) to receive the amount of dividend quickly. In case of shares held in physical form, the said details may be communicated to the RTA or Company, by quoting registered folio number and attaching photocopy of the cheque leaf of the active bank account along with a self-attested copy of the PAN card.

Taxation of Dividend

16. *We would like to draw the attention of members that the dividend after approval in the ensuing AGM will be paid to those shareholders who held shares in their demat account as on June 20, 2023 (cut-off date for the purpose of dividend entitlement). Many times, Brokers are not transferring the shares purchased by their client (shareholders) and parking their shares in pool account and these shares are falling under category "clearing member". It is, therefore, shareholders are advised to ask their brokers to transfer their shares purchased into demat account of the shareholder in order to receive amount of dividend and credit of Tax Deducted at Source (TDS), if any into the account of members. If the shares are parked in their pool accounts as clearing member by the brokers of shareholders, the dividend will be paid to them.*

17. Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a Company after 1st April 2020 shall be taxable in the hands of the Shareholders. No tax will be deducted on payment of dividend to the resident individual shareholders if the amount of dividend payable does not exceed ₹ 5,000/-. Your Company shall therefore be required to deduct tax at source at the time of making the payment of the said Dividend payable. The shareholders are requested to update their PAN with the Company / Linkintime. (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). However, no tax or reduced tax shall be deducted on the dividend payable by the company in cases the shareholder provides Form 15G (applicable to any Resident Individual other than a Company or a Firm) / Form 15H (applicable to an Resident Individuals above the age of 60 years) / Form 10F (applicable to Non- Residents), provided that the eligibility conditions are being met. Needless to say, Permanent Account Number (PAN) is mandatory for category of Forms. To avail this benefit, shareholders need to provide respective declaration/ document (form 15g /15h/ 10f) at the website of our RTA(Linkintime. (India) Pvt. Ltd. or at below given link, on or before June 20, 2023.

    https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html

    Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading respective declaration/ documents as mentioned hereinabove.

18. 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 period. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent.

Unclaimed dividends and shares

20. Members are requested to refer the details of unclaimed dividend of the Company as set out in the Report on Corporate Governance and to approach our RTA i.e. Linkintime to claim their dividend.

21. Members wishing to claim unclaimed dividends are requested to correspond with Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company.

22. Members are requested to note that dividends not encashed or claimed within Seven Years from the date of transfer to the Company's Unpaid Dividend Account, will be, transferred to the Investor Education and Protection Fund (IEPF) as per Section 125 of the Companies Act, 2013.

23. Members may refer Para 13.15 of Corporate Governance Report as to unclaimed shares and approach RTA i.e. Linkintime to claim their shares by forwarding a request letter duly signed by members furnishing complete postal address along with PIN Code, a copy of PAN Card and proof of Address duly signed by members (self-attestation), for the delivery of the Equity Shares in the Demat form, a copy of Demat Account – Client Master Report duly certified by the Depository Participant and a recent demat account statement, to enable the Company to initiate the process for transferring the said Equity Shares.

Procedure for Inspection of Documents:

24. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode by sending an e-mail to cs@meghmani.com.

Queries

25. Members can express their views and submit questions/ queries in advance with regard to the Financial Statements from their registered e-mail address, mentioning their name, **DPID** and **Client ID number/folio number** and mobile number at the Company's investor desk at cs@meghmani.com at least 10 (Ten) days before the date of the Meeting so that the information required may be made available at the Meeting.

Nomination

26. Members can avail facility of nomination in respect of equity shares held by them pursuant to Section 72 of the Act and rules made thereunder. Members holding equity shares in demat mode may contact their respective Depository Participant for availing this facility. Members holding equity shares in physical form desiring to avail this facility may send their nominations in the prescribed Form No. SH-13 duly filled in, to Link Intime at the abovementioned address.

Request to Members to participate in green initiative

27. In compliance with the MCA Circulars and the SEBI Circulars, all Members holding shares in physical form or demat mode, are requested to register/keep their records viz. e-mail address, PAN, Bank Account details, registered Mobile Nos. updated to:

    - Receive electronic copies of the all Company communications to Shareholders viz. Notice of AGMs/ EGMs/Postal Ballot notice, Annual Reports, Dividend mandates and other correspondence on their registered e-mail address.
    - Receive seamless credit of Dividend directly to the registered bank account through electronic clearing services or any other means.

E-Voting

28. The Company is pleased to provide members, facility to exercise their right to vote at the 4th Annual General Meeting (AGM) by electronic means through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

29. The detailed procedure for participation in the meeting through VC/OAVM is available at the Company's website www.meghmani.com.

30. The helpline number regarding any query / assistance for participation in the AGM through VC/ OAVM is 022-23058542/43.

31. **PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS**

    1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL)

for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

2. 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. The facility of participation at the AGM through VC/OAVM will be made available to atleast 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 EGM without restriction on account of first come first served basis.

3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the EGM through VC/ OAVM and cast their votes through e-voting.

5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice convening the AGM has been uploaded on the website of the Company at www.meghmani.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 and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

6. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA latest Circular No. 02/2022 dated May 5, 2022 along with earlier circulars issued in this regard..

32. **THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER :**

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins on Friday, 23 June, 2023 (from 9:00 a.m.) and ends on Monday, 26 June, 2023 (upto 5:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 20 June, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 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 www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

Type of shareholders	Login Method
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. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on “Shareholders” module.
3) Now enter your User ID
    a. For CDSL: 16 digits beneficiary ID,
    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/ RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

7) After entering these details appropriately, click on "SUBMIT" tab.

8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

10) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

11) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

12) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

13) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

14) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

15) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

17) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; jayesh.patel@meghmani.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/ OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via

Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to **Mr. Rakesh Dalvi, Sr. Manager, (CDSL,)** Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on **022-23058542/43**.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

Ratification of the remuneration payable to Cost Auditors of the Company

The Board, on the recommendation of the Audit Committee, has approved in their meeting held on April 29, 2023 the appointment of M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors of the Company to audit the cost records of the Company for the financial year ending on March 31, 2024 at a remuneration of ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors need to be ratified by the members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s).

The Board accordingly, recommends the members for passing of the resolution as set out at item No: 5 of the Notice as an Ordinary resolution.

ITEM NO. 6

Omnibus Approval of Material Related Party Transaction with MFL for the financial year 2023-24

The Company is in the business of manufacture of Agrochemicals and Pigments. Meghmani Finechem Limited (MFL), being a Related Party in which KMP and their relatives have significant influence, engaged in the business of specialty chemicals including Chlorine and Caustic at plant which is adjoining to our manufacturing facility at Dahej. Your Company is consuming Chlorine supplied by MFL through pipe line from its plant situated at GIDC Dahej, which is adjoining to the manufacturing facility of the Company, to manufacture the Agrochemical Products. MFL is also supplying Caustic to other six manufacturing sites of MOL.

The transaction to be entered into with MFL including but not limited to quantity of Caustic and Chlorine to be purchased from MFL will be at arm's length prices and in the normal course of business. The total value of the proposed transaction(s) with MFL during the financial year 2023-24 may reach to ₹ **300** Crore.

Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 has been amended which mandates the listed Company to take prior approval of members for material Related Party Transactions if *A transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.*

In terms of policy on Related Party Transaction, increase in rupee value by more than 25% compared with value limit for transaction with Related Parties as approved by the Shareholders shall be considered material modifications and it requires prior approval of Shareholders. The omnibus approval by shareholders shall have auto approval for additional value of transaction upto 25% of the approved limit for specific period and it shall not require fresh approval of shareholders and may be considered in the omnibus approval for succeeding year.

Hence, omnibus approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with MFL in the financial year 2022-23. Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) with MFL are as follows:

Hence, omnibus approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with MFL in the financial year 2023-24. Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) with MFL are as follows:

Name of the Related Party	Name of the Director/KMP who is related and nature of their relationship	Nature, material terms, monetary value and particulars of the contract or arrangement
Meghmani Finechem Limited	Directors of Meghmani Organics Limited viz., **Directors:** Mr. Jayantibhai Patel Mr. Ashish Soparkar Mr. Natubhai Patel Mr. Ramesh Patel Mr. Anand Patel **KMP:** Mr. Ankit Patel, CEO Are related to Directors of Meghmani Finechem Limited Mr. Maulik Patel, Mr. Kaushal Soparkar Mr. Ankit Patel Mr. Karana Patel Mr. Darshan Patel	Nature of Transaction :- Purchase, Sale, or supply of any goods or material (directly or through an agent), others. **Material terms :-** (1) Value of Transaction ₹ 300 Crores for the Financial Year 2023-24 (or such extended period or time as may be decided by the Board of Directors). (2) Purchase/Sales/ Transaction or supply of goods or materials will be on order to order basis (3) Purchase/Sales Transaction or supply of goods or materials will be on a continuous basis (4) Purchase/Sales/others will be made at Arm's Length price or prevailing market price as may be mutually decided by the Board of Directors (5) No advance is given for the Purchase/Sales Transaction or supply of goods or materials (6) The Credit period of 30 days is given for payment of Tax Invoice which is at par with the other Customers. (7) Interest @18 % per annum will be charged on the amount remaining unpaid after due date. (8) No complaints in respect of material supplied will be considered unless the same is lodged in writing within 10 days of dispatch along with proof.

Based on the above facts and information provided hereinabove, the proposed transactions with MFL are in the interest of Company.

All Executive Directors of the Company together with their relative are holding 71.34% shares in MFL and KMP are also holding 2069 shares in MFL and they are interested or concerned financially or otherwise in the proposed resolution(s) to the extent of their holding in MFL. None of the other Directors, other Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s).

The Board of Directors recommends passing of the resolution as set out at item no. 6 of this Notice as an **Ordinary Resolution**.

By order of the board
For Meghmani Organics Limited
(Formerly known as Meghmani Organochem Limited)

Jayesh Patel
Company Secretary
ICSI Mem.No:A14898

Registered Office
Meghmani House,
B/h. Safal Profitaire,
Prahladnagar,
Ahmedabad - 380015
Date: April 29, 2023

Information required pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), in respect of Directors seeking appointment / re-appointment at the 4th Annual General Meeting

Name of Director	**Mr. Jayanti Patel** **Executive Chairman** **DIN 00027224**	**Mr. Anand Patel** **Executive Director** **DIN 00027836**
Age in completed years (as on March 31, 2023)	71	60
Date of first appointment on the Board	15th October, 2019	15th October, 2019
Qualification / Brief Resume / Expertise in specific functional area/ experience	He has experience of more than 45 years in the Dyes and Pigments Industry and more than 25 years in the Agrochemicals Industry. He was one of the founding members and executive chairman of erstwhile Meghmani Organics Limited, the Demerged Company. He holds a degree of Bachelor of Chemical Engineering from Maharaja Sayajirao University, Baroda.	He has experience of more than 34 years in the Pigments Industry. He was one of the founding members and whole time director of erstwhile Meghmani Organics Limited, the Demerged Company. He holds a degree of Bachelor of Science from the Gujarat University.
No. of Shares held in the Company	1,80,24,390	78,93,200
Relationship with other Directors and Key Managerial Personnel	Except Jayanti Patel, Natwarlal Patel and Ramesh Patel who are brothers, none of our Directors are related to each other as per the provisions of Companies Act, 2013. Further, except Natwarlal Patel who is father of Ankit Patel, CEO of our Company, none ofour Directors are related to any of the Key Managerial Personnel.	None
No of meetings of the Board attended during the year	4/4	4/4
Other Directorships	• Meghmani Crop Nutrition Limited • Alkali Manufacturer's Association of India • Meghmani Foundation • Meghmani Chemicals Limited	• Meghmani Crop Nutrition Limited • Meghmani Foundation
Chairmanship / Membership of Committees of other companies	-	-
Remuneration payable as Executive Directors	The remuneration payable consists of fixed remuneration and performance bonus governs as per Special Resolutions passed by members in their Extra-Ordinary General meeting held on May 7, 2021. The details of remuneration paid during FY2023 are given in Corporate Governance Report annexed with Directors' Report.	

Notes

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CHEMISTRY OF SUCCESS AT WORK

Meghmani Organics Limited

(Formerly known as Meghmani Organochem Limited)

Corporate & Registered Office

Meghmani House
B/h Safal Profitaire, Corporate Road,
Prahaladnagar, Ahmedabad – 380015. Gujarat, INDIA.

Phone : +91 79 2970 9600 / 7176 1000

Website: www.meghmani.com

E-mail: ir@meghmani.com

CIN: L24299GJ2019PLC110321